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NEW DELHI, TUESDAY, DECEMBER 22, 2020

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IN THE NEWS

Eighth instalment of ₹6k-cr GST aid released to states

THE CENTRE HAS released the eighth instalment of ₹6,000 crore as GST compensation payment to states, the government said on Monday, reports **fe Bureau** in **New Delhi**. States and union territories have so far received ₹48,000 crore of the ₹1.1 lakh crore to be disbursed by the Centre this fiscal.

SsangYong Motor files for bankruptcy

MAHINDRA & MAHINDRA (M&M) on Monday said its loss-making South Korean arm SsangYong Motor Company (SYMC) has filed for bankruptcy, reports **PTI**. SYMC has filed an application for commencement of rehabilitation procedure with the Seoul Bankruptcy Court under the Debtor Rehabilitation and Bankruptcy Act of South Korea, M&M said in a regulatory filing.

NEW COVID STRAIN

India suspends all UK flights till Dec 31

PRESS TRUST OF INDIA
New Delhi, December 21

ALL FLIGHTS CONNECTING the UK and India will remain suspended from Wednesday till December 31, the civil aviation ministry said on Monday in view of the emergence of a mutated variant of the coronavirus there. Moreover, it said passengers coming from the UK through flights till Tuesday midnight would be tested for Covid-19 on arrival at airports "as a measure of abundant precaution".

A number of countries like Canada, Turkey, Belgium, Italy and Israel have banned flights from the UK as the British government warned that the potent new strain of the virus was 'out of control' and imposed a stringent new stay-at-home lockdown from Sunday.

GOING VIRAL

Covid-positive passengers arriving from the **UK to be sent for institutional quarantine** set up states/UTs

■ Those found negative should be advised to **isolate at home for 7 days**

■ India has air bubble arrangement with more than **22 countries, including the UK**

■ Britain warns the potent new strain of the virus is **'out of control'**

Continued on Page 2

New strain driving S Africa's resurgence

SOUTH AFRICA HAS announced that a new variant of the virus is driving the current resurgence, with higher numbers of confirmed cases, hospitalisations and deaths, reports **AP**. The new strain, known as 501.V2, is dominant among new confirmed cases, say health officials and scientists leading the country's virus strategy. ■ Page 8

DELHI HC ORDER

Setback for Future but bigger jolt for Amazon

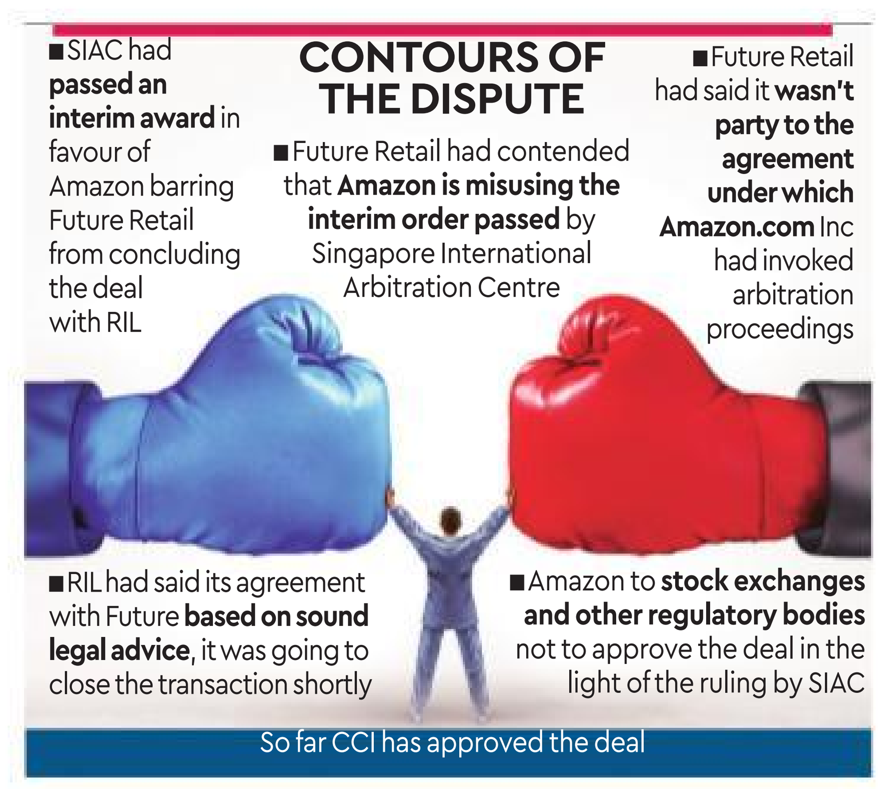
US giant's pact with Future Coupons could be in violation of FEMA/FDI rules

FE BUREAU
New Delhi, December 21

IN A RULING where both the parties can claim some relief as well as disappointment, the Delhi High Court on Monday rejected Future Group's plea that Amazon be restrained from writing to regulatory authorities not to accord approval to the former's deal with Reliance Retail. However, the court's order also said that the Future-Reliance Retail deal was in accordance with Indian laws, thus dealing a blow to Amazon's claim.

What can be more damaging to Amazon is that the court also said its deal with Future Coupons — prior to Reliance-Future deal — is in the nature of control, and therefore, required a prior government approval in the absence of which it is in violation of FEMA/FDI rules.

The basis of Amazon's complaint regarding the deal with Reliance Retail was its prior deal with Future Coupons where it had veto powers and if that is seen as illegal then it surely is a setback for the e-commerce firm, legal observers maintain.



Continued on Page 2

ELECTRIC SHOCK

Cross-subsidies cost businesses ₹75k cr in FY19

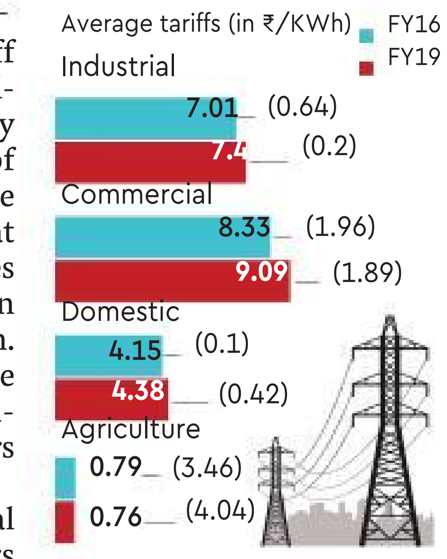
ANUPAM CHATTERJEE
New Delhi, December 21

SINCE THE NATIONAL Tariff Policy 2016 prescribed the tolerable extents of cross-subsidy among various segments of electricity consumers, the market-distorting system that jacks up the costs of industries and businesses, hasn't seen even a smidgen of correction. In fact, in absolute term, the cross subsidies have marginally increased in the four years to FY19 (see chart).

Among them, industrial and commercial consumers have borne a cross-subsidy burden of ₹75,027 crore in FY19 against ₹67,785 crore in FY16.

Of course, a larger part of the subsidies — largely cornered by the domestic and agriculture consumers — is borne by state governments and these were to the tune of ₹1.1 lakh crore in FY19, against ₹75,608 crore in FY16.

Persisting market distortions



Figures in parenthesis are the cross-subsidy cost over and above National Tariff Policy 2016 thresholds borne by industrial & commercial consumers and cross-subsidy benefit above the policy threshold enjoyed by domestic & agriculture segments.
Source: PFC

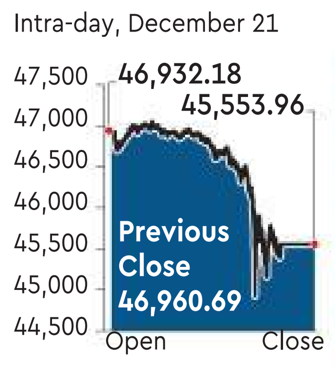
Continued on Page 2

Investors spooked FE BUREAU

Markets bear the brunt of new Covid strain

Snapping its six-session record-setting streak, equity benchmark Sensex crashed 1,407 points on Monday as a new strain of the coronavirus in the UK clobbered global markets. The 30-share BSE Sensex plunged 1,406.73 points or 3%. This was its biggest single-day fall since May 4 this year. Similarly, the broader NSE Nifty tanked 432.15 points or 3.14%. All Sensex components ended in the red

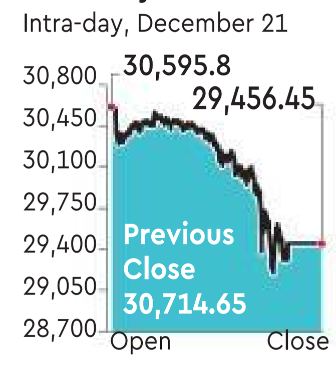
Sensex
Intra-day, December 21



Sensex posts it's eighth biggest fall in 2020

Date	Sensex	Fall in points
Mar 23, '20	25,981.24	-3,934.72
Mar 12, '20	32,778.14	-2,919.26
Mar 16, '20	31,390.07	-2,713.41
May 4, '20	31,715.35	-2,002.27
Mar 9, '20	35,634.95	-1,941.67
Mar 18, '20	28,869.51	-1,709.58
Feb 28, '20	38,297.29	-1,448.37
Dec 21, '20	45,553.96	-1,406.73

Bank Nifty
Intra-day, December 21



DHFL

Piramal says its bid beats Oaktree's

FE BUREAU
Mumbai, December 21

PIRAMAL ENTERPRISES CHAIRMAN Ajay Piramal has written a letter to the administrator for Dewan Housing Finance Corporation (DHFL) pointing out the company's bid for DHFL is ₹2,500 crore higher than that made by Oaktree Capital's. "Piramal Capital and Housing Finance's bid is designed to ensure the highest upfront cash payment of ₹13,000 crore. This is higher than the competing bid by ₹1,000 crore. Additionally, the competing bid has asked for an escrow of ₹1,500 crore from lenders' funds, and if we adjust that from cash payment, our bid is higher by ₹2,500 crore," the letter reads.

The letter argues Oaktree's offer is not implementable due to constraints in the takeover of DHFL's insurance business. "...the competing foreign financial investor's resolution plan is unimplementable till such time that a credible, regulatorily acceptable alternate buyer for the Insurance business emerges," the letter read.

FINE PRINT

IMPLEMENTABILITY
■ Oaktree can't complete deal for now as it will violate 49% cap on FDI in insurance

UNCONDITIONAL OFFER
■ Piramal bid is unconditional while Oaktree reserves the right to revoke/reprice bid

MORE UPFRONT CASH
■ At least ₹1,000 cr more & ₹2,500 cr more if ₹1,500 cr escrow condition of Oaktree is taken into account

HIGH EQUITY STAKE
■ Merger with PCHFL means ₹10,400 cr of immediate equity

FD HOLDERS BENEFIT
■ Will pay 10% more than what CoC gives

Continued on Page 2

COVID DEFAULTS

IBC relief to be extended by three more months

FE BUREAU
New Delhi, December 21

FINANCE AND CORPORATE affairs minister Nirmala Sitharaman on Monday said the suspension of insolvency cases against fresh Covid-related defaults could be extended by another three months from December 25.

Speaking at a virtual event of the Bangalore Chamber of Industry and Commerce, the minister said with insolvency proceedings against such defaults were being suspended, the government also "hand-held" MSMEs to help them tide over the damaging impact of the Covid-19 through several measures, including the ₹3-lakh-crore guaranteed loan programme. This Emergency Credit Line Guarantee Scheme (ECLGS) has now been extended to others as well, including larger companies in 27 stressed sectors and professionals like doctors or chartered accountants.

FRESH BREATHER

■ Govt already has House nod to **suspend IBC against Covid-related defaults** for up to a year from March 25, 2020

■ Initially, **the suspension was valid for 6 months**, which was then extended by 3 months

■ Govt wanted to review the situation before **granting another 3-month extension** from December 25

Continued on Page 2

STP ORDER

SAT's notice to Sebi on plea by 63 Moons

PRESS TRUST OF INDIA
New Delhi, December 21

63 MOONS TECHNOLOGIES on Monday said the Securities Appellate Tribunal has issued a notice to Sebi on an appeal filed by the company against the order related to providing straight through processing (STP) services.

On December 3, Sebi said 63 Moons has been offering STP services without its approval and allowed it to provide such services for three more months to clients in order to avoid any possible disruptions for securities market participants. Financial firms use STP to pass information electronically in order to optimise the speed at which they process transactions.

Continued on Page 2

Tata Motors to hike CV prices from Jan

TATA MOTORS ON Monday said its commercial vehicle prices will be revised upwards from January 1 to partially offset the steady rise in input costs and impact of forex and transition to BS-VI norms, reports **fe Bureau** in **New Delhi**.

The price increase is expected across the portfolio of medium and heavy commercial vehicles, intermediate and light commercial vehicles, small commercial vehicles as well as buses.

Thus far, Maruti Suzuki, Hero MotoCorp, Honda Motor, and Mahindra and Mahindra have announced that they will increase prices of their vehicles from January to offset rise in input costs.

2020 HIGH

Tesla's rise made US auto industry go electric

JOSEPH WHITE
Detroit, December 21

TESLA AND WALL Street made 2020 the year that the US auto industry decided to go electric.

Tesla's market capitalisation surged above $600 billion, making the once wobbly startup founded by billionaire Elon Musk worth more than the five top-selling global vehicle making groups combined. The exclamation point came on Friday when Tesla rose to a record high in frantic trading ahead of the stock's much anticipated entrance into the benchmark S&P 500 index.

Elon Musk

For 2021, all signs point toward the industry accelerating its shift toward electrification, a turning point as historically momentous as the launch of Ford Motor Co's moving assembly line for the Model T or General Motors' 2009 bankruptcy.

Tesla's ascent came the same year that activist hedge funds and other investors ratcheted up pressure on corporations to fight climate change. Evidence is growing that more investors have concluded the century-long dominance of internal combustion engines — "ICE" in industry slang — is headed toward a close within a decade.

From London to Beijing to California, political leaders also embraced plans to start phasing out internal combustion engine-only vehicles as early as 2030. Pressure to cut emissions undermines the logic for significant new investments in ICE engines. Thousands of manufacturing jobs are currently tied to internal combustion in the US, Britain, Germany, France, Japan and other countries.

Continued on Page 2

Economy

MORE POWER TO CONSUMER

RK Singh, Union power minister

Discoms across the country are monopolies – whether government or private – and the consumer has no alternative, therefore it was necessary that the consumers' rights be laid down in rules and a system for enforcement of these rights be put in place

Quick View

'Govt aims to double farm mechanisation in next 10 years'

AGRICULTURE MINISTER NARENDRA Singh Tomar on Monday said the government is focusing on farm mechanisation and asked the industry to provide small machines and equipment to farmers with less landholding to boost their income. The minister was speaking at the annual general meeting of Tractor and Mechanization Association on Monday.

Gadkari launches over ₹13k crore highway projs

UNION MINISTER NITIN Gadkari on Monday inaugurated and laid foundation stone of projects worth over ₹13,000 crore in Telangana. These projects are for a total length of 765.66 km of highways. "Union minister for road transport and highways Nitin Gadkari inaugurated and laid foundation of 14 NH projects in Telangana on Monday through virtual mode.

Vineet Agarwal takes over as new Assocham chief

MANAGING DIRECTOR OF logistics major Transport Corporation of India Vineet Agarwal has taken over as the President of The Associated Chambers of Commerce and Industry of India (Assocham), the industry body said on Monday.

HUDCO signs MoU with MoHUA for FY21 targets

HUDCO HAS SIGNED a pact with the ministry of housing and urban affairs (MoHUA) for setting key targets for the financial year 2020-21. The MoU was signed between Durga Shanker Mishra, secretary of MoHUA, and Kamran Rizvi, chairman and managing director of HUDCO, in the presence of M Nagaraj, director (corporate planning) and D Guhan, director (finance).

REFUELLING TIME

Gas-based power plants want fuel allocation from upcoming fields

ANUPAM CHATTERJEE
New Delhi, December 21

SEVERELY STRESSED GAS-BASED power plants have sought a "separate bucket for allocation/auction of gas" from the offshore fields on the eastern coast of the country where production is to commence soon.

As much as 24,900 megawatt of gas-based power stations operated at only 26% utilisation levels in the April-October period for lack of fuel supply. Around 12,000 MW of gas plants are stressed assets, 5,600 GW have had no gas supplied to them in FY20, while the rest had limited supplies.

In letters to the Prime Minister's Office and the petroleum and power ministries, the Association of Power Producers (APP) has said, "The additional 30 million standard cubic meters per day (mscmd) of domestic natural gas to be available by FY23 from KG basin should have some quantity earmarked for the power sector plants, which have no gas presently, on priority basis to revive and operationalise them in long term."

The ultra-deep-water gas fields in in the KG D6 Block of the Krishna Godavari basin, developed by Reliance Industries (RIL) and BP, are expected to cumulatively produce 30 mscmd by 2023, accounting for a quarter of the country's domestic gas output.

RIL and BP announced the commencement of gas production from the block on December 18 and the fuel will be sold according to standard bidding norms approved by the Cabinet in October. Though these fields have been given considerable pricing and marketing freedom, the gas prices are to be capped under the government determined tariff limits. The current price cap is set at $4.06/million British thermal units (mBtu), and is expected to rise after March 31, 2021. To make gas-based power commercially viable, the cost of the fuel at burner tip — including transportation costs and taxes — should not be more than $6/mbtu.

"The domestic gas that would be produced can be allocated through bidding route, but of the total gas being bid, there should be a special bucket or a specific quantity solely for the power sector as power sector cannot compete with other non-regulated industries," the APP said. Though it is touted as one of the cleanest and reliable source, the share of electricity from gas-based power plants — even amid the current efforts to achieve emission reduction targets — remains less than 4%.

Average plant load factor (PLF) of India's gas-based power plants increased only three percentage points annually in April-October 2020 even though spot liquefied natural gas (LNG) prices fell about 22% year-on-year. The marginal rise in PLF can be attributed to power generation increasing multi-fold in only a handful of generating stations located near the gas import terminals on the western coast. "Transportation costs of gas remained high, and coupled with landed cost of LNG imports and regasification, the final power price is still high and uncompetitive in relation to coal-based plants," a source said.

Reaping the benefit of lower fuel rates, around 2,600 MW of state-owned gas-based plants of Gujarat (Pipapav, Uran, Dhuvaran, Utran and Hazira units) increased their PLF levels two to three times from last year. Electricity production from Torrent Power's 1,200 MW Dgen unit and NTPC's 657 MW Gandhar gas plant, also in Gujarat, have more than doubled from last year.

On the other hand, most of the units at Lanco Kondapalli (1,476 MW), GMR Rajahmundry (768 MW), GVK Gautami (465 MW) — all in Andhra Pradesh — continue to lie idle.

Reintroduce gas subsidy scheme to revive power plants, says APP

THE ASSOCIATION of Power Producers (APP) has urged the government to reintroduce gas subsidy scheme for revival of gas-based electricity generation projects in the country. The body has also sought dedicated allocation or auction of gas for power sector and inclusion of natural gas under goods and services tax (GST) regime to maintain 5% tax across the country. In a letter shot off to power minister RK Singh last week, APP asked for reintroduction of a modified E-RLNG (electronic auction of subsidy to buy regasified liquefied natural gas) scheme to improve the PLF (plant load factor or capacity utilisation) of stressed gas- based power generation plants. — PTI

Talks on global growth can't happen among a few: Modi

PRESS TRUST OF INDIA
New Delhi, December 21

ASSERTING THAT GROWTH patterns must follow a human-centric approach, Prime Minister Narendra Modi on Monday said discussions on global growth cannot happen only among a few as the "table must be bigger" and the agenda broader.

Prime Minister Narendra Modi

The prime minister's remarks at the 6th Indo-Japan Samwad Conference assume significance as they come at a time when India has been pushing for reformed multilateralism at the UN and other global fora, calling for representation reflecting contemporary realities.

Modi, in his message at the conference via video link, said hostility will never achieve peace and in the past, humanity took the path of confrontation instead of collaboration.

"From Imperialism to the world wars. From the arms race to the space race. We had dialogues but they were aimed at pulling others down. Now, let us rise together," Modi said.

Lord Buddha's teachings command the strength to turn the discourse from enmity to empowerment and his teachings also make us large-hearted, Modi said.

"They (Buddha's teachings) tell us: learn from the past and work towards a better future. This is the best service we can do for our future generations," he said.

Noting that this is the first Samwad of a new decade which is happening at a critical moment of human history, Modi said, "Our actions today will shape the discourse in the coming times. This decade and beyond will belong to those societies that place a premium on learning and innovating together."

It will be about nurturing bright young minds who will add value to the humanity in the times to come, he said.

Learning should be such that it furthers innovation, which is the cornerstone to human empowerment, he said.

Underlining that societies that are open minded, democratic and transparent are better suited to innovate, Modi said now is the time, more than ever before, to change the paradigm on what we see as growth.

"Discussions on global growth cannot happen only between a few. The table must be bigger. The agenda must be broader. Growth patterns must follow a human-centric approach. And, be in harmony with our surroundings," he said.

Modi also called for keeping humanism at the core of policies.

"We must make harmonious co-existence with nature as the central pillar of our existence," he said.

In his address at the conference, the prime minister also proposed the creation of a library dedicated to traditional Buddhist literature and scriptures.

"We will be happy to create such a facility in India and will provide appropriate resources for it," he said.

Govt releases 8th instalment of ₹6,000 cr to states to meet GST compensation shortfall

FE BUREAU
New Delhi, December 21

THE CENTRE HAS released the eighth instalment of ₹6,000 crore as GST compensation payment to states, the government said on Monday. States and union territories have so far received ₹48,000 crore of the ₹1.1 lakh crore to be disbursed by the Centre this fiscal.

The central government borrows the funds under a special window and passes it on to states in a back-to-back loan arrangement.

The interest rate for the latest loan instalment was 4.19%, while the average rate for the entire borrowing so far is at 4.7%, the government said.

While 23 states have been allotted ₹5,516.6 crore in this round of weekly instalment, the remaining ₹483.4 crore has been released to the three union territories with legislative assemblies (Delhi, Jammu & Kashmir & Puducherry) which are members of the GST Council.

"The remaining five states — Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim — do not have a gap in revenue on account of GST implementation," the government said.

The GST regime has a mechanism of a compensation cess fund, which is made up of cess proceeds, to make up any shortfall below the states' protected revenue each year.

This guarantee of revenue protection is baked into the law and states are entitled to a 14% year-on-year growth in their GST revenue.

However, since last year, the compensation cess fund has proved to be inadequate.

The central government proposed this year that it would pay states through market borrowing, but many states didn't agree with the shortfall estimate of ₹1.1 lakh crore.

The Centre insisted that it would only pay for the shortfall due to GST implementation and not ₹1.85 lakh crore, which is the revenue deficit taking into account the pandemic-induced slowdown.

After initial logjam, all the states eventually came on board with the borrowing scheme.

The central government has also granted additional borrowing permission equivalent to 0.5% of Gross States Domestic Product (GSDP) to states choosing option-I to meet GST compensation shortfall to help them mobilise additional financial resources.

"All the states have been given their preference for option-I. Permission for borrowing the entire additional amount of ₹1,06,830 crore (0.5% of GSDP) has been granted to 28 states under this provision," the government said.

ADB grants $40 m loan to Northern Arc Capital

FE BUREAU
Chennai, December 21

THE ASIAN DEVELOPMENT Bank (ADB) has signed a $40-million loan (in rupee equivalent) to Northern Arc Capital (NACL) to support the livelihoods of microfinance borrowers and micro, small, and medium-sized enterprises (MSMEs) in India.

The loan is being disbursed to NACL as part of ADB's ongoing Covid-19 response. NACL will on-lend the loan proceeds to financial institutions and individual borrowers. NACL will also on-lend to affordable housing finance companies.

"The pandemic has had a deep impact on the country's informal economy, especially on microfinance borrowers and MSMEs. NACL's unique business model of working with the most impacted segment of MSMEs and financial institutions makes them an ideal partner," said ADB's private sector operations department director Christine Engstrom.

Bama Balakrishnan, NACL chief operating officer, said, "NACL and ADB have a long-standing association and our mission is to serve the underbanked, especially during this time of crisis. This transaction is significant as it will enable us to support small and mid-sized NBFCs across microfinance, small business loans and affordable housing finance, which are facing difficulties in attracting debt funding from investors. The funding will help us design new debt product solutions for clients."

New rules to compensate consumers for power cuts and defective meters

FE BUREAU
New Delhi, December 21

TO ENSURE BETTER quality of electricity supply to consumers, Union power minister RK Singh on Monday announced the promulgation of the 'Rights of Consumer Rules, 2020' which lays down performance parameters for electricity distribution companies (discoms).

If the specified service standards are not met, discoms will have to pay compensation for power users. State electricity regulatory commissions (SERCs) will have to notify updated 'standards of performance' for discoms within 60 days and specify compensation amounts that consumers would receive as per the new rules. The parameters for which consumers would be eligible for compensation include unsatisfactory supply duration, number of power cuts, time taken by discoms to provide new connections and replace defective meters.

"Discoms across the country are monopolies — whether government or private — and the consumer has no alternative, therefore it was necessary that the consumers' rights be laid down in rules and a system for enforcement of these rights be put in place," Singh said, adding that "if there was open competition, perhaps the services would have been better".

The new rules state that new connections and modification of existing connections in metro cities should be provided by discoms within seven days of receiving such requests. The time allotted is 15 days in other municipal areas and 30 days for rural consumers.

From the Front Page

New Covid strain: India suspends all UK flights till Dec 31

CIVIL AVIATION MINISTER Hardeep Singh Puri said on Twitter that those passengers who are found Covid-positive would be sent for institutional quarantine set up by the states or union territories (UTs).

"Those found negative would be advised to isolate at home for 7 days and will be medically monitored by the states/UTs," Puri added.

Till date, the rules stated that if an international passenger had a Covid-negative certificate from a test done 72 hours prior to the journey, he or she need not undergo Covid-19 test again on arrival at the Indian airport.

Earlier during the day, Union health secretary Rajesh Bhushan wrote to Union civil aviation ministry secretary Pradeep Singh Kharola recommending suspension of all flights originating from the UK into India temporarily till December 31.

Power struggle: Cross-subsidies cost businesses ₹75k crore in FY19

FOR DISCOMS, THE subsidies are 'receivables', but delays in the release of the subsidy by the governments often cause their losses to rise.

While Uttar Pradesh, Tamil Nadu, Karnataka and Delhi have the highest industrial power tariffs, ranging between ₹8-10/unit (kWh), even higher rates of ₹9-12/unit are charged on commercial consumers in Maharashtra, Kerala, Telangana and West Bengal.

The National Tariff Policy 2016 puts limits on cross subsidies at 20% of the average cost of power supply. While the cost of power supply at the national level is around ₹6 per unit, average tariffs for commercial and industrial users are higher by 52% and 23%, respectively. On their part, domestic and agricultural consumers pay bills at rates 27% and 87%, respectively, lower than supply costs.

According to a report on Indian electricity subsidies by Canada-based think tank International Institute for Sustainable Development (IISD), levying higher charges on industries is gradually proving to be detrimental to the discoms. Wary of higher tariffs, industrial and commercial consumers are increasingly resorting to buying power competitively through the 'open access' route and are even building their own captive generation capacities for cheaper electricity.

A fifth of industrial consumers in Maharashtra, Rajasthan and Gujarat have migrated to the open access route, while substantial investments in captive power plants — equivalent to 20–30% of total power sales — have been recorded in Odisha, Chhattisgarh, and Jharkhand, the study finds.

The IISD report also notes that agricultural consumers were allotted 75% of the subsidies, followed by domestic consumers at 20%. A few states such as Punjab, Arunachal Pradesh and Goa offer subsidies to industries as well, to the extent of 4% of their total subsidies. In FY19, Chhattisgarh and Andhra Pradesh released only 60% and 21%, respectively, of the subsidy amounts booked by their discoms. Less than 90% of the booked amount was disbursed by the state governments across the country in FY19. In fact, delayed subsidy disbursal by the state governments is a key reason — apart from inefficient billing and inadequate tariff hikes — behind discoms' financial losses surging 83% to ₹61,360 crore in FY19.

The quantum of tariff levied on consumer categories depend on the demography of the states. For instance, though the industrial tariff of ₹6.97/unit in Gujarat is significantly lower than that in other states, the state discom sells 57% of its electricity to this consumer category, and earns 79% of its revenues from them. On the other hand, more than 50% supplies in states like Andhra Pradesh, Karnataka, Kerala, Madhya Pradesh, Rajasthan, Tamil Nadu and Telangana go to domestic and agricultural consumers, while only up to 35% of the revenues of these states' discoms come from these subsidised categories.

Delhi HC order: Setback for Future Group but bigger jolt for Amazon

AMAZON, WHICH OWNS a 9.83% equity in Future Retail, while contesting the latter's deal with Reliance Retail had argued that it has veto power over any sale of Future Coupons, in which it owns a 49% stake.

In brief, the court has upheld the interim award by Singapore International Arbitration Centre in favour of Amazon as legal.

It has also declared the Future-Reliance deal to be legal and left the final decision to the regulatory authorities before which the deal is under examination before a final approval is given. Legal observers said that since the ruling is by a single judge bench, the parties are sure to challenge it before the division bench as the next course of action.

"..both FRL (Future Retail) and Amazon have already made their representations and counter representations to the statutory authorities/regulators and now it is for the statutory authorities/regulators to take a decision thereon.. Consequently, the present application is disposed of, declining the grant of interim injunction as prayed for by FRL, however, the statutory authorities/regulators are directed to take the decision on the applications/objections in accordance with the law," the court said. "On two counts, FRL has been able to make out a prima facie case of tortious interference by Amazon. It is clarified that it is not the making of the representation by Amazon to the statutory authorities or the regulators, which is an actionable wrong but making a representation based on incorrect assertions which makes the act based on unlawful means," the order said.

Piramal says its bid for DHFL best

AS PER SOURCES, the proposed takeover of DHFL's insurance business by Oaktree may invite regulatory challenges as it is a foreign entity. Currently, 49% of DHFL Pramerica Life Insurance is owned as foreign investment by Prudential International Insurance Holdings.

Piramal also mentions that Oaktree's plan for DHFL is conditional. "The competing bid has stated that if the plan is not approved and implemented by March 31, 2021, or if there is any deterioration in asset quality or deviation from assumptions in the bid, the bidder reserves the right to discuss repricing or to revoke," the letter read.

Piramal's resolution plan for DHFL has no conditions, except for approvals like competition commission of India (CCI). The company has not included any sunset clauses or any rights to revoke the plan..

Piramal has promised merger of its housing finance entity with DHFL, committing ₹10,400 of equity capital upfront. An offer has been made to retail fixed deposit (FD) holders of DHFL, committing an additional 10% of the amount allocated to them by the CoC (committee of creditors).

Oaktree Capital had offered a total of ₹36,646 crore, Piramal Enterprises had bid ₹35,550 crore for the entire book while Adani Properties had submitted a total bid of ₹33,110 crore. FE learned the CoC will meet on December 24 to discuss the resolution plans and vote on them. However, the voting may continue for 10-15 days as per sources.

The admitted claims of financial creditors from DHFL stands at ₹87,120 crore as on September 10. State Bank of India is the lead creditor with claims of ₹10,083 crore, followed by Bank of India which has claimed ₹4,126 crore. Among others, Canara Bank has claimed ₹2,682 crore while National Housing Bank (NHB) has claimed ₹2,434 crore. DHFL has been undergoing insolvency proceedings at the NCLT in Mumbai since December 3.

STP order: SAT's notice to Sebi on plea by 63 Moons

THIS ELIMINATES THE need for a hands-on re-entry of data that has already been completed at the source.

The watchdog's directions were part of an order wherein it rejected 63 Moons' application seeking renewal of approval to provide STP services on the basis of 'fit and proper' criteria.

In a statement, the company said the tribunal on Monday issued a notice to Sebi in the appeal filed against the regulator's order in the STP Gate matter.

"Expediting the issue, the tribunal has kept the matter for final hearing and disposal on January 29, 2021," the statement added.

Covid defaults:

IBC relief to be extended by three more months

THE GOVERNMENT HAS already obtained Parliamentary approval, through the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2020, for an up to one-year suspension of the initiation of insolvency proceedings for fresh defaults from March 25. Initially, the suspension was kept valid for six months, which was then extended by three months. The government had planned to review, before the current deadline expired, whether a further extension of three months was required. For their part, many in India Inc have already factored in an extension of the relief up to March 24, 2021.

Tesla's rise made US auto industry go electric

OTHER POWERFUL FORCES also shook the auto industry's status quo this year. The Covid-19 pandemic stripped away the sales and profits that incumbent automakers had counted on to fund methodical transitions to electric vehicles. China's rapid recovery from the pandemic exerted an even more powerful gravitational pull on industry investment. —*Reuters*

MAGNETIC MAHARASHTRA 2.0

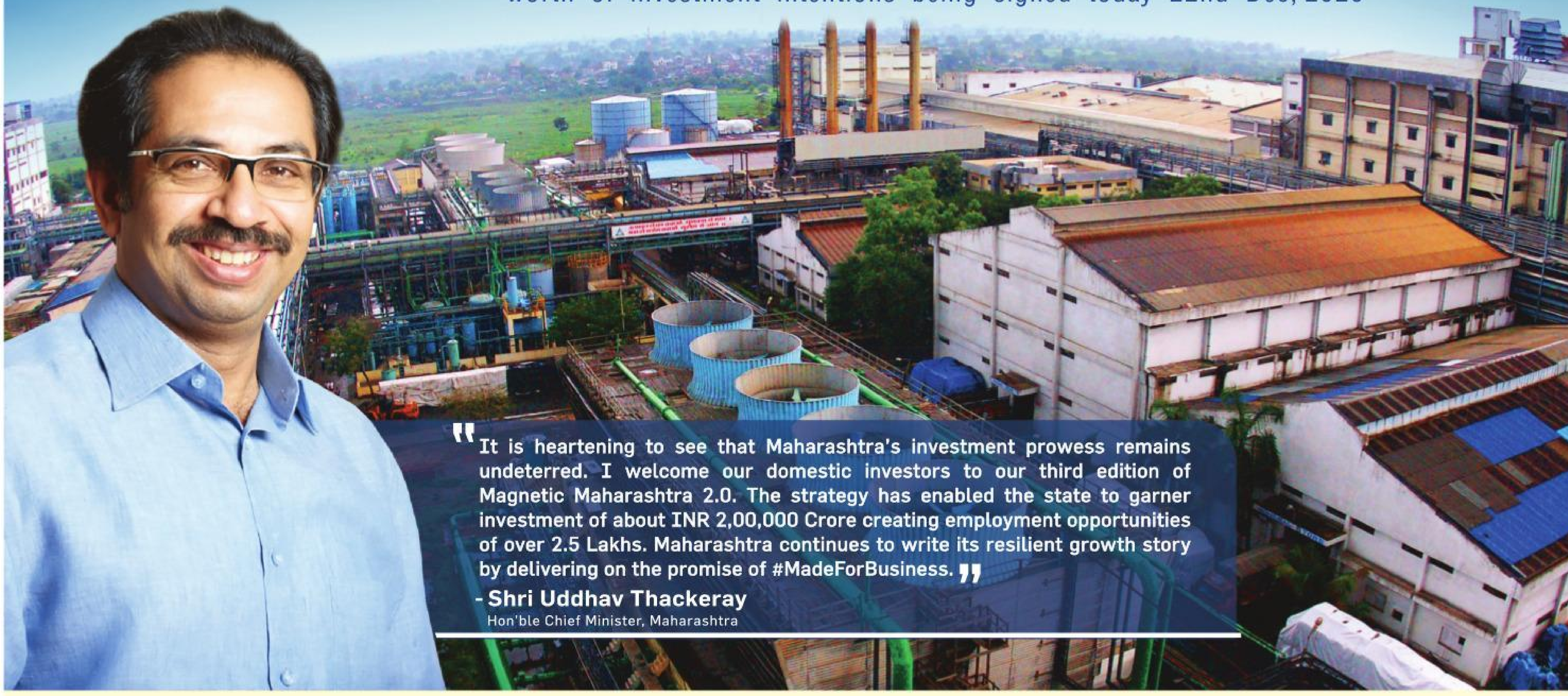
MOBILIZING INVESTMENTS FOR 2020 AND BEYOND

54 MoUs for INR 2,06,155 Crores

worth of investments intentions signed by Govt. of Maharashtra during lockdown

25 MoUs for INR 61,043 Crores

worth of investment intentions being signed today 22nd Dec, 2020



"It is heartening to see that Maharashtra's investment prowess remains undeterred. I welcome our domestic investors to our third edition of Magnetic Maharashtra 2.0. The strategy has enabled the state to garner investment of about INR 2,00,000 Crore creating employment opportunities of over 2.5 Lakhs. Maharashtra continues to write its resilient growth story by delivering on the promise of #MadeForBusiness."

- Shri Uddhav Thackeray

Hon'ble Chief Minister, Maharashtra

TURBOCHARGING INVESTMENT

54 MoU's signed during the lockdown and a robust pipeline of investors in advanced stages from US, UK, South Korea, Japan, Singapore, Spain, Russia, Indonesia and India , across diverse sectors, highlight the executional prowess of Maharashtra and the impact of the state's revitalized investment strategy – Magnetic Maharashtra 2.0

PLUG AND PLAY INFRASTRUCTURE

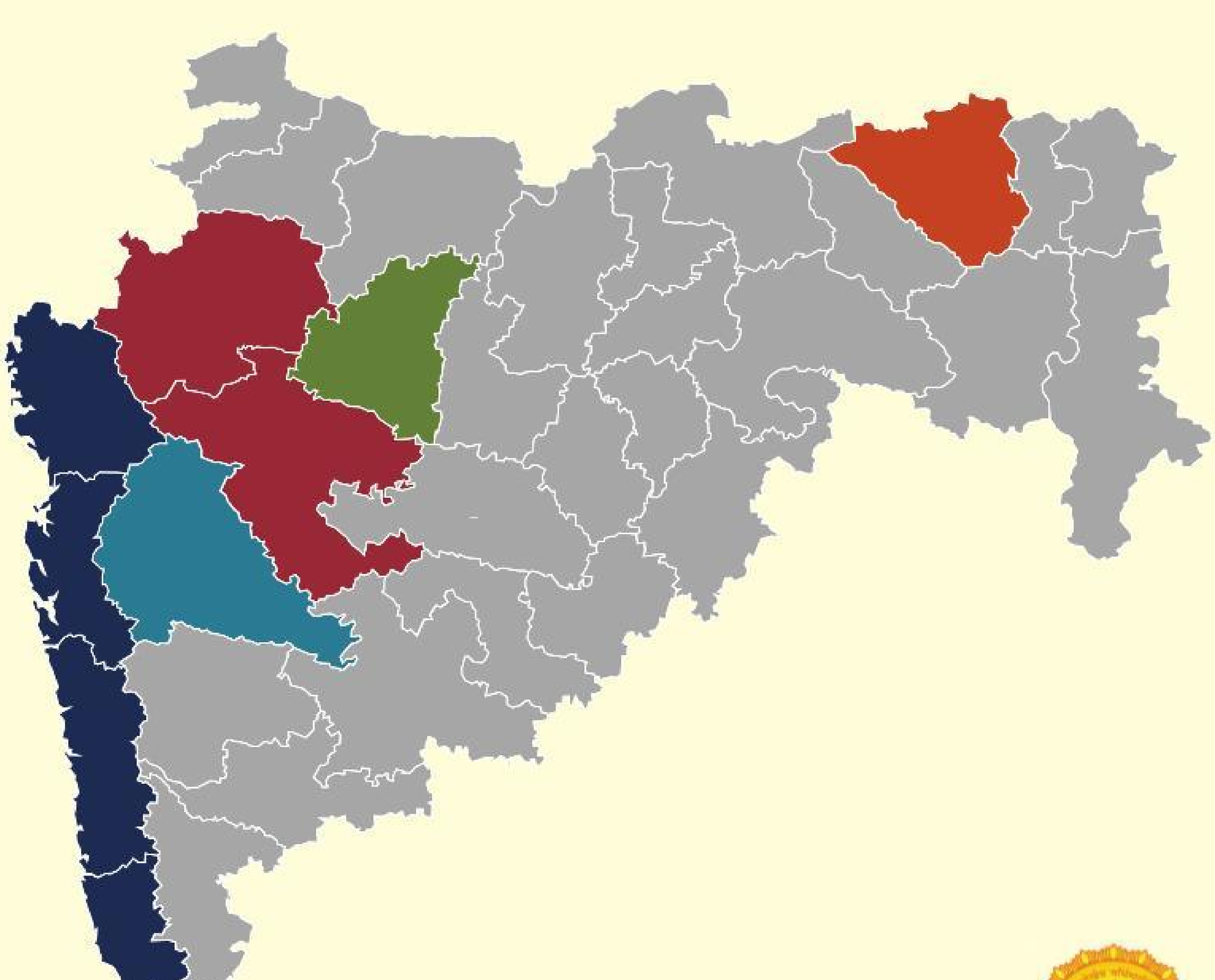
40,000 acres of fully developed ready-to-use factory space at affordable price with focus on Sector-Tailoring to help create clusters. Land for Labour-Housing is offered to Units employing more than 1000 employees / labour. Ready-to-Use industrial-space on rental basis as well.

MAHA PARWANA

'Mega Single Permission' system or 'Maha Parwana' to offer single-window clearance system within 48 hours. FDI proposals of any value & Domestic Investment proposals worth more than INR 50 Crores can commence construction/production immediately waiving certain permits.

MAHA JOBS PORTAL

A virtual job-market to match the job-seekers (of different levels of skills) and job-providers from 17 sectors for 950+ job roles.



Mumbai-Thane-Raigad - 15,000 Acres

Engineering I Food Processing I Auto & Components I Chemicals I Pharmaceutical | Bulk Drug Park

Pune-Chakan-Talegaon-Satara - 8,000 Acres

Data Centre I Gems & Jewelry I Engineering I Food Processing |Auto & Components I ESDM I Logistics | Electronic Manufacturing Cluster

Nashik - Malegaon - Ahmednagar - 5,000 Acres

Food Processing I Medical Equipment I ESDM I Engineering

Aurangabad (AURIC, DMIC) - Jalna - 8,000 Acres

Food Processing I Auto & Components I ESDM I Textile |Medical Device Park

Nagpur-Amravati - 4,000 Acres

Aerospace & Defence I Engineering I Textiles I Food Processing

Government of Maharashtra

MAGNETIC MAHARASHTRA 2.0
#MadeForBusiness

MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION
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Companies

TUESDAY, DECEMBER 22, 2020

FOR REALTY SECTOR

Niranjan Hiranandani, president, Naredco

SWAMIH fund is working but isn't enough. I want 4-5 funds to be created. Various banks and institutions are ready... We don't need more funds from the govt, it should only enable creation of similar funds...The govt wants more houses to be constructed, then why is it taxing unsold flats?

Quick View

BMW to hike prices across models by up to 2% from January

GERMAN LUXURY carmaker BMW on Monday said it will increase prices of its entire model range in India by up to 2% from next month. The automaker will introduce the revised pricing for all BMW and MINI models effective January 4, BMW Group India said in a statement.

Cognizant acquires UK-based Inawisdom

COGNIZANT ON Monday said it has acquired UK-based Inawisdom for an undisclosed amount. Inawisdom is a privately-held consultancy specialising in artificial intelligence, machine learning, and data analytics to help businesses make better, faster decisions that improve business outcomes.

Moneyboxx Fin raises ₹10 cr from 3 NBFCs

MONEYBOXX FINANCE, an NBFC that provides small-ticket loans to micro and small enterprises, on Monday said it has raised ₹10 crore from BlackSoil Capital, Caspian Impact Investments, and Ashv Finance. Moneboxx plans to utilise the proceeds to support its disbursement target of ₹75 crore in the current financial year, it said.

Noise partners Vijay Sales to take presence offline

NOISE, AN Indian connected lifestyle brand, has announced its first-ever offline presence by joining hands with electronics retail store chain Vijay Sales. With this association, Noise has further intensified its foothold in India by offering its entire portfolio of products on both online and offline platforms of Vijay Sales.

89% people keen to 'resume travel': Thomas Cook India

TRAVEL SERVICES firm Thomas Cook India and its group firm SOTC Travel on Monday said 89% of respondents in a survey conducted across tier-1 and 2 cities in India displayed keen interest to resume travel, revealing resurgence of consumer confidence. Thomas Cook India and its group company surveyed over 2,700 customers.

NephroPlus bags $100-m tender from Uzbekistan

DIALYSIS SERVICES provider NephroPlus on Monday said it has won a tender of over $100 million (around ₹740 crore) to build and operate a comprehensive dialysis programme for Uzbekistan. The Uzbekistan government has awarded the tender to the company to finance, construct, equip, train personnel, and operate four large dialysis centres in Tashkent, Karakalpakstan and Khorezm regions.

End of Reason Sale: Record Day 1 visitors on Myntra

THE 13TH edition of Myntra's flagship End of Reason Sale witnessed a record number of visitors at 15 million on its opening day, registering a huge growth of over 110% over business as usual. Myntra sold nearly 3 million items within the first 24 hours.

REALTY CHECK

Top 7 cities see housing sales drop by nearly half in 2020: Report

FE BUREAU
Mumbai, December 21

HOUSING SALES IN the top seven cities declined by 47% in 2020 compared with 2019, with sales coming in at about 1.38 lakh units against 2.61 lakh units in 2019. The Mumbai Metropolitan Region (MMR) saw maximum yearly sales of approximately 44,320 units, followed by Bengaluru with 24,910 units.

The new launches also fell by a sharp 46% during the year to about 1.27 lakh new units, against 2.36 lakh units launched in 2019, according to ANAROCK Property Consultants. Hyderabad was the only city to see new launches increase during the year by a good 42% at 21,110 units. The other key cities contributing to 2020 new unit launches were Mumbai Metropolitan Region, Pune and Bengaluru, which together accounted for 76% of the addition.

The unsold stock during the year fell by 2% from about 6.48 lakh units in 2019 end to around 6.38 lakh units as of 2020 end. Kolkata saw the maximum decline of 8% during the year, followed by Bengaluru and MMR that witnessed a decline of 6% each.

According to data for the last seven years, the unsold stock in the top seven cities was highest at the end of 2016 at approximately 7.90 lakh units. In comparison to this peak-level, unsold housing stock has declined by a significant 19%.

Anuj Puri, chairman, ANAROCK Property Consultants, said, "The year 2020 has been an unprecedented year due to Covid-19, causing all-round upheaval. However, the residential segment was quick to pick up momentum in the last two quarters of 2020 on the back of growing homeownership sentiment - catalysed by the exigencies of the pandemic.

"This pent-up demand was further accelerated by the ongoing discounts and offers, the prevailing lowest-best home loan interest rates and limited-period stamp duty cuts in states such as Maharashtra."

City	Housing sales (units) 2019	2020	% Change
NCR	46,920	23,210	-51
MMR	80,870	44,320	-45
Bengaluru	50,450	24,910	-51
Pune	40,790	23,460	-42
Hyderabad	16,590	8,560	-48
Chennai	11,820	6,740	-43
Kolkata	13,930	7,150	-49
Total	2,61,370	1,38,350	-47

Source: ANAROCK Research

MOUNTING DEBT

Mahindra arm SsangYong files for bankruptcy

PRESS TRUST OF INDIA
New Delhi, December 21

MAHINDRA & MAHINDRA (M&M) on Monday said its loss-making South Korean arm SsangYong Motor Company (SYMC) has filed for bankruptcy.

The SYMC has filed an application for commencement of rehabilitation procedure with the Seoul Bankruptcy Court under the Debtor Rehabilitation and Bankruptcy Act of South Korea, M&M said in a regulatory filing. The troubled automaker has also applied for an autonomous restructuring support (ARS) programme which is a court designed process, it added.

"If the court approves the ARS, SYMC will continue to function under the supervision of its board and will negotiate with stakeholders to reach an understanding about a revival package which may include equity and debt financing and other related actions," M&M said. However, some of its decisions will be subject to Court approval, it noted.

The Seoul Bankruptcy Court will deliberate and review the application and relevant documents submitted by SYMC to determine whether or not the court will commence the restructuring process of SYMC, M&M said.

Last week, M&M had informed the bourses that SYMC has missed repayments of loans aggregating to 60 billion KRW (around ₹408 crore). The Korean automaker has outstanding loans aggregating to 100 billion Korean Won (around ₹680 crore).

In April this year, M&M board rejected a proposal to inject any fresh equity into SYMC. The Mumbai-based auto major had acquired the loss-making SsangYong in 2010 but failed to turn it around since then despite several attempts.

M&M holds nearly 75% in the Korean company now and has since invested over $110 million. SsangYong has been struggling with deteriorating earnings since 2017 when it slipped into the red with a net loss of 66 billion won as against a net profit of 58 billion won in 2016. In 2018, its net loss rose to 62 billion wons and then ballooned to 341 billion wons in 2019.

Pine Labs raises fresh funds at valuation of over $2 billion

FE BUREAU
New Delhi, December 21

MERCHANT COMMERCE PLATFORM Pine Labs on Monday said it has raised fresh funds from Lone Pine Capital at a valuation of over $2 billion.

The company is understood to have raised anywhere between $75 million and $100 million in the latest financial round that included a mix of primary and secondary investment.

Pine Labs did not disclose the exact funding amount.

In January, the Noida-based firm turned unicorn after it bagged funding from MasterCard at a valuation of about $1.6 billion.

Pine Labs, which serves more than 150,000 merchants in 3,700 cities across Asia and West Asia, counts Sequoia India, Actis Capital, Temasek and PayPal as its other investors.

"Small businesses and consumers are fast adopting to digital commerce and contactless checkout. We are also seeing tremendous uptake in Pay Later services and have now enabled nearly 150,000 outlets for this. It's time to invest heavily in offline and online commerce across India and SEA," CEO B Amrish Rau said in a statement.

Founded in 1998, Pine Labs initially provided a solution for card-based payment and loyalty programme in the retail petroleum industry.

It pivoted its business model and forayed into the unified point-of-sale (POS) space since 2012.

Trehan is KKR's new PE chief as Nayar becomes chairman

ANTO ANTONY & BAIJU KALESH
December 21

KKR & CO appointed a new chief for its private equity business in India as Sanjay Nayar, who set up shop in the South Asian country more than a decade ago, will become chairman for the buyout firm in the nation.

Nayar, currently chief executive officer for India, will take on the role to "advise and assist" business in the country, KKR said in a statement on Monday.

The transition will take effect from December 31. Gaurav Trehan, who joined from TPG Capital, is the new head of its private equity business in the country.

Trehan left TPG in May as he was set to join KKR, Bloomberg News had reported at the time. He spent more than 15 years at the firm and was most recently a partner. Before TPG, he worked in the mergers, acquisitions, and restructuring department of Morgan Stanley with a focus on the technology sector.

Sanjay Nayar is currently KKR India CEO

KKR has been investing in India since 2006, and Nayar joined in 2009 when the buyout firm set up its office in Mumbai. KKR has invested more than $5.8 billion in private equity in India through Sept. 30, and 10 billion across assets including credit, infrastructure and real estate.

—Bloomberg

Larsen & Toubro inaugurates AM Naik Tower in Mumbai's Powai campus

LARSEN & TOUBRO (L&T) on Monday said it has inaugurated the 'AM Naik Tower', a corporate office tower located at its Powai campus.

"A smart, digitally advanced, green corporate office tower dedicated on the occasion of completing 55 years of service to the company by L&T Group chairman AM Naik," the company said in a statement.

The corporate office tower is one of the most advanced, digitally smart and green buildings in India that provides choicest modern amenities for its employees and visitors, it said.

With a total built-up area of 1.03 million sq ft, it will be hosting 4,500 group employees availing modern amenities such as 300-seater hi-tech multipurpose hall, 800-seater food court, well-equipped gymnasium, digital library, immersive training rooms and a special lounge.

L&T MD and CEO SN Subrahmanyan said, "This newly inaugurated 'AM Naik Tower' is a befitting acknowledgement of his (Naik's) stupendous 55 years of service and contributions to the group. The tower will pave the way to bring in further synergies across businesses, group companies and corporate functions by hosting multiple group offices at one location." —PTI

Nov PE, M&A deals in India highest in last 5 years

FE BUREAU
New Delhi, December 21

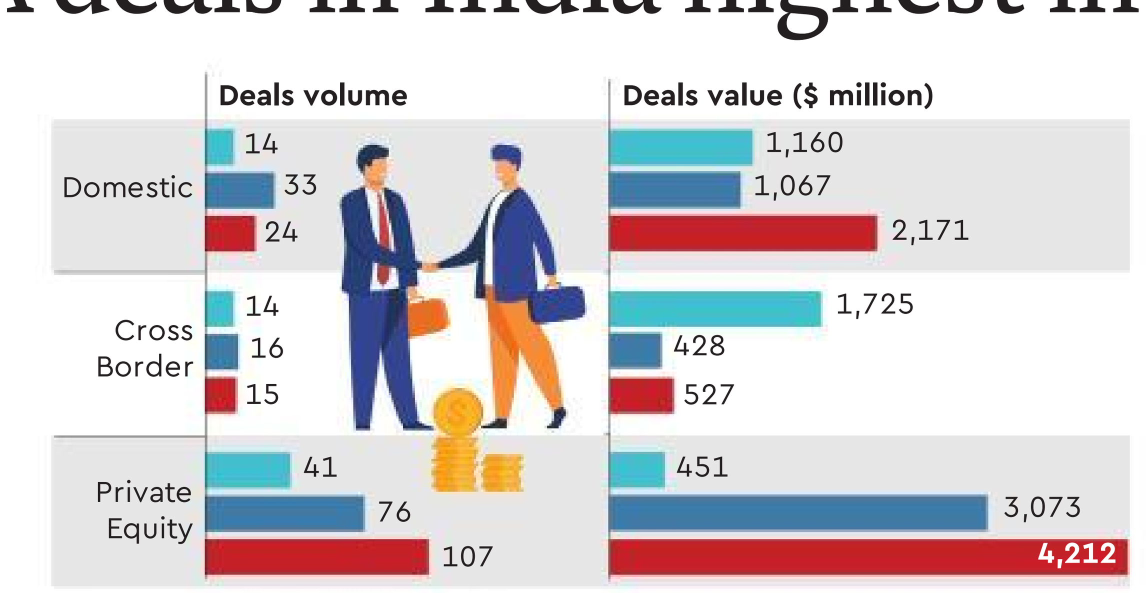
A TOTAL OF 149 private equity (PE) and merger and acquisitions (M&As) transactions in India happened in November 2020 — highest in terms of volume since November 2015. The month recorded three deals at over $1 billion each, while 11 deals are estimated at and above $100 million each.

According to Grant Thornton Bharat's monthly dealtracker report, volumes were up 19% year-on-year (y-o-y), while deal value rose 52% on an annual basis to $6.9 billion in November 2020.

"Forty-two M&A transactions aggregating to $2.7 billion were reported in November 2020. The month was dominated by four big-ticket domestic transactions, primarily driven with the objective of consolidation, brand acquisition and attaining the leadership position in the respective sectors," Grant Thornton Bharat said.

November reported 107 PE transactions aggregating to $4.2 billion, which is about 32% up sequentially, but a 41% increase y-o-y, it added.

Sectors like real estate, retail and consumer, manufacturing, pharmaceuticals, agriculture and forestry, and infrastructure sectors witnessed 9 high-value transactions aggregating to $5.3 billion, which constituted about 77% of the overall deal values reported in the month.



About 86 transactions were reported in the start-up segment, which included 9 M&As and 77 PE transactions aggregating to $764 million, which is about 58% of the total volumes.

"Real estate, retail and consumer, pharmaceuticals and IT & ITeS are expected to be evergreen sectors for M&A and PE transactions. Covid-19 has created several transaction opportunities by identifying sectors that remained insulated or thrived during the pandemic, indicating high potential and highlighted the significantly impacted ones, an indicator of the need for more resources. The hopes for a vaccine in the near term and the stimulus by the government in various forms and measures are expected to heat the transactions landscape and make all stakeholders seize the opportunities created," Grant Thornton said.

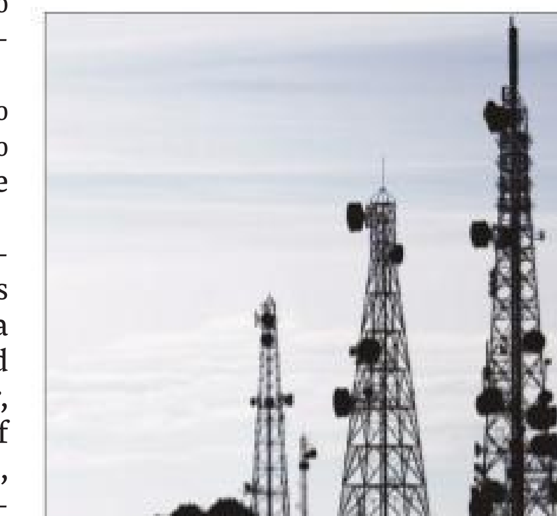
Compared with October 2020, the overall deal values recorded a 6% fall due to an unmatched sum of big-ticket transactions, however, November witnessed a significant 41% hike in deal volumes driven by a 68% increase in the M&As and 32% in PE, indicating heightened deal activity.

M&As witnessed a whopping 81% increase in the deal values despite a 14% decline in the volumes compared with the same period last year.

"PE investment values recorded $4.2 billion in November 2020, driven by 2 deals valued over $1 billion each, translated to a 37% hike in investment values compared with the same period last year. However, compared with the best monthly values of $6.6 million, recorded in October 2020, November 2020 saw a 36% drop in investment values," Grant Thornton said.

In contrast, November 2020 recorded the highest monthly investment volumes after the 109 deals recorded in July 2015. This month saw a big 41% jump in volumes against November 2019 and a 32% increase compared with October 2020, it added.

Ensuing tariff hikes to fuel revenue growth, better debt metrics for telcos: Icra



PRESS TRUST OF INDIA
New Delhi, December 21

TELECOM SERVICE PROVIDERS could undertake the next round of tariff hikes over the next one or two quarters, which is expected to fuel revenue growth in fiscal 2022, Icra said on Monday.

The industry topline is expected to grow by 11-13% over the next two years, with operating margins improving to about 38% for the financial year 2022 on the back of improved cash flows, moderate capex and limited borrowings, it said.

"Next round of tariff hikes are expected soon as the industry debt continues to remain elevated, likely to at ₹4.7 lakh crore as on March 31, 2022," Icra said in a release.

Given the higher funding needs arising from sizeable payouts towards statutory liabilities, spectrum purchase, regular revenue share with the government and auction instalments (that start from FY23), it is imperative for the players to embark on sustainable and sizeable expansion in the average revenue per user (Arpu).

"The Arpu expansion will result in revenue growth and given the high operating leverage, the margins are also expected to expand. These measures are expected to translate into improvement in the debt coverage metrics of the industry, even as the overall debt remains high," Icra said.

Violence at iPhone manufacturing plant: Wistron says 'no significant impact' on biz

PRESS TRUST OF INDIA
Bengaluru, December 21

TAIWANESE CONTRACT MANUFACTURER for Apple, Wistron has said the recent violence at its facility in Karnataka will not cause significant impact to the company.

Workers at the Wistron's iPhone manufacturing plant at Narsapura in Kolar district, had gone on the rampage on December 12 over the alleged delay in payment of salary and overtime wages.

"Regarding the event at our Narsapura facility in India, the investigation which includes collaboration with related government authorities is ongoing, as well as related insurance claims. The company will work with our customer in terms of correcting issues and operation recovery," the firm has informed the Taiwan Stock Exchange.

"As the Narsapura facility is a new operation and the shipment quantity is still small, the incident will not cause significant impact to Wistron," it said.

Regarding the iPhone maker Apple placing the firm on probation, it said, based on company's policies, Wistron will not have any comments on the business arrangements with customers.

Apple on Saturday said it has placed Wistron on probation and the company will not receive any new business from it before they complete corrective actions, citing its preliminary findings that indicate violations of Supplier Code of Conduct by failing to implement proper working hour management processes.

Wistron, too, on its part on Saturday said it had sacked its vice-president overseeing its business in India, as it admitted that some workers were not paid correctly or on time, and offered an apology.

Wistron last week informed the Taiwan Stock Exchange that the violence at the facility at Narsapura did not cause any material damage to major manufacturing equipment and warehouses. It put preliminary damage estimates in the range of New Taiwan Dollar 100-200 million, which is about ₹52 crore.

Tube executes guarantee agreement for CG Power's ₹1,365-cr loan from SBI

FE BUREAU
Chennai, December 21

TUBE INVESTMENTS OF India (TII), the new owner of CG Power and Industrial Solutions, have executed a guarantee agreement in favour of State Bank of India (SBI) and SBICAP Trustee Company in respect of the borrowings availed by the latter for an aggregate amount of ₹1,365 crore.

This follows TII board of directors' approval for providing guarantees by the company in favour of the lenders of CG Power and the subsequent nod of the shareholders obtained at the extraordinary general meeting on November 30.

TII said though CG Power is going through a financial crunch, it has a robust business model and with the support of steady credit lines is being firmed up currently. The operations of CG Power are likely to stabilise within a reasonable period, which would enable CG Power to service and satisfy fully all its debts by itself without any need for the lender of CG Power to seek recourse to the guarantee of TII.

"TII considers that its operational, financial and governance capabilities and experience will help remove the present difficulties and hardships of CG Power and facilitate create value creation for both TII and CG Power. While the guarantee will be reflected as a contingent liability in the books of TII, we wish to clarify that in light of the aforesaid, TII does not foresee any impact to itself arising from the guarantee furnished," TII said in a disclosure to the stock exchanges.

TII has also bought additional shares in CG Power. Consequent to the aforesaid acquisition the shareholding on a fully diluted basis has increased by 1.97% from 56.61% to 58.58%.

CIL's fuel allocation under spot e-auction rises 59% during April-November

PRESS TRUST OF INDIA
New Delhi, December 21

STATE-OWNED CIL allocated 25.78 million tonnes (MT) of coal in the first eight months of this fiscal under spot e-auction scheme, registering a year-on-year increase of 59.4%.

Coal India (CIL) had allocated 16.17 MT of coal in the April-November period of the previous fiscal, according to government data.

Fuel allocation by CIL under the scheme also increased to 4.09 MT in November, from over 3.58 MT in the corresponding month of 2019.

Coal distribution through e-auction was introduced to provide access to coal for such buyers who are not able to source the dry fuel through the available institutional mechanism.

The purpose of e-auction is to provide equal opportunity to all intending buyers for purchasing coal through single window service.

Coal India accounts for over 80% of domestic coal output. It has revised its production target to 650-660 MT for the current fiscal in the wake of the disruptions caused by the Covid-19 pandemic.

The miner had earlier set a production target of 710 MT for the 2020-21 fiscal.

"Covid-19 pandemic has affected demand for coal. However, demand has started to pick up now as the industries have commenced operations. Given the situation, we are hopeful to end the year with 650-660 million tonne of production," Coal India chairman Pramod Agrawal had said.

WhiteHat Jr hires 4 senior execs to strengthen leadership team

ED-TECH MAJOR WHITEHAT JR on Monday said it has roped in four senior executives from diverse business backgrounds.

The company has onboarded Trupti Mukker (ex global business head for banking and financial services digital operations at Wipro) as head of customer experience and Balaji Ramanujam (an IIM-Bangalore and IIT-Madras alumnus) as head of curriculum and learning experience, a statement said.

WhiteHat Jr has also appointed Vishnu Dutt Sharma (ex CEO of Vidya Mandir Classes) as its head of global business, and Hemant Sachetee (ex VP HFCL Group) as its CFO. **—PTI**

Opinion

TUESDAY, DECEMBER 22, 2020

A BIGGER APPROACH

Prime minister of India Narendra Modi

Discussions on global growth cannot happen only between a few. The table must be bigger. The agenda must be broader. Growth patterns must follow a human-centric approach

Begin talks on indemnities for Covid vaccine-makers

As others have done, the government needs to provide indemnities for vaccine-makers, now to negotiate terms

GIVEN HOW THE development and approval of Covid-19 vaccines have been compressed dramatically, from 4-5 years normally to less than a year, it is not surprising those making vaccines are looking for indemnities from the governments of most countries; Serum Institute of India CEO Aadar Poonawalla made this demand a few days ago. To be sure, even in these compressed timeframes, vaccine-makers are doing all the testing they can, but there are always unexpected serious adverse events (USAE) that can take place with any vaccine. In the case of the polio vaccine, it was found that one in 2.7 million doses could result in vaccine-associated paralytic polio (VAPP), in which the attenuated poliovirus in the oral polio vaccine (OPV) somehow mutates in the recipient's intestine and causes VAPP in the recipient. But, vaccine testing/approval so far has allowed insurers to assess risk over a long period. That opportunity lacking, covering Covid-19 vaccines isn't going to be easy for insurers; in which case, the only workable solution is for governments to indemnify vaccine-makers against claims and law-suits; naturally, this does not apply to flaws that can possibly take place in the mass production of the vaccine.

Many jurisdictions, especially the ones that have already entered into deals with the developers of the three leading vaccine candidates (Pfizer, Moderna and Astra Zeneca) or are in advanced stages of negotiations, are already firming up their view on indemnity protection. While the UK and Australia have offered legal indemnity to Pfizer—this means the drug behemoth is protected from legal suits over establishing its liability for any USAE that may arise—the US and Canada both have laws to grant legal protection to vaccine-makers. The UK's newly drafted Regulation 345 of Human Medicines Regulators 2012 protects Pfizer and those involved in its distribution from civil liability over any damage that may arise from the vaccine despite its use being in the manner as recommended. It is not as if those who suffer USAE because of the vaccine are left in the lurch—those who can show that they have been left severely disabled because of the vaccine can claim a one-time payment 120,000 pounds under the UK's Vaccine Damage Payments Scheme. Similarly, in the US, the government will bear any compensation burden for vaccine damage under its Countermeasures Injury Compensation Program (CICP), though experts have questioned the programme's efficacy; since 2010, while 485 cases came up for review, only 39 cases have received compensation. The WHO, in a draft note, is also unambiguous on the need for indemnity for manufacturers, distributors, donors, etc, of the vaccines under its Covax programme that seeks to make Covid-19 shots available to poor countries, qualifying this with the provision that this will not include wilful misconduct or negligence or non-compliance with regulations.

As India looks at rolling out a vaccine, it needs to look at the EU's approach towards indemnity for vaccine candidates; in September, EU authorities struck a deal with AstraZeneca under which member-country governments will pay claims above a threshold. In return, it will have to give its vaccine at a cheaper rate than the market one. India must start negotiations with vaccine developers to either give the vaccine at a greatly subsidised rate or trim their profit margin—Pfizer, for instance, had made it clear early in the vaccine race that it would follow a for-profit route for its vaccine—in return for indemnity, either partial or full. While the government has begun planning its distribution strategy, it needs to work on the indemnities as well; else, producers will be reluctant to sell their vaccines in India.

Avoiding cyber siege

Scale of cyberattacks on the US shows why India must do more

IN WHAT IS suspected to be one of the largest coordinated cyberattacks on the US, last week, the US federal agencies announced that they had reason to believe that hackers had gained access to systems of several government agencies. While FireEye, a cybersecurity firm engaged by the government, had earlier this month announced that it had fallen prey to an attack, it had also found vulnerabilities to SolarWinds Corp that is extensively used by the government. A *Bloomberg* report states that more than 25 entities have been affected, but SolarWinds claims that the Trojan used may have invaded as many as 18,000 entities. A Russian group also held responsible for stealing vaccine research data, is being blamed for the attack. While this has pushed American companies to exchange information using physical drives, the US is certainly not the only country that has been affected by such attacks. Earlier this year, Australia had blamed China for waging a cyberattack on it, while, in India, a major power provider to Mumbai was attacked. Even the recent Google outage—servers stopped responding for an hour, leading to disruption in Gmail, YouTube and all Google services—is suspected by some to have been some sort of cyberattack, though the digital giant has not yet released any statement. However, Google, earlier this year, had claimed that it was able to fend off one of the largest denial of service attacks.

Reverting to exchanging information in hard disks and physical drives may be possible in specific scenarios, but given how systems are becoming increasingly interconnected and most utilities are online, staying offline cannot be an option in the long run. Moreover, governments can no longer afford to look the other way as the intensity of attacks are increasing as also the scale. A report by Cybersecurity Ventures released earlier this year had highlighted that damages related to cybercrime would reach $6 trillion by 2021. It predicts that, by the end of 2021, the world would witness one cyberattack every 11 seconds, down from 19 seconds until a year ago and 40 seconds in 2016. So, there is a need for each country to up its cybersecurity spends and lay down guidelines for firms. Governments should also foster international co-operation on cybersecurity—India signed the Quad agreement with Australia, Japan and the US, which covers aspects of cybersecurity. While India was one of the first countries to come up with a promising set of cybersecurity guidelines in 2013, the new policy is yet to see the light of the day. The government has also not specified any guidelines or standards for connected devices like routers and IoT systems. Singapore, on the other hand, has released a detailed architecture for such devices, so that each device is rolled out with security ratings. It is time countries mandate cyber-hygiene as a necessity.

AnimalFARM

US FDA approves GM pigs for medical and dietary use, but should have been more transparent with the research findings

THE US FDA leads other regulators in approving GM animals for consumption as food—it approved GM salmon in 2015, and the first batch will hit the market soon, and now has approved GM pigs. Alpha-gel, a sugar that causes allergic reactions in people, has been eliminated in the GM pig. The GM pig is expected to find use both in medicine—pigs are a reservoir for certain organs for xeno-transplants—and diets. But, the US FDA's approval method may not be fully *kosher*.

An article in *The Guardian* highlights that the FDA has not released any data in public as to the efficacy and safety of the GM variant. In fact, the US Centre for Food Safety highlights that the meat has not been tested on people with allergies before being given clearance. While the FDA has opened the doors for larger farm animals to be genetically modified, doing so without putting the research backing the safety of such technology in the public domain ends up fuelling people's distrust of the system. The narrative then is often hijacked by non-scientific criticism of GM technology as a whole. Any government moving to approve GM products for its population would need to first make sure that an act of omission doesn't cause irrational claims to take root. More important, in the interest of scientific consensus, such research needs to be shared with other countries as well so that different authorities can test it and check for reproducibility.

FROM PLATE TO PLOUGH

INDIA MUST SHOWCASE ITS COMMITMENT TO THE WORLD FOOD PROGRAM'S FOOD AID & SPUR CONFIDENCE IN WTO'S ABILITY TO CONTRIBUTE TOWARDS MEANINGFUL POST-COVID RECOVERY

WTO rules *vs* food security: India must lead

ASHOK GULATI & JONATHAN HEPBURN

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Views are personal

THERE IS WIDESPREAD consensus that WTO rules should be updated, so they better support food security, rural livelihoods, and better-functioning markets for food and agriculture. But, while an ambitious reform of the rulebook will require new approaches and sustained engagement of member countries, progress on some topics can also be achieved in the short term.

One issue of particular concern to India is the question of whether current farm subsidy rules provide enough room for developing countries to buy food at government-set minimum support prices as part of their public stockholding programmes. The WTO's 2013 Bali ministerial decision confirmed that members would not initiate legal disputes on this question, in exchange for improved data and transparency on how the schemes operated and additional safeguards. Ministers also agreed to negotiate a permanent solution in this area.

But talks on this topic have not moved fast, as many WTO members see this issue closely linked to the broader question of how to improve farm subsidy rules. There is a growing tendency among many countries to pursue improved market access and closer economic integration through bilateral and regional talks, rather than at the WTO. More recently, the Trump administration's decision to veto new appointments to the trade body's Appellate Body has also paralysed its dispute settlement function, leaving many to question the future of the rules-based multilateral trading system.

However, India's farm subsidy notification in March 2020 to the WTO's Committee on Agriculture brought the topic of procurement under public stockholding programmes back to trade officials' attention. This submission indicated that India had breached its agreed ceiling on product-specific support to rice during the marketing year 2018-19. The ceiling is set at 10% of the value of production under the *'de minimis'* provisions of the global trade body's Agreement on Agriculture.

Market price support levels are calculated by taking the gap between applied administered prices and an external reference price (set at 1986-88 levels), and multiplying this by the volume of eligible production. The government reported the administered price of rice was $375.41/tonne, while the external reference price (ERP) was $262.51/tonne, and the volume of eligible production was 44.33 million tonnes—meaning total market price support equated just over $5 billion.

> **Efforts to revitalise negotiations on farm subsidies and to resolve the issue of public food stockholding could be part of a comprehensive reset of global farm trade talks**

Government figures also indicate India's wheat support was close to breaching product-specific support ceilings, with administered prices at $263.15/tonne and an ERP of $264/tonne in 2018-19.

The Bali agreement means the breach of rice *de minimis* may not be challenged by other WTO members. Nevertheless, it does underscore the importance of finding a 'permanent solution' to this and other trade and food security questions.

Although members' views in this area continue to diverge significantly, WTO members could usefully consider whether the fixed ERP of 1986-88 is still a relevant benchmark, especially in the wake of the 2007-08 and 2010-11 global price spikes. Since then, global prices have moved to a higher platform. Negotiators could consider updating the reference prices to average 2014-16 or 2016-18 levels, or using a rolling average instead—perhaps flattening out volatility by excluding the highest and lowest years from a five-year period. Another option could be to exempt support from counting towards maximum limits when administered prices are set below international market price levels. Members could also discount support consumed by subsistence farmers themselves from the calculation of the volume of eligible production—or exempting procurement that only equates to a small share of domestic output.

Strikingly, India's support, in fact, turns out to be negative for the years since 2000-01, if domestic market prices are compared with international market prices using the Producer Support Estimate methodology applied by the Organisation for Economic Cooperation and Development (OECD). This is the case even after accounting for input subsidies, which represent a significant share of India's non-product-specific support using the WTO system for calculating farm support.

Efforts to revitalise negotiations on farm subsidies and to resolve the issue of public food stockholding could be part of a comprehensive reset of global farm trade talks. This, in turn, could help support incomes and livelihoods, and spur economic recovery from the Covid-19 shock. Doing so would require WTO members to agree on a shared framework for action on farm subsidy reform and other outstanding issues on the global trade agenda—setting a clear direction and a timeframe for reaching a rational conclusion.

For this to happen, political leadership is needed to help rebuild trust among countries on trade and food security after the disruption caused by the US-China trade tensions, and the inconclusive outcome of the WTO's 2018 ministerial conference in Buenos Aires.

Reassuringly, even during the Covid-19 spread, G-20 countries (including India) reaffirmed the importance of the continued flow of food and other products across borders. This minimised disruptions in food supply chains.

The G-20 ministers also reaffirmed their commitment not to impose export restrictions or extraordinary taxes on food purchased for humanitarian purposes by the UN's World Food Program (WFP)—sending a clear signal that food security concerns are above trade priorities when people's lives are at stake. The December meeting of the General Council that is mulling over WFP food aid issues offers India (with G-20) an opportunity to demonstrate its commitment to WFP food aid and help rebuild confidence in WTO's ability to contribute meaningfully toward faster post-Covid recovery.

An agreement in this area would be worthwhile because of the lives it saves in emergencies. But, it could also lay the groundwork for long-overdue progress on the wider trade and food security agenda at the WTO. If global rules on trade are to be able to support food security and rural livelihoods in India and around the world, the government's leadership and engagement today will be essential.

The very fibre of 5G success

In the 5G ecosystem, the differential aspect of service-quality will gain ground. By kick-starting deep-fibre rollout plans now, telcos will be better placed to maximise their returns on investments

ANKIT AGARWAL

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Views are personal

THE NEXT-GENERATION WIRELESS technology, 5G, has explosive growth potential, and the demand is brewing. Curiously, the technology has somehow been accompanied by a myth that it could do away with the need for wired networks, even in the backhauls. The reality is the other way round—5G simply cannot achieve its true potential in the absence of anything less than deep fibre.

The 5G promise

Driven by faster speeds, improved performance, and more reliable connectivity, 5G will accelerate the adoption of new-age technologies such as augmented reality, smart homes, and machine-to-machine communication.

5G promises a massive uptake of home-delivery drones, remote health monitoring services, and even self-driving cars. A massive amount of real-time data will be collected and shared as 5G fosters and thrives off a deepening digital economy.

For 5G to drive accelerated adoption of new digital applications, it will require ultra-densification of small cells as part of wholly new network architecture. The existing network architecture, which is designed around macrocells, is ill-equipped to handle the bursting flow of mobile traffic that will be generated not just by millions of users but also by billions of IoT-devices.

Deep fibre equals to greater network efficiency

Driven by the potential of offering 10Gbps speed and under 1ms latency, 5G rollouts will result in a massive proliferation of devices. There will be new and exciting applications that will emerge post-5G roll-out, as discussed above.

Many of these applications demand ultra-low latency but ultra-high bandwidth to ensure the desired levels of service and user experience. In order to support these speed and latency requirements, 5G networks will need 10 times more small cells when compared with 4G and up to 250 times more cells when compared with 3G cellular networks, as per various industry sources. Consequently, backhaul networks will need to be significantly augmented to cater to these small cells, and as such 5G needs deep fiberisation to achieve its true potential.

While India has about 600,000 telecom towers, just about 15% of them are connected through the optical fibre. In contrast, in countries such as the US, China, and Japan, about 65% to 80% of telecom towers are connected through the optical fibre. India needs to close this gap to improve its capabilities during the 5G era.

It is often argued in this context that higher 5G frequency bands could very well serve the backhauling needs, and thus, obviate the need for using fibre.

In reality, many of the frequencies that 5G can use, especially the millimetre waves, suffer from various limitations. Typically, these waves can travel only short distances. Also, they cannot penetrate walls and other concrete structures effectively. As such, 5G users will need to be adequately supported by optical fibre based Wi-Fi offload and other supplementary elements, even inside buildings.

With fibre, telecom service providers can overcome these nagging issues for good.

Choosing the right infrastructure partner

For telecom service providers, 5G promises to initiate new revenue streams but also a host of service-related challenges. It is, therefore, important to ensure that the underlying fibre infrastructure is of high quality and can deliver uninterrupted performance in the most trying situations.

India is a country that sees wide variations in weather conditions, terrains, and demographic patterns. Moreover, the developing nature of the economy implies that roads are being constructed or augmented on an ongoing basis, while other utility providers like electricity and water-supply companies are also laying their infrastructures alongside the fibre.

The fibre infrastructure should be able to withstand all conditions for years without fail. This requires the fibre to be of highly dependable quality and standard. It should be resilient enough to minimise the need for repairs due to cuts and bends. Overall, it should be able to lower the total cost of ownership for telcos and also future proof their investments in the long run.

By choosing the right fibre types such as bend-insensitive fibres and partnering with specialised system integrators and experts, telcos can ensure building dependable and high-speed communication networks with enough capacity for future expansion.

Looking ahead, the network investment in 5G will play a key role in transforming the overall telecom ecosystem. There is a growing realisation of fibre's capabilities to offer more reliable, cost-effective, and faster data transmission.

Globally, it has been observed that those service providers who have expanded their fibre rollouts can gain maximum market share. In the 5G ecosystem, the differential aspect of the quality of service will gain ground. By kick-starting deep-fibre rollout plans now, telcos will be better placed to maximise their returns on investments.

LETTERS TO THE EDITOR

New variant of coronavirus

With the detection of a new variant of coronovirus in the UK, whose transmission rate is now believed to have been 70% faster than its predecessor or previous version of the virus, the UK prime minister Boris Johnson had announced a wholesale lockdown on London and most of England's Southeast by banning christmas season gatherings.While viral mutations are not uncommon, the apparent infectiousness of the new variant as it accounts for more than 60% of the new infections reported in London in the last few weeks, raised the spectre of another health emergency in the UK. While there is no evidence yet to show the new variant of coronovirus is more lethal and more resistant to vaccines than its previous version, the faster transmission it causes could lead to more hospitalisations and fatalities on the ground. The emergence of the new variant of coronovirus in the UK sends the message that fight against the contagion is not yet over and no country can afford to lower their guard.

— M Jeyaram, Sholavandan

On farmers protest

Antagonised by the Centre's half-hearted response to their pleas seeking the repeal of farm sector reforms, farmers have stepped up their protests, including relay hunger strikes and reaching out to constituents of the ruling National Democratic Alliance (NDA). The farmer unions are concerned that corporatisation of agriculture could concentrate wealth and power in the hands of a few and devastate the principle of parity between the price of agricultural and industrial production. Breaking the ice will be no piece of cake for the government.

— NJ Ravi Chander, Bengaluru

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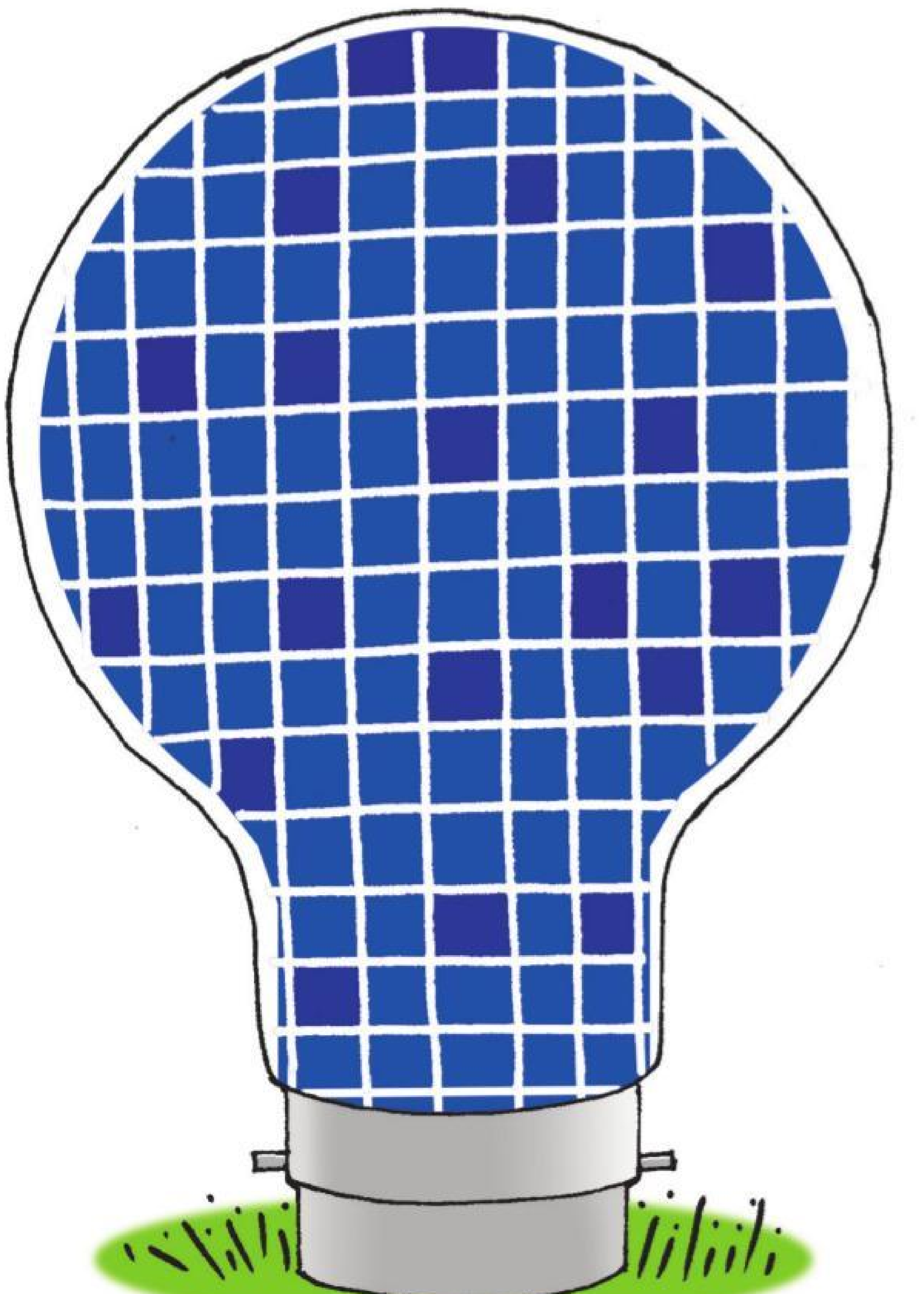

ILLUSTRATION: ROHNIT PHORE

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Fixing the plane while flying it

Transformation of power markets can't be done by putting the existing system on pause while the stakeholders collectively rearrange its "parts". It will need a convergence of single instruments. One such method could be the solarisation of feeders earmarked for agriculture and rural supply

THE METAPHOR "FIXING the plane while flying it" is most often invoked when changes are being made to established processes or procedures. The phrase is a cliché of Silicon Valley, rooted in the idea of iterative software development. Its application in the Indian power sector isn't as outlandish as you may think—here's why.

Economically viable and sustainable power distribution companies are the central need for India's clean energy transition, a transition that needs to be clean, affordable and reliable. But distribution utilities continue to be afflicted by challenges—financial ones being the gravest amongst them—and thus remain the weakest link in the value-chain of the power sector.

Discoms famously buy high and sell low, especially to subsidised categories such as agriculture and domestic. Each discom is further saddled with a series of issues applied to it over the years, all in an effort to help improve its condition. Only six months ago, a bailout of ₹90,000 crore, later increased to ₹1.2 lakh crore, was handed out to them to make good on unpaid dues. The UDAY scheme was introduced to relieve discoms of their debt by passing it over to the states. Although there are signs of progress, discom debt continues to be a problem. Yet, energy demand continues to grow, India's renewables targets mean new power is slated to come into the system, possibly even replacing existing coal. Any reform will necessarily have to be done while simultaneously addressing energy needs.

Of the many things that affect the financial health of discoms, pricing power lies at the heart. Other reasons then pile up-inefficiencies in the planning of power procurement, under-billing, managing suboptimal assets and losses due to cross-subsidising consumers. The agricultural sector perhaps stands out the most prominently in this list. The sector accounts for almost 20% of the total consumption, and its tariffs are between ₹0 and ₹4/kW in most states. The average cost of supply is much higher, in the range of ₹5-7/kW, and the shortfall is spread across other consumer slabs to even up.

In many states, agricultural metering is low or absent. Government schemes that separated them helped increase electrification, but the drain on the grid has remained unaddressed. Now would be a good time optimise this scheme and take it a step further: solarise them.

Solarising these feeders can save discoms an average ₹2-3 per unit of supply to a segment that is earning them almost nothing. The additional solar-powered generation would be 30GW, and in climate change parlance of yesteryears, this could be a neat "wedge" in terms of greenhouse gas emissions removed. Solarisation, being done on the unused tracts of land, and staying close to the grid, brings with it a reduction in transmission & distribution losses. In many cases, this could even allow the discoms to meet their solar targets under renewable purchase obligations.

Solarising feeders isn't rocket science; but, while it brings with it significant cost savings, the question is how to simultaneously address other basic energy-access needs affecting rural electrification and livelihoods. The economics of solar are such today that not utilising this opportunity to solarise energy use wherever possible would be a waste.

What if other energy-consuming village needs were met under the same pre-purchase arguments? If the old 20M or so inefficient pump sets were to be replaced and their costs amortised, it would add a meagre 20 paise to the tariff. This method of incremental loading would save on all upfront subsidies. Home-lighting would have an incremental cost of mere 10 paise. Add clean cooking, and the incremental cost is 30 paise. Major infrastructure, such as rural street lighting, costs an additional 60-70 paise to the PPA. Each of these would save the exchequer substantially.

Amortisation serves two important functions: One (importantly), it shifts the burden of maintenance to the developer, now an integrated energy service company, and two, it allows the discom and the state to save on upfront subsidy.

If the top five agriculture-heavy states adopted this approach, with an aggregate of 100MW per state, the benefit to the discoms would be approximately ₹6,000 crore over a 25-year period. The tariff ranges between ₹3.5-4.2/kWh depending on the value streams (agricultural pumps, LED lighting, BESS).

With international commitments to decarbonisation, falling costs of renewables and storage, national commitments to increase the share of renewable electricity, digitisation of the grid, the growth of e-mobility and the need to provide modern energy services at affordable rates, there is a need to think differently about the way energy is delivered to people. In times like these, creative disruption through the convergence of sectors into single all-in-one instruments could be an option, while continuing to provide power to the people.

Transforming the power markets is not easy; you cannot put the system on "pause" while everyone collectively rearranges the parts. Things must move forward simultaneously in an orchestrated, deliberate manner to enable these changes to take place. The enabling of such a convergence through a clutch of single instruments is one of them.

INDIAN RAILWAYS

Tech for cutting down the flab

RC ACHARYA

Former member, Railway Board. *Views are personal*

THE INDIAN RAILWAYS—the 1.4-million strong behemoth—has over 7,000 freight trains originating daily on its 65,000-km-long network. Keeping the 58-wagon train intact on the run is crucial to IR's safety, for which the guard who rides on the last vehicle (the guard van), or in railway parlance the brake van, plays a significant role.

He is required to exchange signals with the station master (SM) when passing through a station by displaying a green flag in the day, or a green light at night, establishing that his train is intact. This allows the SM to clear the section and allow the next train to enter it, essential to avoid any mid-section collision with a parted load accidentally left behind on the section. In case of a mid-section mishap such as derailment or collision, the guard is also required to protect the train at the rear by displaying a red flag or placing detonators on the track in case the weather is foggy and visibility is poor, for alerting the driver of an oncoming train on the other line on a double-line section.

Taking into account leave reserve and home rest mandatory under the HER (Hours of Employment Regulations), over 20,000 guards are required to man these brake vans. Now, a Last Vehicle Device (LVD) also known as the End of Train Telemetry (EOTT) being proposed by the Railway Board intends to eliminate these, but only on freight trains.

Consisting of a gadget that is placed on the coupler of the last wagon, it has a red flashing light that indicates to the SM that the train passing through his station is intact, enabling him to clear the section for another train.

EOTT devices can do the job done by guards, who can be retrained for more productive tasks

The EOTT device constantly monitors the brake line pressure of the last wagon and is triggered in case of accidental separation, transmitting the data via telemetry link on radio frequency to the Head-of-Train Device (HTD) in the locomotive. A typical EOTT system will also monitor the flashing light, battery life, status of radio frequency communication, emergency valve, etc. On the cost-conscious US railroads, EOTT has been in use for over half a century now. However, in the case of a mid-section mishap, the assistant driver would now be required to protect the rear of the train as was being done by the guard.

There are two major players in the field, one in the US and the other in South Africa, from whom a limited number of EOTT sets are proposed to be procured for extensive trials on the South Eastern Railway and the East Coast Railway.

Train examiners may not be required to issue a certificate for air pressure on the last vehicle, as it would be automatically indicated on the locomotive itself. The G&SR (General and Subsidiary Rules), the 'bible' that details the SOP for train operations, will need to be suitably amended as duties of the guard to protect train at the rear will now devolve on the assistant locomotive driver.

This isn't the first time such a trial is being carried out. In 2008, an initiative was taken when an EOTT unit from a South African company was put on trial on the Konkan Railway.

As usual, the possible shrinking of the turf that this step would involve found the concerned department not very enthused. Railway unions also chipped in as it would reduce employment opportunities, even though there was no question of any redundancy as the existing guards were to be retrained for undertaking other tasks such as travelling ticket examiners and booking clerks, etc.

However, as often happens, the in-built systemic resistance to any new idea heralding a change coupled with years of tradition killed the new initiative.

Even though the elimination of 20,000-odd posts of guards may be a drop in the ocean, this baby step by the IR's drive to cut its flab, by inducting new technology wherever possible, is vital to its financial health. Hopefully, this time, Piyush Goyal will not allow innovation to be scuttled and push it through to attain higher staff productivity.

METAL METTLE

Aluminium gets its lustre back

On the back of Chinese demand, the price of the metal has swung back from the lows it saw earlier this year

KUNAL BOSE

A former *FT* correspondent, the author is now India Correspondent of Euro Money publication *Metal Market Magazine*

THE WORLD ALUMINIUM industry, in which India has a growing profile, is experiencing a vertiginous roller-coaster ride on price since the beginning of the year. The average price of the metal at the London Metal Exchange (LME), in the first quarter of 2020, fell sharply to $1,690 a tonne, from $1,859 in the corresponding period of 2019. The retreat was attributable to the global use, during January-March, shrinking by a whopping 9.3%, to 13.9 million tonnes, year-on-year on the back of a 1.6% demand contraction (to 64.2 million tonnes) in 2019. The scene has now reversed, with the price recovering sharply from the April-low and climbing to a two-year high. The industry, having experienced low demand in 2019 and then receiving a battering for most of this year, needed the kind of price breakout seen recently. As switching on and off of aluminium smelters is a highly time-consuming and expensive process, the industry is left with no choice but to sustain production even in times of demand meltdown. That is why, in recent times of difficulty, global aluminium output has remained flattish. The 2019 production was marginally down to 63.1m tonnes from 63.9m tonnes a year ago. A Hindalco presentation for investors says that in the nine months to September 2020, against world aluminium demand shrinking 8% (to 44.7m tonnes), production rose by just 1% (to 47.9m tonnes). That created a large global metal surplus, with a negative bearing on prices.

Like any other commodity, aluminium price should largely be a reflection of demand and supply. In this continuous-process industry, however, supply over a period of time will perforce remain more or less constant, unless new smelting capacity is commissioned or environment-unfriendly and high-cost smelters are taken offline. Demand that largely moves the needle at the LME and the Shanghai Futures Exchange (SFE) has been impacted this time, by global health concerns and some trade-related factors. The Covid-19 pandemic-spreading from China to other countries since January, infecting tens of millions and badly hurting global economic activity for months-has led aluminium-using sectors, ranging from construction and house-building to automotive and electrical, to reduce metal purchase.

No wonder, the Covid-19-related demand destruction, that revived memories of the 2007-08 financial crisis, pulled down the average LME aluminium price to $1,490 a tonne during April-June. At that price, smelters, irrespective of their using electricity derived from hydro, gas and coal, couldn't keep their heads above water. Energy alone has a 35-40% share in the total aluminium production cost, and coal-fired electricity happens to be more expensive than the other two. Unlike in Canada, where aluminium is smelted by hydro-power or in West Asia where it is smelted by burning natural gas, Indian smelters are solely dependent on thermal power. So, smelters here had to bear the brunt of demand- and price-retreat.

Even while the low prices hit Indian industry hard, India could contain some of the damage by exporting fair volumes of aluminium in the face of domestic demand shrinkage. The same was the experience of steelmakers here who surprisingly found a market for some of their surpluses in China. Faced with imports that generally have close to 60% share of the aluminium-market here, local smelters have always relied on exports to dispose of a significant portion of their production. Last financial year when the country's aluminium demand was down by 6% (to 3.72 million tonnes), imports met 2.17 million tonnes of that. Imports, including large quantities of scrap, found to be over 20% cheaper than the local primary aluminium, cost the country $4.4 billion. This happened despite India having a smelting capacity of more than 4.1m tonnes, that is, well placed to meet the local demand (except for some special alloys).

If India has remained too liberal in allowing aluminium imports, many fear that global trade flows in the metal could be disrupted by the protectionist policies pursued by the US, which happens to be the world's largest aluminium importer. The US imported 6.2 million tonnes of aluminium in 2017; this fell to 5.54 million tonnes in the following year and then again to 3.7 million tonnes in 2019. Fall in the US purchase of foreign-origin aluminium was largely because of the Trump administration's invocation of 232 tariffs on aluminium and steel in March 2018, creating conditions for the revival of smelting, downstream extrusion and flat-rolled capacity. Even now, in further attempts to protect downstream manufacturers, the US commerce department is conducting anti-dumping and countervailing duty investigations on imports of certain types of aluminium foils from five countries, including Russia and Brazil.

When IMF speaks about a "deep recession" with global growth at -4.4%, how could LME aluminium cash (bid) price command $2,042.50 a tonne this month? Surprising the world with the strength of manufacturing rebound and overcoming lockdown pains, China, with its unexpectedly large imports of primary aluminium and alloys, is the principal trigger for the sharp LME/SFE price gains. China, according to IMF, will be the only exception among developed economies and emerging markets, recording a GDP growth of 1.9% in 2020 and then 8.2% next year. As Chinese aluminium demand picked up robustly following a fall of 1% y-o-y in the first quarter, the country (though it accounts for over 55% of world production of the metal) had imported 1.74 million tonnes (primary and alloys) in the first ten months of 2020 to meet the demand of user industries. Interestingly, in China's aluminium imports, India had a share of approximately 28%, next only to Russia's over 30%.

As demand here is nearing pre-Covid level, India's 35% fall in imports of aluminium, including scrap, during July-September enabled local smelters to raise their share of the domestic market to 50% against a distressingly low of 42% in 2019-20. Shares of Hindalco, Vedanta and Nalco, have all gained because of the recent improvement in aluminium outlook. In the meantime, research agency Fitch Solutions has described India as a "stand-out growth market" for aluminium consumption, where the demand will rise to 8.7 million tonnes by 2029. The demand growth will be driven majorly by the "government driving investment" to eliminate the "sizeable infrastructure deficit." India's rich bauxite and non-coking coal reserves will support lifting smelting capacity to 10 million tonnes and more.

International

TUESDAY, DECEMBER 22, 2020

ASSAULT ON SOVEREIGN RIGHTS

Soumya Swaminathan, WHO's chief scientist

"It could take days or more than a week to find out the virus mutation's response to vaccines as experiments need to be done, but there are currently no indications that the shots won't work."

OUT OF CONTROL

Nations move to isolate UK over virus variant

The new variant is said to be 70 per cent more transmissible, though health experts say there is no evidence that it is more deadly or would react differently to vaccines. India, so far, remains in the travel bubble with the UK

PRESS TRUST OF INDIA
London, December 21

FRANCE BECAME THE latest European country to close all its borders with the UK after Germany, Italy, Belgium, Denmark, Bulgaria, the Irish Republic, Turkey and Canada suspended flights amid growing concerns of an "out of control" new variant of coronavirus spreading at a much faster pace in parts of England.

India, so far, remains in the travel bubble with the UK, with strict testing and self-isolation rules in place. But with most of Britain now in the strictest Tier 4 lockdown, all non-essential travel remains banned for the majority.

Other countries and territories to announce restrictions on UK travel include Hong Kong, Israel, Iran, Croatia, Argentina, Chile, Morocco and Kuwait.

UK Prime Minister Boris Johnson will chair a meeting of the government's emergency committee on Monday to take stock of the situation as a huge backlog build up

on the border with France after even trucks and ferries were blocked entry at the ports.

European Union (EU) member states are also due for a meeting in Brussels to discuss a more coordinated response as the number of coronavirus infections in the UK jumped to 35,928 on Sunday, down to the much faster spreading new mutation of the novel coronavirus, with the country's death toll rising by 326 to hit 67,401.

"Everybody, particularly people in Tier 4 areas, needs to behave as if they might well have the virus - that is the only way we are going to get it under control," UK Health Secretary Matt Hancock said, adding that the situation is "deadly serious" as the government tries to contain the rapid strain of an "out of control" virus.

"This is a deadly disease, we need to keep it under control, and it has been made more difficult by this new variant," he said.

The new variant is said to be 70 per cent more transmissible, though health experts say there is no evidence that it is more deadly or would react differently to vaccines.

"It is really too early to tell... but from what we see so far it is growing very quickly, it is growing faster than [a previous variant] ever grew, but it is important to keep an eye on this," said Dr Erik Volz from Imperial College London.

"The amount of evidence in the public domain is woefully inadequate to draw strong or firm opinions on whether the virus has truly increased transmission," added Professor Jonathan Ball, a virologist at the University of Nottingham.

It is thought the variant either emerged in a patient in the UK or has been imported from a country with a lower ability to monitor coronavirus mutations.

The variant can be found across the UK, except Northern Ireland, but it is heavily concentrated in London, the South East and eastern England.

Stimulus deal provides economic relief, for now

NEW YORK TIMES
December 21

THE CONGRESSIONAL AGREEMENT on a $900 billion dose of aid to fuel the slowing economic recovery has probably spared millions of Americans from a winter of poverty and kept the country from falling back into recession.

For much of the economy - especially people and industries that have been insulated from the worst effects of the pandemic - the deal on Sunday may provide a bridge to a vaccine-fuelled rebound. That is especially likely if the vaccine is quickly and widely distributed, and the swelling number of coronavirus cases doesn't force another round of widespread shutdowns.

The injection of money comes months too late for tens of thousands of failed businesses, however, and it may not be enough to sustain unemployed workers until the labour market rebounds. Moreover, it could be the last help from Washington the economy gets anytime soon.

The package requires a vote in both Houses, and its text was still being finalized on Sunday. But it is expected to

include most of the elements that economists have long said were crucial to avoiding further calamity and aiding a recovery. It extends unemployment benefits for millions at risk of losing them, and adds money to their checks to help pay their bills.

It revives the Paycheck Protection Programme, which kept many small businesses afloat last spring.

It continues the eviction moratorium and expanded nutrition benefits that have kept many of the most vulnerable families fed and housed during the crisis, according to a statement on Sunday evening from the Democratic leaders in the House and the Senate.

Japan's record $1 trn budget highlights Covid-19 challenge to growth, debt

JAPAN'S CABINET APPROVED on Monday a record $1.03 trillion budget draft for the next fiscal year starting in April 2021, the Ministry of Finance said, as the coronavirus and stimulus spending puts pressure on already dire public finances.

The 106.6 trillion yen ($1.03 trillion) annual budget also got a boost from record military and welfare outlays. It marked a 4% rise from this year's initial level, rising for nine years in a row, with new debt making up more than a third of revenue.

From Europe to America, policymakers globally have unleashed a torrent of monetary and fiscal stimulus to prevent a deep and prolonged recession as the pandemic shut international borders and sent many out of work.

In Japan, fiscal reform has been shelved as Prime Minister Yoshihide Suga prioritised efforts to contain the pandemic and boost growth, despite public debt at more than twice the size of Japan's $5 trillion economy.

"How to balance the coronavirus

response with fiscal reform has hardly been debated in Japan," said Izuru Kato, chief economist at Totan Research. "Ultra-low interest rates under the Bank of Japan's prolonged monetary easing may have caused fiscal discipline to be paralysed."

The spending plan, which was in line with a Reuters report out last week, must be approved by parliament early next year. It will be rolled out along with a third extra budget for this fiscal year as a combined 15-month budget aimed for seamless spending to ease the virus pain and back Suga's goal of achieving carbon neutrality and digital transformation.

"We had to strike a right balance between the needs to prevent the spread of infections, revive the economy and achieve fiscal reform," Finance Minister Taro Aso told reporters after a cabinet meeting.

"That was the most difficult task in compiling this budget."

The government's fiscal 2021 primary budget deficit - excluding new bond sales and debt servicing - is seen at 20.4 trillion yen, more than double this year's initial estimates, making the budget-balancing goal further elusive.

Rating agency Fitch in July cut its outlook on Japan's debt rating to negative from stable, warning of the Covid-19 impact on rising public debt.

"The massive stimulus spending rolled out this fiscal year may raise worry about 'fiscal cliff', which could justify calls for more spending in the coming fiscal year," said Koya Miyamae, senior economist at SMBC Nikko Securities.

MAPPING THE VIRUS

Cases pass
76.8 million

Deaths top
1.69 million

Recoveries
54,209,103

- US virus relief package includes tax breaks, airlines aid
- Vaccines don't mean we'll see the last of Covid, experts warn
- Europe turns to super-freezers, church leaders in vaccine drive
- Sydney's swelling Covid outbreak risks scuppering Christmas
- US vaccination drive heads to nursing homes
- Vatican permits use of Covid-19 vaccines made using aborted foetal tissue

It could take days of experiments to find out the virus mutation's response to vaccines, but there are currently no indications that the shots won't work, according to Soumya Swaminathan, the WHO's chief scientist.

Johnson & Johnson abruptly called for an end to enrollment in its coronavirus vaccine trial and told scientists from six Latin American countries to wrap up their work within 48 hours.

Saudi Arabia halted international flights and closed its borders for one week over fears about the fast-spreading new strain of the coronavirus. The kingdom may extend the suspension for another week depending on the nature of the virus spread.

The Vatican told Roman Catholics on Monday that it was morally acceptable to use Covid-19 vaccines even if their production employed cell lines drawn from tissues of aborted foetuses.

The European Medicines Agency approved the Pfizer and BioNTech vaccine against Covid-19, Polish radio RMF FM reported.

Switzerland is banning the entry of all arrivals from the UK and South Africa following the discovery of the new and more contagious variant of the coronavirus. Those who have entered from either country since Dec. 14 are subject to 10-day quarantine.

The US authorised two cutting-edge mRNA vaccines this month and hundreds of thousands of doses have been rolled out, but that is yet to translate to an easing of the devastation on the ground.

Australia regulator chief says Google, FB draft laws fair

REUTERS
Sydney, December 21

AUSTRALIAN COMPETITION AND Consumer Commission Chairman (ACCC) Rod Sims said proposed laws that will make Australia the first country in the world to force Google and Facebook to pay for news were fair and critical for the survival of the media industry.

Sims said he was surprised to hear criticisms from Google about the draft legislation unveiled earlier this month.

Google last week declared the code unworkable, citing in particular a requirement to provide publishers with two weeks' notice of certain changes to algorithms and internal practice.

"We thought they were comfortable with that ... so we were very surprised that they're still complaining about that," Sims said in an interview on Monday for Reuters Next. Some media organisations, meanwhile, are unhappy that the code includes a "two-way value exchange" when deciding commercial agreements, which requires media companies to consider the value they receive from Facebook and Google users viewing their content.

Quick View

Bitcoin slumps 6% as new virus strain hits wider markets

BITCOIN DROPPED AS much as 6% on Monday, with fears over a fast-spreading new coronavirus strain in Britain hitting assets across wider markets.

The cryptocurrency was last down 5.5% at $22,156 after hitting a record $24,298.04 on Sunday. European shares fell 3%, the dollar strengthened and market volatility surged amid growing unease over the economic impact of the new strain of the virus, which has seen several European countries shut their borders to the UK.

Lockheed eyes space with $4.4 bn Aerojet deal site

LOCKHEED MARTIN IS expanding its foray into futuristic space travel and missile defence by acquiring supplier Aerojet Rocketdyne Holdings in a deal valued at $4.4 billion, targeting higher sales and more savings in an environment of tightening defence budgets.

Agios to sell cancer portfolio to Servier

AGIOS PHARMACEUTICALS SAID it agreed to sell its portfolio of oncology drugs to Servier Pharmaceuticals for $1.8 billion in a move that will increase the biotechnology company's focus on treatments for genetic diseases.

Euro zone Dec consumer confidence rises to -13.9

EURO ZONE CONSUMER confidence rose by 3.7 points in December from the November number, figures released on Monday showed.

The European Commission said a flash estimate showed euro zone consumer morale improved to -13.9 this month from -17.6 in November.

Thoma Bravo to buy software firm RealPage for $9.6 billion

BLOOMBERG
December 21

REALPAGE'S SHARES SURGED as much as 32% after private equity giant Thoma Bravo agreed to buy out the real estate software maker for $9.6 billion.

Thoma Bravo is offering investors $88.75 in cash for each share of RealPage, the companies said in a statement on Monday. The transaction represents a 31% premium to the company's closing share price on Dec. 18 and values the company at $10.2 billion including debt.

The software company's stock rose 30% to $88.50 at 9.52 am in New York after earlier touching $89.20, a record high for the shares.

RealPage, a maker of software for managing rental properties, had risen more than 26% this year through Friday -- outpacing a 15% gain in the S&P 500 -- after

RealPage's executive team in Richardson, Texas, including Chief Executive Officer Steve Winn, are expected to continue leading the company after the deal closes

the pandemic spurred the adoption of online and digital services over in-person alternatives. The company in November hiked its earnings per share forecast for the year after reporting quarterly revenue ahead of expectations.

It's now valued at about 35 times estimated earnings, versus 26 for the benchmark index.

RealPage's executive team in Richardson, Texas, including Chief Executive Officer Steve Winn, are expected to continue leading the company after the deal closes, the companies said in the statement.

Iran N-deal signatories ready to welcome back Biden's US

THE IRAN NUCLEAR deal remains the "best instrument" to resolve the dispute over Tehran's atomic programme and its signatories are ready to welcome back the US under a Joe Biden administration, according to German Foreign Minister Heiko Maas.

President Donald Trump pulled the US out of the 2015 accord and reinstated sanctions on Iran, and Maas said the deal has been in a "downward spiral" since, fuelled by pressure from Washington and Iranian breaches of the terms.

However, he said a "final window" remains to salvage it. After talks Monday, Maas and his counterparts from France, Britain, China, Russia and Iran -- as well as the European Union's foreign affairs chief -- issued a statement praising "the prospect of a US return" and underlining "their readiness to take a positive view of this in a joint effort." **—BLOOMBERG**

New strain of Covid-19 is driving S. Africa's resurgence

ASSOCIATED PRESS
Johannesburg, December 21

SOUTH AFRICA HAS announced that a new variant of the Covid-19 virus is driving the current resurgence of the disease, with higher numbers of confirmed cases, hospitalisations and deaths.

The new variant, known as 501.V2, is dominant among new confirmed infections in South Africa, according to health officials and scientists leading the country's virus strategy.

"It is still very early but at this stage, the preliminary data suggests the virus that is now dominating in the second wave is spreading faster than the first wave," Professor Salim Abdool Karim, chairman of the government's Ministerial Advisory Committee, said in a briefing to journalists. South Africa may see "many more

cases" in the new wave than it experienced in the first surge of the disease, said Abdool Karim.

South Africa currently has more than 8,500 people hospitalised with Covid-19, surpassing the previous high of 8,300 recorded in August. "We are seeing a much earlier and much sharper rise in the second wave or resurgence than we anticipated," said Prof Ian Sanne, a member of the advisory committee.

Shell to write down assets again, taking cuts to more than $22 bn

REUTERS
London, December 21

ROYAL DUTCH SHELL on Monday said it will write down the value of oil and gas assets by $3.5 billion to $4.5 billion following a string of impairments this year as it adjusts to a weaker outlook.

In an update ahead of its fourth quarter results on February 4, Shell said the post-tax charge was due in part to impairments on its Appomattox field in the US Gulf of Mexico, the closure of refineries and liquefied natural gas (LNG) contracts.

It said some charges involved in its restructuring would be recognised in 2021.

Shell shares were down by around 4% in early trading in London.

In October, Shell, the world's biggest LNG trader, wrote down the value of its LNG portfolio by just under $1 billion, focusing on its flagship Prelude project in Australia.

That followed a $16.8 billion write-

The company said its fourth-quarter marketing results were expected to be "significantly lower" than the previous quarter

down in the second quarter which also included Prelude and a sharp cut in its price outlook.

CEO Ben van Beurden on February 11 will unveil Shell's long-term strategy to sharply reduce its greenhouse gas emissions and expand its low-carbon energy and power businesses.

In its update, the Anglo-Dutch company also said it expects oil and gas production in its upstream division to be around 2.275 to 2.350 million barrels of oil equivalent per day, slightly higher than in the third quarter.

Production was impacted by the closure of platforms in the Gulf of Mexico due to hurricanes as well as mild weather in Northern Europe. LNG liquefaction volumes are expected to be between 8 and 8.6 million tonnes. Oil refinery utilisation is expected to be between 72% and 76% of capacity in the quarter, reflecting continued weak demand due to the coronavirus pandemic.

Shell, the world's largest retailer, said its fuel sales were expected to be in a range of 4 to 5 million barrels per day, roughly similar to the third quarter.

Record profits from its marketing business, which includes over 45,000 petrol stations, strongly boosted Shell's third-quarter results.

Tesla fuels $166 bn bonanza in a risky corner of finance

BLOOMBERG
December 21

TESLA'S ENTRY TO the S&P 500 may be stoking relentless controversy, but in a specialised market for risk assets the electric-car maker is eliciting cheers all round.

Fueled by the Tesla effect, convertible bonds -- which start life as low-interest debt but can turn into shares if stock prices get high enough -- are poised for one of their best-ever years.

A Bloomberg index of the securities is at an all-time high while US exchange-traded funds that track the assets hold a record $8.2 billion.

Elon Musk's company is one of the biggest and most-famous issuers of the debt, making up more than 7.5% of the Bloomberg Barclays US Convertible Total Return Index. The eightfold surge in Tesla's shares this year building up to Monday's disruptive debut in the S&P 500 has supercharged the value of its outstanding notes.

That has helped to thrust convertibles into the limelight as a lucrative way for

investors to allocate to growing businesses in a volatile climate. A market rotation in favour of cyclicals, new energy and healthcare triggered by the coronavirus vaccine has only added to momentum for the asset class amid the biggest borrowing binge in at least a decade.

"It's become interesting to all types of issuers: Cyclicals, alt-energy and health care are well-represented in the convertibles universe," said Jim Doolin, senior portfolio manager at Insight Investment Management in New York. "It's not just the tech names you remember from the dot-com era."

Just last week ski station operator Vail Resorts was able to raise about $500 million at 0% for six years in the convertible market.

Personal Finance

TUESDAY, DECEMBER 22, 2020

ON FINANCIAL EDUCATION
Shaktikanta Das, governor, RBI

> Adequate safeguards need to be reinforced to address issues of cybersecurity, data confidentiality, mis-selling, customer protection and grievance redress through appropriate financial education and awareness.

● FIXED INCOME

Avoid interest rate risks with a bond ladder

A bond ladder investment strategy provides current income while minimising exposure to interest rate changes as the bonds mature at staggered future dates, based on the number of rungs in the ladder

P SARAVANAN

INCOME-SEEKING BUT risk-averse investors prefer to invest in fixed income instruments. They do invest in bonds through various investment vehicles such as mutual funds, exchange-traded funds and also individual bonds. A popular way to hold individual bonds is by building a ladder investment strategy. Let us discuss the same in detail.

What is a bond ladder?

A bond ladder is a concept of creating a portfolio of individual bonds that mature on different dates. Such an investment strategy is designed to provide current income while minimising exposure to interest rate fluctuations. Under this method, instead of buying bonds that are scheduled to mature during the same year, investors invest in bonds that mature at staggered future dates.

ILLUSTRATION: SHYAM KUMAR PRASAD

Helps to mitigate interest rate risk

By staggering maturity dates, investors avoid getting locked into a single interest rate. A bond ladder investment strategy helps to smoothen out the effect of fluctuations in interest rates because the bonds in your portfolio are maturing every month, quarter, year, depending on the number of rungs in the ladder. When a bond matures, an investor could reinvest that principal in a new longer-term bond at the end of a ladder. If interest rates have risen, they will benefit from a new, higher interest rate and keep the ladder going. If interest rates were expected to fall, the maturing bonds would be reinvested at lower rates, but the bonds at the end of the ladder will have most likely been locked in higher yields already.

Helps to manage cash flow

Apart from interest rate risk mitigation, this strategy also helps in managing the cash flow. As interest on the bonds are payable semi-annually on dates that generally coincide with their maturity date, investors can structure predictable monthly bond income based on coupon payments with different maturity months as well as years.

Constructing your bond ladder

Construction of your bond ladder is fairly straightforward to create. The overall length of time, spacing between maturities, and types of securities are primary considerations when building a bond ladder.

Rungs of ladder: Take the total amount that you plan to invest, with the goal of extending the ladder as long as possible. For instance, if you plan to invest ₹1,00,000 to buy individual bonds, it could be invested with 10 rungs of ₹10,000 each. It is advisable to have at least six rungs so that an investor can create a ladder structured to generate income every month of the year.

Spacing of ladder: The distance between rungs should be decided by the span of time between the bond maturities of the respective bonds, which can range from months to years. The spacing should be roughly equal. Bonds with longer maturities tend to offer higher yields, though shortening the bond maturities generally reduces income and interest rate risks.

Materials for ladder: Similar to a real ladder, investors can build their ladders with different materials. In other words, by investing in different types of bonds or certificate of deposits, etc. Further, investors can also invest and utilise the potential tax advantages associated with certain bonds and also higher yields of investment-grade corporate bonds.

To conclude, even in a low or rising interest rate environment, bond ladders can help to balance the need for income while managing interest rate risk.

The writer is a professor of finance & accounting, IIM Tiruchirappalli

UP THE RUNGS

- A bond ladder is a concept of creating a portfolio of individual bonds that mature on different dates
- You can structure predictable monthly bond income based on coupon payments with different maturity months as well as years
- By staggering maturity dates you avoid getting locked into a single interest rater
- Utilise tax advantages associated with certain bonds and higher yields of investment-grade corporate bonds

● YOUR QUERIES

Chaitali Dutta

Remaining loan tenure has no impact on principal outstanding

● My bank did not reduce my home loan EMI following interest rate cut. On enquiry, it said the loan tenure will reduce, but when I went to settle the home loan it mentioned the same amount without reducing tenure. What should I do?

—Pradeepkumar P

Usually, banks will want a separate request from you for a reduction/increase in EMI when a floating interest rate is reduced/increased. The default is a reduction in tenure. In your case too, the tenure was reduced as you continued paying the same EMI. Now let us look at the prepayment situation. At any point in time during the tenure of your loan, outstanding is the principal amount on the day you have paid the EMI. If you desire to close the loan, the outstanding needs to be paid in full. It does not matter what the remaining tenure is—20 months or 200 months—the repayment of outstanding will have to be made in full.

LOANS

● I had taken an education loan in Btech first year in 2014 of ₹6.5 lakh and started EMI after one year of my job in 2019. What additional benefits can I get to reduce my loan amount? Can I ask the bank to restructure my loan as I am the only earning person in my family?

—Dinesh Patel

The Covid-19 induced financial situation is not a normal occurrence. In any other year, you would have no other recourse than to pay the contracted EMI for the education loan taken. However, since we are going through economic distress at all levels—personal as well as economic—I suggest you appeal to the bank for loan restructuring. You need to explain the financial difficulties you are going through, attaching proofs of the same. However, please bear in mind that the application is no guarantee that the benefit will be provided to you.

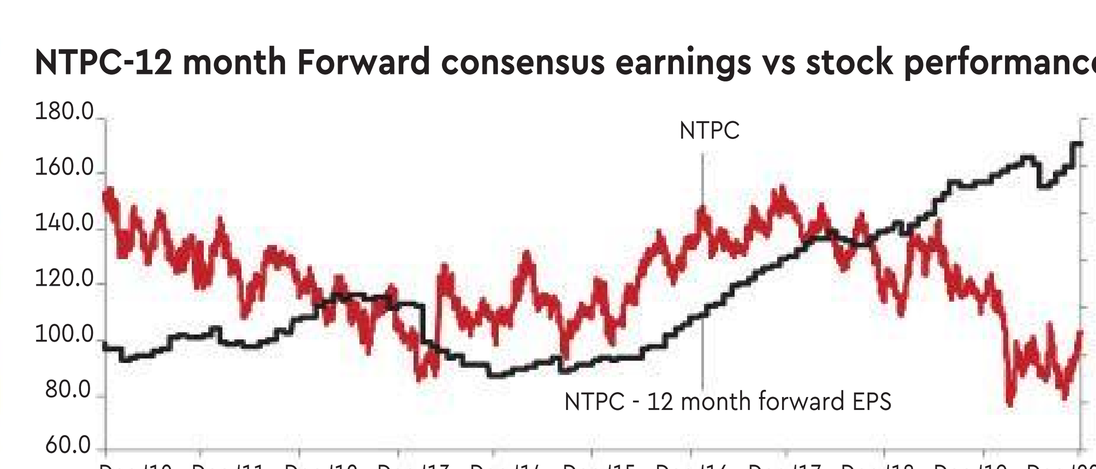
● My wife's Senior Citizen Savings Scheme account matured this month and was extended for three more years. Originally it was carrying 9.3% interest and now it is only 7.4%. From which financial year was this new provision implemented?

—S Viswanathan

The interest rate on SCSS is fixed for five years. Five years back it was 9.3%. The existing rate of 7.4% is with effect from April 2020. You would have noticed that bank interest on FDs too has been steadily declining.

The writer is founder, AZUKE Personal Finance Advisory (www.azukefinance.com). Send your queries to fepersonalfinance@expressindia.com

Investor



Source: Refinitiv Datastream, HSBC

● NTPC RATING: BUY

Doing better on ESG front is not difficult

Firm has begun efforts in that direction; stock has underperformed despite earnings growth; TP up to ₹165; 'Buy' maintained

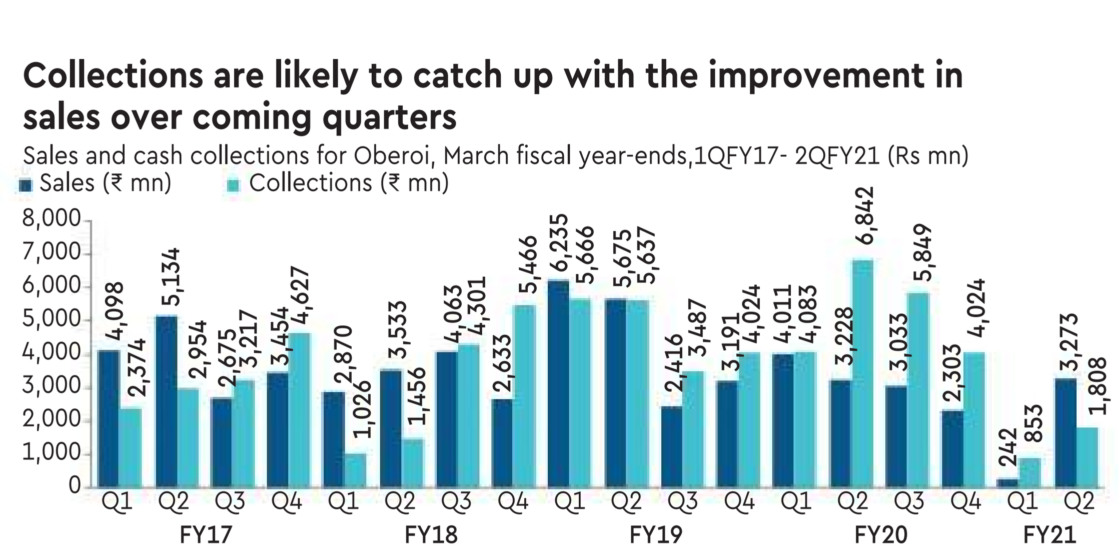
NTPC STANDS OUT as one of the six worst-performing stocks on the Nifty 50 Index on YTD/1Y/3Y basis. The stock is down 14% YTD, trading at 0.8x FY22e PB (closest to its lowest range in ten years), 7x one year forward PE and 5.5% dividend yield. This is despite feeling minimal COVID-19 impact (we expect FY21 reported earnings growth of 23% y-o-y and 20% earnings CAGR over FY20-23e). We believe investor concerns surrounding ESG and government ownership are some of the key reasons for the underperformance.

We think improving its ESG score and changing investor perceptions on government ownership is possible: While environment is a key reason for its low score, as most plants are coal-based, we believe governance scores are also likely to be low as it does not meet two basic regulatory requirements, ie to have at least one female director on the board and 50% or more board members' independence (which it was fulfilling a year ago). Increased focus on this could improve its governance score, while acquiring renewable projects or acting as aggregator of power (given its tripartite agreement with discoms) could help improve its environment-related score.

NTPC has already started its journey towards improving its ESG score: It has launched its integrated Annual report, and has set itself a target for RE to contribute 35% of capacity by 2032, from 5% currently. It has started participating in RE auctions, with its lowest cost of borrowing among peers its biggest strength. It has launched a Brighter Plan report 2032, which highlights its future plans on these fronts. While investors are often wary of government ownership, we think recent actions by other PSU companies indicate the Centre is encouraging managements to include shareholder value creation as a point of focus.

Investment view: NTPC enjoys a superior business model with regulated returns, as a flagship enterprise in a country that will continue to see power demand growth into the long term. Its 20-GW of plant under-construction allows it to comfortably grow earnings over the next three-four years, and its low cost of borrowing should stand it in good stead in RE auctions and portfolios. Maintain **Buy**, raise TP to ₹165 (from ₹155) as we roll forward our valuation to December 2020. Our TP implies 1.2x FY22e P/B.

HSBC



Source: Company, Kotak Institutional Equities

● OBEROI REALTY RATING: ADD

Deal value's small in overall NAV

While showing could be soft in near term, outlook is positive; TP up to ₹570 from ₹450

OBEROI REALTY HAS agreed to acquire their JV partner's stake in the Ritz Carlton for an asset value of ₹10.4 bn (₹47 mn/key) that appears very rich though it should be seen in the context of prime city location as well as a superior and near-completed hotel property. While not enthused by the consideration paid, the quantum is small in the overall NAV of Oberoi Realty. Real estate sales have revived faster-than-anticipated, and Oberoi Realty with a larger share of completed inventory and a liquid balance sheet is well positioned to capitalise on the consolidation theme. Maintain **Add** with revised FV of ₹570 (₹450 earlier).

Part-stake acquired in Ritz Carlton
We find the buy at a premium, though the share of ₹5 bn is less significant in overall scheme of things, with hotels accounting for only 4% of the gross asset value.

High proportion of completed inventory will aid improving sales trajectory
Oberoi Realty will likely benefit from improved sales trajectory owing to a higher proportion of completed inventory with several projects likely to receive occupancy certificate over the next twelve months. In the near-term, Oberoi will also benefit from reduced stamp duty owing to its presence almost entirely in Mumbai. We note that it will likely have unsold inventory of ₹156 bn as of March 2021 from on-going projects that could yield cash flows of ₹127 bn. We currently factor in sales of ₹61 bn from on-going projects over the next three years.

Potential stake sales for commercial portfolio could aid cap-rate compression
Oberoi Realty has an extant commercial portfolio of 1.7 mn sq. ft that yielded an Ebitda of ₹3.5 bn in FY2020. It is currently executing another project of 2.8 mn sq. ft at Commerz III that will likely be commissioned by FY2023, and another 2.6 mn sq. ft across two projects. We currently value the commercial portfolio at a capitalisation rate of 8%, while the under-construction portfolio is valued on normalised earnings discounted back to December 2022. Oberoi's ability to transact the potential stake sale at lower capitalisation rates will lead to potential re-rating of the annuity assets.

Near-term performance could be soft
Oberoi Realty's stock performance could be soft in the immediate term as investors will likely be less enthused by the acquisition of the balance stake in the hotel property even as valuations for the extant portfolio offer limited upside. Our positive stance essentially factors in (i) improved sales and cash flows trajectory from the on-going residential projects; (ii) low leverage that allows Oberoi Realty to capitalise on aggressive business development; and (iii) potential re-rating as well as re-cycling of capital through stake sale in the annuity business. Our revision in fair value estimate to ₹570 (from ₹450) stems from roll-forward to December 2022 (from March 2022) as well as lowered balance capex for completion of commercial projects.

KOTAK INSTITUTIONAL EQUITIES

● YOUR MONEY

AMIT CHHABRA

Know how a critical illness insurance plan works

AS PER A RECENT report by Indian Heart Association, Indians are 10 times more likely to die of a heart disease compared to people in other countries. Of all the heart attacks that occur in India, 50% of them occur in people under 50 years of age and 25% of them occur in people under 40 years of age.

In fact, critical illnesses have started to affect people in their most productive years. India's rising healthcare inflation rate is another great matter of concern. At any stage of life, you cannot afford to let treatment of a particular disease drain a major part of your savings. This is why it is best to stay adequately protected by buying the right insurance product.

How critical illness cover works

While it is important to cover yourself under a comprehensive health insurance policy to offset your healthcare expenses with regard to hospitalisation, it is equally important to be covered under a critical illness plan. A critical illness plan works quite differently from a normal health insurance plan while providing you with income replacement benefit.

ILLUSTRATION: SHYAM KUMAR PRASAD

Under a critical illness plan, the insurer pays the policyholder the entire sum insured as lump sum regardless of the hospitalisation bill upon diagnosis of a critical illness such as heart related ailment, cancer, stroke, major organ transplant or any other illness covered under the plan. The lump sum amount received by the policyholder can be used for paying off hospital bills, home loan instalments, premium for insurance, day-to-day expenses and other expenses that may incur due to loss of income while you are unable to go to work during the treatment and recovery phase.

For instance, a person buys a critical illness plan with a sum insured of ₹10 lakh in 2018. After two years of buying the policy, he is diagnosed with lung cancer and gets hospitalised for removal of the tumour through surgery that cost him ₹3 lakh. Now, when he will file for a claim through his critical illness cover, his insurer will pay him ₹10 lakh as lump sum. A part of the amount received by him can be used for payment of hospital bills while the remaining amount can be used for paying daily expenses, EMIs if any, children's education or any other expenses that he needs to take care of. As he will not be able to attend his work for a few months due to recovery from the ailment, the remaining amount can be used as loss of income.

> **A critical illness plan is a must for those who have a family history of critical illnesses. Also, those who are the sole breadwinners of their family must invest in such a plan with adequate sum insured. The coverage amount for critical illness plans can from ₹1 lakh to ₹50 lakh**

The number of critical illnesses covered differs from insurer to insurer, and most insurers cover between eight to 20 major critical illnesses that include heart valve replacement, kidney failure, paralysis and major organ transplant.

Know before you buy

A critical illness plan is a must for those who have a family history of critical illnesses. Also, those who are the sole breadwinners of their family must invest in such a plan with adequate sum insured. The coverage amount for critical illness plans can be from ₹1 lakh to ₹50 lakh.

The waiting period under a critical illness plan is mostly 90 days from the policy issuance day. In order to file a claim, the policyholder needs to survive for at least 30 days after diagnosis of the critical illness. Though these days, there are even a few plans available in the market that offer coverage from day one of diagnosis of the ailment.

The writer is business head, Health Insurance, Policybazaar.com

Markets

TUESDAY, DECEMBER 22, 2020

EXPERT VIEW

The impact of the pandemic on consumers is large, and credit growth and spreads are far from indicating a sanguine outlook.

—Saion Mukherjee, analyst, Nomura Holdings

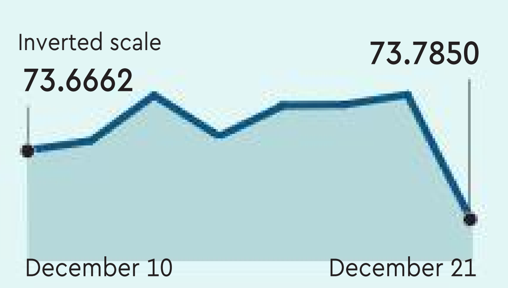
Money Matters

G-SEC

The benchmark yield rose under selling pressure 0.011%

₹/$

The rupee ended lower amid losses in equities 0.292%



€/$

The Euro fell against the dollar 0.604%

Mkts shattered as new Covid strain spooks investors

Sensex tanks 1,406 pts, Nifty dives 432 pts

FE BUREAU
Mumbai, December 21

THE MARKETS CRASHED on Monday, taking a sudden plunge about one hour ahead of the close of trading as investors confronted the news of the latest Covid outbreaks and a new lockdown in London and parts of the UK, resulting in a panic that led to the Sensex crashing by 1,406.73 points (3%) to close at 45,553.96. The Nifty dived 432.15 points (3.14%) to close at 13,328.4. The markets witnessed their biggest single-day fall in seven months.

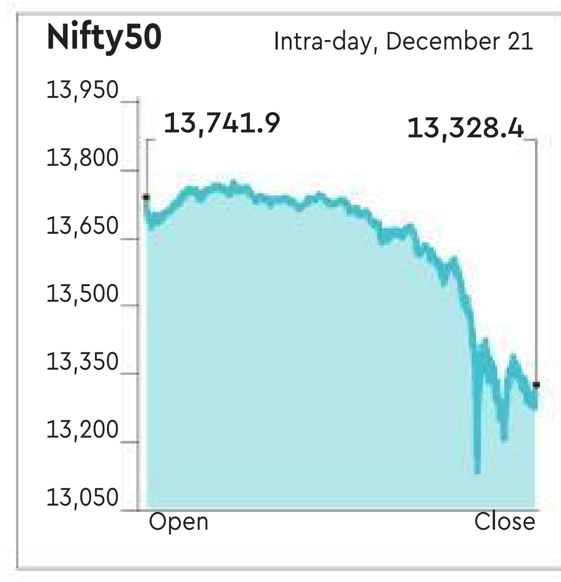
All Sensex components ended in the red, with ONGC leading the pack by tumbling 9.15%. IndusInd Bank, M&M, SBI, NTPC, ITC, Axis Bank and PowerGrid shed up to 6.98%.

All sectoral indices ended in the red, with BSE metal, oil and gas, utilities, realty, basic materials, industrials, power and bankex plunging as much as 6.05%. The broader BSE midcap and smallcap indices sank up to 4.57%.

The Indian markets reacted to the weakness in the European markets and started tanking when the markets in Europe opened for trade. Market experts, however, believe that it is premature to tell whether the correction will continue. Piyush Garg, chief investment officer, ICICI Securities, said, "Monday's crash got triggered with the fall in the European markets. At this point, the markets remain in an overbought zone, so even a small trigger could lead to a steep correction." He explained that entering the market at these levels means one may not make huge returns for some period, the markets could give CAGR returns of close to 10% for a two-three-year time frame.

Most experts believe that the markets are expected to remain volatile going forward as FPI flows are set to moderate ahead of the holiday season. FPIs till December 18 pumped in capital worth $5.9 billion. With the FPI flows remaining weak ahead of the Christmas, any selling in the market could cause a sharp correction. Jaideep Hansraj, MD and CEO, Kotak Securities, said, "As we head towards Christmas vacation and calendar year end, FII flows are expected to moderate which could also be one of the causes of a steep correction."

The cash market segment on Monday saw a turnover worth ₹76,367.07 crore while the futures and options segment saw a turnover of ₹33.11 lakh crore. This is against the six-month average of ₹21.7 lakh crore in the F&O segment and ₹59,316 crore in the cash market segment.



Investor wealth tumbles ₹6.59 lakh cr

INVESTOR WEALTH ERODED by a whopping ₹6.59 lakh crore on Monday as equities tanked after the UK reported a new strain of the Covid-19 virus. The Sensex plunged 1,406.73 points or 3% to close at 45,553.96. It hit an all-time high of 47,055.69 during the session.

Following the sharp selling, the market capitalisation of BSE-listed firms plummeted by ₹6,59,313.65 crore to ₹1,78,79,323 crore. —PTI

Rupee slips 23 paise to 73.79

PRESS TRUST OF INDIA
Mumbai, December 21

THE RUPEE PLUNGED by 23 paise to end at a two-week low of 73.79 against the US dollar on Monday following a massive sell-off in domestic equities amid fears of a fast-spreading new coronavirus strain in the UK.

At the interbank forex market, the domestic unit opened lower at 73.74 against the greenback. It swung between a low of 73.81 and a high of 73.63 during the session. The Indian unit finally settled at 73.79, down 23 paise —the lowest level seen since December 7.

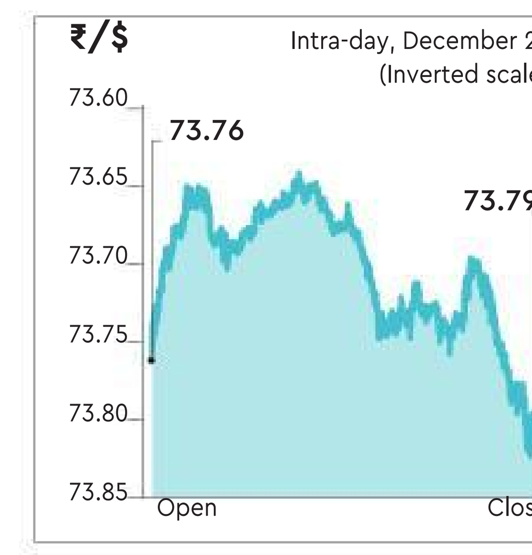
Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, rose 0.94% to 90.80.

"Rupee traded weak near 73.70 compared to 73.55 previously on back of very weak sentiments in capital markets as money poured out due to extension of lockdown in parts of Eurozone, and rising Covid-19 numbers. Dollar index showed some signs of support near $90 once it broke below $90. This helped USDINR take support near 73.50 in last couple days," Jateen Trivedi, senior research analyst (Commodity & Currency) at LKP Securities, said.

On the domestic equity market front, the BSE benchmark Sensex plunged 1,406.73 points to close at 45,553.96, and the broader NSE Nifty fell 432.15 points to 13,328.40.

"The new variant of the novel coronavirus in the UK spooked markets as we witnessed intense selling in pivotal through-out afternoon trade. While the street was bracing for a correction this week after a sharp up move, the sheer velocity of the fall across broader markets took the bulls by surprise as practically none of the key indices constituents were in the green today (Monday)," S Ranganathan, head of research at LKP Securities, said.

Brent crude futures, the global oil benchmark, fell 5.20% to $49.54 per barrel.



Banks line up ARC sales as 2020 draws to a close

SHRITAMA BOSE
Mumbai, December 21

THE DISTRESSED ASSET market, which had gone into a deep freeze after the outbreak of Covid-19, has started to recover in Q3. Large banks have lined up a string of legacy non-performing assets (NPAs) for sale to asset reconstruction companies (ARCs). The deterioration of household incomes has also led banks to consider the ARC route for retail assets and the activity in this segment is now 30-40% higher than pre-pandemic levels.

On Monday, State Bank of India (SBI) and ICICI Bank put out notices for the sale of their exposures to Action Ispat & Power (₹540 crore) and Gammon India, respectively. A consortium of lenders to Jindal India Thermal Power (JITPL), led by Punjab National Bank (PNB), has also sought bids for the project. Earlier, Bank of Baroda (BoB), Axis Bank and IDBI Bank have also run processes for NPA sales, according to sources.

Some of the sales happening now would have been closed in the initial months of FY21, had the pandemic not halted due-diligence processes. For instance, a foreign bank with a significant interest in the stressed asset space had earlier bid for three power projects — Coastal Energen, GVK Goindwal Sahib and JITPL. After the pandemic outbreak, it withdrew the bids.

In fact, latency is one of the key factors driving the series of deals right now. Aswini Sahoo, executive vice-president and chief investment officer at Asset Reconstruction Company (India) (Arcil), said, "There are deals that should have happened in the early part of this year which have now got bundled together in the last few months. We will see some more large names in the power sector, which could get closed in the next quarter." The deal closures in the next quarter can be put into two buckets, Sahoo added. One bucket is that of the corporate cases and the other is that of small and medium enterprises (SME) and retail. Deals up to ₹5,000 crore could be seen in the next quarter, with ₹2,000 crore in the retail and SME segment and the rest in the corporate segment.

Another feature of some of the asset sales happening now is the presence of a promoter willing to settle the account. The JITPL auction is being held under a Swiss challenge process after the consortium received a binding proposal of settlement from the company. Action Ispat is understood to have attracted bids from an ARC and there too, a Swiss challenge is being run.

A top executive with another ARC said that bigger deals are likely to pick up from here on and there are mainly three categories of deals being made. "The deals by stressed asset funds through ARCs had also frozen up because investors were not able to take a view amid the pandemic. The second type is where you have a small amount which is being settled by the promoter through the ARC route," he said, adding, "The third type of deal, which we expect will now pick up, is in the retail space." These portfolios being offered by banks range between ₹300-2,000 crore and there is a mix of secured and unsecured loans.

The end of the moratorium and the restructuring window could also open up space for NPA sales in 2021, said Sanjay Tibrewala, chief executive officer, Phoenix ARC. He observed that earlier, retail sales were more sporadic and in the last few months, there has been a 30-40% increase in action on retail sales by banks. "We could see a lot more deals happening next year because the moratorium has come to an end and there are not too many cases of restructuring. So there will be only two options — either these accounts will be sold to ARCs or banks will start recovery actions themselves, whether through IBC or Sarfaesi." While recovery action can be carried out in parallel, asset sales could be a viable option for banks, he added.

PSP, DFC, Axis Bank invest $107 m in NIIF's 'master fund'

PRESS TRUST OF INDIA
Mumbai, December 21

THE NATIONAL INVESTMENT and Infrastructure Fund (NIIF) on Monday announced a $107-million investment into its 'master fund' from Canada's PSP Investments, US International Development Finance Corporation (DFC) and domestic private sector lender Axis Bank.

After the new commitment from the three investors, the overall size of the master fund has touched $2.34 billion and NIIF also announced the final close of the master fund. The NIIF also announced that it is targeting to raise $2.1 billion for a private equity fund.

The master fund invests in operating assets in core infrastructure sectors, primarily transportation and energy, according to a statement.

Public Sector Pension Investment Board or PSP Investments, one of Canada's largest pension investment managers and DFC, a development finance institution of the US federal government, are new investors in the master fund, while Axis Bank was already invested. Other investors in the master fund include Government of India, Abu Dhabi Investment Authority (ADIA), AustralianSuper, CPP Investments, Ontario Teachers' Pension Plan, Temasek, HDFC Group, ICICI Bank and Kotak Mahindra Life Insurance.

International investors have rights to co-invest an additional $3 billion alongside the fund, it said, adding that DFC and PSP will join the other investors of the master fund as shareholders of NIIF, the investment manager. The master fund is India's largest domestic infrastructure equity fund which has successfully anchored platforms in ports and logistics, renewable energy, smart meters and roads sectors, it said.

Department of economic affairs secretary Tarun Bajaj said the government is pleased to see some of the largest global investors of the world have invested in NIIF Master Fund and the final close has exceeded the initial targeted corpus of $2.1 billion.

The NIIF said after the close of Master Fund, it will now be raising $2.1 billion equivalent for a NIIF Strategic Opportunities Fund (SOF), which will be one of the largest India-focused private equity funds.

Antony Waste Handling IPO subscribed 1.98 times on Day 1

PRESS TRUST OF INDIA
New Delhi, December 21

ANTONY WASTE HANDLING Cell's initial public offering was subscribed 1.98 times on the first day of subscription on Monday.

The company has joined the likes of Burger King India and Mrs Bectors Food Specialities to have received oversubscription in a few hours of opening for subscription.

The initial public offering (IPO), to raise about ₹300 crore, received bids for 1,32,00,749 shares against 66,66,342 shares on offer, according to NSE data.

The qualified institutional buyers (QIBs) category was subscribed 63%, non-institutional investors' portion 8 per cent and retail individual investors (RIIs) 3.56 times.

The IPO comprises a fresh issue of ₹85 crore and an offer for sale of 68,24,933 shares. The price range for the offer, which would close for subscription on Wednesday, has been fixed at ₹313-315 per share.

ANALYST CORNER

Maintain 'add' on GCPL; firm gaining share in soaps space

KOTAK INSTITUTIONAL EQUITIES

KEY TAKEAWAYS FROM call with Sunil Kataria, CEO-India and SAARC. GCPL expects HI portfolio to deliver high single-digit to low double-digit growth on normalised basis. Encouraging response to GK Gold Flash and NPD pipeline inspire confidence, GCPL is gaining share at mass as well as premium end in the soaps category, hair colors witnessed a v-shaped recovery lately, thrust on Protekt, Proclean, air care and fabric care is in line with the vision to transform into an HPC company with presence across 10 segments as against four a year ago. Maintain ADD.

Sustainable trends in hygiene category beyond Covid. The management indicated that the hygiene category can be classified into two formats core hand hygiene. Hand wash penetration in India is up to about 34% from 19% in the past 8-9 months (but for Covid, it would have taken five years for handwash to cross 30% penetration). This category will continue to grow at a healthy rate even if penetration comes off a bit after Covid, new categories (sanitizer and disinfectant sprays). These products witnessed an abnormal spike during Covid. Sales have started to come off sharply but it may still settle at a decent threshold level as compared to virtual non-existence of this category pre-Covid.

Home Insecticide (40% of India business). The management indicated that Good Knight (GK) Gold Flash (launched in Feb 2020) has received encouraging response and is driving premiumisation /upgrade from burning formats. In Nov 2020, GCPL launched GK Smart spray (multi-insect killer spray) at ₹199/150 ml (700 sprays) in Andhra Pradesh. Per management it is the only comprehensive and complete solution of HI, globally. It has the longevity of the electric/ burning format and intensity of aerosol. GK Smart spray is a liquid spray (non-gas formulation) that gives instant relief from mosquitos and its effect lasts for eight hours. In addition to these launches, GCPL is working on two disruptive launches (in 6-8 months) to accelerate category trials.

Retain 'buy' on Exide Industries with revised TP of ₹220

EDELWEISS SECURITIES

WE HOSTED TOP management of Exide Industries (Exide) for investor meetings. Takeaways, sales growth has picked up across the board from Q3FY21, and Exide has closed gap with competition; it is targeting a 200bps lead over market. While lead prices are headed up in the near term, Exide is targeting 150bps in EBITDA margin expansion to 15% over the next 1.5 years led by cost levers. Presence in lithium ion is fortified with 1.5GWh capacity on stream and an order bagged. In light of Exide's improving OEM sales, margin focus, progress on lithium-ion JV (investment of INR1.9bn), and no further investments in the insurance arm, we are raising the valuation to 21x and rolling it over to June-22E, yielding revised TP of INR220. Retain 'BUY'.

Exides's sales grew slower than competition over the last three quarters owing to late operationalisation of its plants. They will fully recover in H2FY21 led by full operationalisation of all plants and an all-round pickup. Besides, the spate of initiatives such as market mapping, digitalisation, and transformation of the sales structure should, according to management, help it outgrow the market by 200bps.

With its EBITDA margin lagging competition by 300bps, Exide targets to bridge the gap by at least 150bps without compromising capital allocation. A transforming supply chain, power cost reduction through solar, higher automation at factories and warranty management would help Exide improve EBITDA margin to 15%+ in 1.5–2 years, up from 13–14% in the last four years. Capex in FY21 will be merely INR3bn.

With in-built flexibility on all types of lines at its lithium ion plant, the prismatic line has been commissioned and the first bulk order (INR180mn) has been received from an electric 3W OE. The cylindrical line will be ready soon and prototypes for electric 2W have begun. Management expects INR10bn in sales on ramp-up over four years.

The company's present endeavours are likely to bear fruit over the next two–three years, setting the stage for Exide to outperform market growth. We estimate a revenue CAGR of 11% from FY21–23E. Efforts on margin improvement should result in higher EBITDA margin, thereby leading to cash accretion, with limited spends on capex (FY21 to be INR3bn). Replacement volumes in FY22 are likely to be in line with the peak of FY20, while investments in the Li-ion JV should begin to yield dividends.

Quick View

BoB signs MoU with defence forces for Baroda Military Salary

PUBLIC SECTOR LENDER Bank of Baroda (BoB) has signed an agreement with Indian Navy and Indian Coast Guard under which the bank would offer customised services along with a host of facilities to account holders. The bank has also renewed its existing MoU with the Indian Army to offer specially customised banking services through 'Baroda Military Salary Package'. Services under this will be offered to serving and retired personnel of Indian Armed Forces.

Sebi slaps ₹15-lakh fine on three individuals

STOCK MARKET REGULATOR Sebi has slapped a total fine of ₹15 lakh on three individuals for their failure to comply with summons issued by the regulator in Global Securities case. A fine of ₹5 lakh each has been imposed on Umesh Kashinath Gawand, Kamlesh Kanahiyalal Joshi and Jagdish Goverdhan Ajwani. The individuals were the directors of the company at the time of investigation.

Invoicemart MSME invoices discounting

INVOICEMART, AN AXIS Bank-backed digital invoice discounting marketplace, on Monday said it has facilitated MSME invoice discounting worth ₹10,000 crore. The trade receivable discounting system (TReDS) platform said that with a record discounting of ₹10,000 crore worth of invoices, it has facilitated funding for more than 5,80,000 invoices of MSME vendors.

INTERVIEW: JOSE JACOB KALLARAKAL, chairman & MD, Antony Waste Handling Cell

'Solid waste mgmt likely to become a ₹9,800-cr industry in 5 yrs'

The Indian solid waste management industry is expected to reach ₹9,800 crore in the next five years, said **Jose Jacob Kallarakal**, *chairman and managing director, Antony Waste Handling Cell. In an interview with* **Urvashi Valecha**, *he explains why has the company decided to hit the markets at this juncture. Excepts:*

After keeping the IPO on hold since March, why is it that you've decided to hit the markets at this juncture?

When we had planned to launch the public issue in March, a couple of factors went completely against it. No one could have factored in the speed with which novel Coronavirus started impacting the global markets. In addition to that, while we had expected SBI Cards to drain liquidity from the system, we believed that being a smaller issue, we will not face any major challenge. However, the challenge got compounded when the RBI imposed a moratorium on Yes Bank. We decided to extend the issue hoping for the sentiment to improve, but looking at the mood of the markets, we withdrew the IPO. We now believe that the sector has recovered faster than the general economy and our recent results are a testimony to the same. We decided to re-file the DRHP once we believed that the business has stabilised to an extent and started meeting investors almost immediately after receiving observations from Sebi.

What is your outlook for the waste management industry?

According to market analysts, the Indian solid waste management sector is estimated to be around ₹5,000 crore in FY20. In the next five years, it will be close to ₹9,800 crore. Moreover, close to 77% of municipal solid waste is disposed in open dumps, and when this practice of disposing of waste in open dumps reduces, organised companies in the sector will benefit.

How has your business fared in the last nine months and how has the pandemic impacted it?

The company basically does collection, transportation and processing of waste. We do only municipal solid waste that is generated in the municipal corporation areas and residential areas. While being an essential service waste management companies were permitted to work for most part of the lockdowns, there was some impact on the industry at the beginning of the lockdowns. The situation has improved subsequently and MSW tonnage is expected to normalise to pre-Covid-19 levels by end of 2020 as commercial and industrial establishments open up.

How are you addressing investors who are concerned over sustainability and environmental (ESG) impact?

We have an ESG policy that identifies focus material areas that relate to the impact of our business activities on the environment and the society while ensuring a proper governance. A few areas that we try to focus on include gaseous emissions and air pollution, potential contamination of ground and surface water resources, factors contributing to and impacting climate change, health and safety of employees, contract workers and communities, no exploitation of child labour, prevention of sexual harassment and stakeholders' grievances redressal mechanism.

How will the proceeds from the IPO be utilised?

The issue is of around ₹300 crore, including an offer for sale of around ₹215 crore by existing investors who stayed invested in the company for over 12 years. The primary issuance is of ₹85 crore. Of that, ₹40 crore goes to the unit we are setting up in Pimpri Chinchwad while ₹38.5 crore will be used for reducing debt at a consolidated level.

INTERVIEW: RASHESH SHAH, chairman and CEO, Edelweiss Group

‘We need both NBFCs and banks to grow’

Non-banking financial players have hurtled from one crisis to another. **Rashesh Shah,** *chairman and CEO of Edelweiss Group, in an interview with* **Malini Bhupta,** *says the NBFC model will come back. Excerpts:*

At a group level how do you see the pandemic impacting your liquidity and what about the balance-sheet strength to deal with the stress?

I think in the last five or six months, we have done a fair amount of balance-sheet strengthening. Our credit book took a big impairment and we took a markdown, which we front-loaded. We also beefed up liquidity and while it is hurting earnings, it is a source of comfort. Across our entities we are holding liquidity for two years. We have ₹7,000 crore of liquidity at group level. Our overall book is ₹17,000 crore. We have improved equity in all businesses. We agreed to sell 50% of our wealth business. In our NBFC business, capital adequacy is 24%, in housing finance it is 28% and in ARC it is 38%. Our wealth business has grown at 94% a year and asset management business has doubled in two years. Our general insurance business has grown at 58% this year and the life insurance business has seen positive growth every month this year.

What about build up of stress in your lending businesses?

Our collection efficiency is back to 93-94% against 98% at pre-Covid levels. Out of our ₹18,000-crore loan book, the share of retail and wholesale is equal. In retail, our collection efficiency is at 94% which is at par with the industry. We have taken a ₹2000-crore markdown in the wholesale book. Wholesale housing has improved a lot and sales have been the best in 20 years.

NBFCs have been hurtling from one crisis to another. Your view.

IL&FS applied the brakes on the financial sector. It was a huge upheaval. If IL&FS had not happened, we would have been unprepared for Covid. IL&FS was a good break for the financial sector and because of that shock, banks and NBFCs are much stronger than they were two years ago.

Are NBFCs out of the woods?

There was a crisis five months ago and that is over, but the growth challenge remains. The government is doing its bit to increase the share of manufacturing through PLI scheme. We need 12-13% credit growth for the economy to return to growth. The good banks and good NBFCs have similar levels of profitability. The only difference is scale. While NBFCs account for 25% of the credit market, they account for 40% equity in the sector. We need both NBFCs and banks to grow, it is not an either-or situation.

What's the road map for Edelweiss Group, which also has a non-banking finance company? Do you see Edelweiss becoming a bank?

We have an ambition to continue to build strength in the financial services space. There are three parts to that – one is insurance, then there is capital markets and credit. I do think digital disruption in banking is a big opportunity. At our size it would not make sense to become a bank with branches like it is in the old model because that model works at a scale. Our credit book is ₹17,000-18,000 crore. We are not near the ₹50,000-crore threshold. The RBI has also come out with norms for NBFCs to work with banks for origination and to sell loans. The NBFC model will come back. It will not be a balance-sheet model, but one where they occupy niches and specialise in select segments. It will have to be an asset-light model. The fact that the RBI feels NBFCs above a certain size should become a bank is a good thing because if you are ₹50,000 crore in size, you have to roll over ₹20,000 crore a year. At that stage, you become systematically important. Between ₹25,000-50,000 crore, you can be both. But below ₹25,000 crore, it might be beneficial to be an NBFC.

What's in store for credit markets after all this turmoil of the last two years?

After the turmoil, there is a rethink on the entire credit ecosystem. Between 1995 and 2000 there were a lot of changes in equity markets. Credit markets will see similar changes. Credit markets will need to have multi-lane highway. We need to think of an infrastructure that is cohesive.

FRP: Maha fed tells sugar mills to enter into pacts with farmers

FE BUREAU
Pune, December 21

THE MAHARASHTRA STATE Cooperative Sugar Factories Federation (MSCSFF) has advised sugar mills to enter into agreements with farmers offering a four-month window from the receipt of cane for paying fair and remunerative price (FRP) dues, top officials of the federation said.

The move is not only expected to give mills a breathing space to raise funds, but also ensure that farmers get paid on time, members of the federation said. Barely two months into the season and sugar mills in the state already owe farmers ₹1,979.56 crore in FRP payments, according to the latest arrears report of the State Sugar Commissionerate.

Sanjay Khatal, MD, MSCSFF, said the insistence by some farmer bodies for one-time payment of FRP can pose problems for mills. Sugar millers have cited pending sugar stock and delay in the export policy announcement among reasons for their inability to pay one-time FRP. "Liquidity is going to be an issue with mills, which are already facing sluggish sugar sales and financial problems. Sugar prices are also below MSP on subdued demand. The federation has advised mills to enter into agreements on FRP payments with farmers at the start of the season itself to avoid payment issues. It is, however, not known how many mills have entered into such agreements," he said.

The move is not only expected to give mills a breathing space to raise funds, but also ensure that farmers get paid on time, members of the federation said

According to the arrears report till December 15, the total payable FRP was around ₹4148.33 crore and sugar mills have made 52.28% of the payment. FRP arrears to farmers are now ₹1,979.56 crore. The country's opening stock balance at the start of the season was around 107 lakh tonne and Maharashtra's share amounted to some 36 lakh tonne, which is adding to the problem.

Millers said the export subsidy announcement also came late, leaving little scope for exports of raw sugar. "The focus is now on whites. The mill-wise allocation is yet to come and once that happens, millers will enter into export contracts," Khatal said. Some of the millers had earlier exported under the Open General Licence (OGL), but now prefer to wait for the subsidy, he said.

The state has already produced 30 lakh tonne of new sugar and exports will ease the liquidity situation, Khatal said. Last week, the central government approved a subsidy of ₹3,500 crore to sugar mills for export of around six million tonne (MT) in the ongoing 2020-21 marketing season that started in October.

Maharashtra is expected to crush 873 lakh tonne of cane and produce 99 lakh tonne of sugar in the current season. Khatal said millers have already decided to divert around 5-10 lakh tonne of sugar towards ethanol production because of excess stocks. Millers have already filed bids for 65 crore litre ethanol from B Heavy Molasses, 25 crore litre from C Molasses and 14 crore litre from sugarcane juice, he said.

Prakash Naiknavare, MD, National Federation of Cooperative Sugar Factories, said with Brazilian sugar being expected to hit the market by April, India still has enough time to meet the demands of the international market.

SEBI MEASURES

New stress testing perimeters for commodity derivatives

PRESS TRUST OF INDIA
New Delhi, December 21

SEBI ON MONDAY issued new stress testing perimeters for commodity derivatives to tackle extreme volatile price events. The move comes after the regulator received representation to review the requirement of including all the price movements during the last 15 years, in the historical scenarios prescribed for stress testing.

With a view to address the concerns emanating from exceptional and extreme volatile price events, Sebi said price movements of the last 15 years will be scanned for stress testing.

Narinder Wadhwa, national president at CPAI, said it has been decided to scan for wider periods for stress tests and the prescribed period being 15 years for price movements. "The margin period of risk will now be 15 years instead of 10 years. The same is an outcome of crude oil volatility and negative rates," he added.

In September, Sebi proposed an alternate risk management framework for commodities in case of near zero or negative prices.

"In recent times, extreme volatility has been observed in commodity prices globally, particularly in the case of crude oil, wherein the prices had unprecedentedly gone down to zero and subsequently, even negative.

"In such a scenario, margins equivalent to even 100% of the futures price would not have been sufficient to cover the steep upward or downward price variations in the futures market," Sebi had said.

Norms related to core SGF announced

PRESS TRUST OF INDIA
New Delhi, December 21

WITH AN AIM to enhance robustness of the risk management system in limited purpose clearing corporations, Sebi on Monday came out with norms relating to core settlement guarantee fund (SGF), stress testing and default waterfall procedure.

The limited purpose clearing corporation (LPCC) is an entity established to undertake the activity of clearing and settlement of repo transactions.

With regard to contribution to core SGF, Sebi said contribution to the fund will be made by the recognised limited purpose clearing corporation, the clearing members and issuers of debt securities. Any shortfall in the fund will be replenished by the recognised limited purpose clearing corporation to the threshold level as specified by Sebi said.

"Contribution of issuers of debt securities to core SGF shall be equivalent to 0.5 basis points of the issuance value of debt securities per annum, based on the maturity of debt securities, to be collected upfront," the regulator said.

Quick View

ICICI Pru Life's pension plan

ICICI PRUDENTIAL LIFE Insurance has launched 'ICICI Pru Guaranteed Pension Plan', an innovative retirement plan that offers guaranteed life-long income to lead a financially independent retired life. A non-linked non-participating individual annuity product, it provides customers with the flexibility to choose between Immediate and Deferred Annuity.

L&T Finance Holdings dissolves West Asia arm

PRESS TRUST OF INDIA
New Delhi, December 21

L&T FINANCE HOLDINGS on Monday said its subsidiary L&T Capital Markets (Middle East) or LTCM has been dissolved and ceased to exist.

On July 17, L&TFH had informed about voluntary winding-up of one of its wholly-owned subsidiary incorporated in Dubai to carry on the off-shore wealth management business, subject to applicable laws of the United Arab Emirates.

"Further to the communication received from the official liquidator in Dubai on December 20, 2020, please note that pursuant to letter from Dubai International Financial Centre, the Dubai regulator, effective December 17, 2020, LTCM (ME) has been dissolved and ceased to exist," LTFH said in a regulatory filing.

As on March 31, 2020, LTCM (ME) had a total income of ₹20.99 crore equivalent to 0.14% of consolidated income of L&TFH

It said the arm was not a material subsidiary of the company.

As on March 31, 2020, LTCM (ME) had a total income of ₹20.99 crore equivalent to 0.14% of consolidated income of L&TFH.

Its net worth stood at ₹10.46 crore, contributing 0.07% of consolidated net worth to the parent company.

FAIRCHEM
A FAIRFAX COMPANY

FAIRCHEM ORGANICS LIMITED

Corporate Identity Number: U24200MH2019PLC323176
Registered Office: Plot A-71, TTC Industrial Estate, Near Thane Belapur Road, Kopar Khairane, Navi Mumbai - 400 709, Maharashtra, India.
Contact Person: Mr. Rajen Jhaveri, Chief Financial Officer, Company Secretary and Compliance officer, **Tel**: +91 90163 24095; **E-mail**: cs@fairchem.in; **Website**: www.fairchem.in

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF FAIRCHEM ORGANICS LIMITED

STATUTORY ADVERTISEMENT ("ADVERTISEMENT") ISSUED IN COMPLIANCE WITH CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IN RELATION TO THE SCHEME OF ARRANGEMENT BY LISTED ENTITIES, PURSUANT TO THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION UNDER THE PROVISIONS OF SECTIONS 230 TO 232, READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 INVOLVING FAIRCHEM ORGANICS LIMITED, PRIVI ORGANICS INDIA LIMITED, PRIVI SPECIALITY CHEMICALS LIMITED (FORMERLY KNOWN AS FAIRCHEM SPECIALITY LIMITED) AND THEIR RESPECTIVE SHAREHOLDERS, SANCTIONED BY THE NCLT ON JUNE 30, 2020 (THE "SCHEME OF ARRANGEMENT").

THIS PUBLIC ANNOUNCEMENT DOES NOT RELATE TO ANY ISSUANCE / SALE OF EQUITY SHARES. NO OFFER IS BEING MADE TO THE PUBLIC OR ANY OTHER CATEGORY OF INVESTORS PURSUANT TO THIS PUBLIC ANNOUNCEMENT, NOR IS IT SOLICITING AN OFFER TO BUY SECURITIES IN ANY JURISDICTION.

Capitalised terms used but not defined herein have the meaning assigned to them in the Information Memorandum dated December 21, 2020.

1. **NAME AND ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY**
   Fairchem Organics Limited ("**Company**"), whose registered office is situated at Plot A-71, TTC Industrial Estate, Near Thane Belapur Road, Kopar Khairane, Navi Mumbai - 400 709, Maharashtra, India.
   Our Company does not have any corporate office.
2. **DETAILS OF CHANGE IN NAME OR OBJECT CLAUSE**
   There has been no change in the name or object clause of our Company since inception.
3. **CAPITAL STRUCTURE – PRE AND POST SCHEME OF ARRANGEMENT**

A. EQUITY SHARE CAPITAL OF OUR COMPANY PRIOR TO SCHEME OF ARRANGEMENT

Particulars	Aggregate Value in Lakhs (in Rs.)
Authorised Share Capital	
10,000 Equity Shares of Rs. 10 each	1.00
Total	**1.00**
Issued, Subscribed and Paid up Capital	
10,000 Equity Shares of Rs. 10 each	1.00
Total	**1.00**

B. EQUITY SHARE CAPITAL OF OUR COMPANY POST SCHEME OF ARRANGEMENT

Particulars	Aggregate Value in Lakhs (in Rs.)
Authorised Share Capital	
2,00,00,000 Equity Shares of Rs. 10 each	2,000.00
Total	**2,000.00**
Issued, Subscribed and Paid up Capital	
1,30,20,902 Equity Shares of Rs. 10 each	1,302.09
Total	**1,302.09**

4. **SHAREHOLDING PATTERN OF OUR COMPANY**

Table I – SUMMARY STATEMENTS HOLDING OF SPECIFIED SECURITIES

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg. X	Class eg. Y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	22	9642949	0	0	9642949	74.0575	9642949	0	9642949	74.0575	0	74.0575	0	0.0000	0	0.0000	9642949
(B)	Public	9374	3377953	0	0	3377953	25.9425	3377953	0	3377953	25.9425	0	25.9425	0	0.0000	NA	NA	3376725
(C)	Non Promoter - Non Public				0				0			0			0.0000	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total	**9396**	**13020902**	**0**	**0**	**13020902**	**100.0000**	**13020902**	**0**	**13020902**	**100.0000**	**0**	**100.0000**	**0**	**0.0000**	**0**	**0.0000**	**13019674**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category of shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares under-lying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg. X	Class eg. Y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
1	**Indian**																		
(a)	**Individuals / Hindu Undivided Family**		**15**	**2802128**	**0**	**0**	**2802128**	**21.5202**	**2802128**	**0**	**2802128**	**21.5202**	**0**	**21.5202**	**0**	**0.0000**	**0**	**0.0000**	**2802128**
	Mahesh P Babani	AFLPB1549R	1	862116	0	0	862116	6.6210	862116	0	862116	6.6210	0	6.6210	0	0.0000	0	0.0000	862116
	Mahesh Purshottam Babani HUF	AAAHB2420F	1	597240	0	0	597240	4.5868	597240	0	597240	4.5868	0	4.5868	0	0.0000	0	0.0000	597240
	Doppalapudi Bhaktavatsala Rao	AADPR7777A	1	241020	0	0	241020	1.8510	241020	0	241020	1.8510	0	1.8510	0	0.0000	0	0.0000	241020
	Vinaykumar Doppalapudi Rao	AEUPR4356L	1	159426	0	0	159426	1.2244	159426	0	159426	1.2244	0	1.2244	0	0.0000	0	0.0000	159426
	Vijaykumar Doppalapudi	AABPR1225M	1	151668	0	0	151668	1.1648	151668	0	151668	1.1648	0	1.1648	0	0.0000	0	0.0000	151668
	Rajkumar Doppalapudi	ABAPD0730F	1	148608	0	0	148608	1.1413	148608	0	148608	1.1413	0	1.1413	0	0.0000	0	0.0000	148608
	Jyoti Mahesh Babani	AWZPB9293P	1	130000	0	0	130000	0.9984	130000	0	130000	0.9984	0	0.9984	0	0.0000	0	0.0000	130000
	Seema Mahesh Babani	AAJPB9803F	1	130000	0	0	130000	0.9984	130000	0	130000	0.9984	0	0.9984	0	0.0000	0	0.0000	130000
	Snehal Mahesh Babani	ASMPB7085Q	1	130000	0	0	130000	0.9984	130000	0	130000	0.9984	0	0.9984	0	0.0000	0	0.0000	130000
	Prasanna Raj	AKKPD9523H	1	61758	0	0	61758	0.4743	61758	0	61758	0.4743	0	0.4743	0	0.0000	0	0.0000	61758
	Premaleela Doppalapudi	AEKPD3346L	1	59058	0	0	59058	0.4536	59058	0	59058	0.4536	0	0.4536	0	0.0000	0	0.0000	59058
	Sharon Doppalapudi	AGAPD6477C	1	52848	0	0	52848	0.4059	52848	0	52848	0.4059	0	0.4059	0	0.0000	0	0.0000	52848
	Grace Vinaykumar	AGAPD2982N	1	49950	0	0	49950	0.3836	49950	0	49950	0.3836	0	0.3836	0	0.0000	0	0.0000	49950
	Rameshbabu Gokarneswararao Guduru	ABIPG2893E	1	20103	0	0	20103	0.1544	20103	0	20103	0.1544	0	0.1544	0	0.0000	0	0.0000	20103
	Utkarsh Bhikhoobhai Shah	ACTPS7546Q	1	8333	0	0	8333	0.0640	8333	0	8333	0.0640	0	0.0640	0	0.0000	0	0.0000	8333
(b)	**Central Government / State Government(s)**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(c)	**Financial Institutions / Banks**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(d)	**Any Other (Specify)**		**5**	**492129**	**0**	**0**	**492129**	**3.7795**	**492129**	**0**	**492129**	**3.7795**	**0**	**3.7795**	**0**	**0.0000**	**0**	**0.0000**	**492129**
	Bodies Corporate		5	492129	0	0	492129	3.7795	492129	0	492129	3.7795	0	3.7795	0	0.0000	0	0.0000	492129
	Nahoosh Tradelink LLP	AAMFN7551K	1	221006	0	0	221006	1.6973	221006	0	221006	1.6973	0	1.6973	0	0.0000	0	0.0000	221006
	Jariwala Tradelink LLP	AALFJ5559N	1	112327	0	0	112327	0.8627	112327	0	112327	0.8627	0	0.8627	0	0.0000	0	0.0000	112327
	Moneymart Securities Pvt Ltd	AAACM4288K	1	68904	0	0	68904	0.5292	68904	0	68904	0.5292	0	0.5292	0	0.0000	0	0.0000	68904
	Vivira Investment And Trading Pvt Ltd	AAACV1482E	1	63306	0	0	63306	0.4862	63306	0	63306	0.4862	0	0.4862	0	0.0000	0	0.0000	63306
	Vivira Chemicals Private Limited	AAACV1234G	1	26586	0	0	26586	0.2042	26586	0	26586	0.2042	0	0.2042	0	0.0000	0	0.0000	26586
	Sub Total (A)(1)		**20**	**3294257**	**0**	**0**	**3294257**	**25.2998**	**3294257**	**0**	**3294257**	**25.2998**	**0**	**25.2998**	**0**	**0.0000**	**0**	**0.0000**	**3294257**
2	**Foreign**																		
(a)	**Individuals (Non-Resident Individuals / Foreign Individuals)**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(b)	**Government**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(c)	**Institutions**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(d)	**Foreign Portfolio Investor**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**0**
(e)	**Any Other (Specify)**		**2**	**6348692**	**0**	**0**	**6348692**	**48.7577**	**6348692**	**0**	**6348692**	**48.7577**	**0**	**48.7577**	**0**	**0.0000**	**0**	**0.0000**	**6348692**
	Bodies Corporate		**2**	**6348692**	**0**	**0**	**6348692**	**48.7577**	**6348692**	**0**	**6348692**	**48.7577**	**0**	**48.7577**	**0**	**0.0000**	**0**	**0.0000**	**6348692**
	FIH Mauritius Investments Ltd	AACCF5236C	1	6347609	0	0	6347609	48.7494	6347609	0	6347609	48.7494	0	48.7494	0	0.0000	0	0.0000	6347609
	FIH Private Investments Ltd	AACCF5235B	1	1083	0	0	1083	0.0083	1083	0	1083	0.0083	0	0.0083	0	0.0000	0	0.0000	1083
	Sub Total (A)(2)		**2**	**6348692**	**0**	**0**	**6348692**	**48.7577**	**6348692**	**0**	**6348692**	**48.7577**	**0**	**48.7577**	**0**	**0.0000**	**0**	**0.0000**	**6348692**
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		**22**	**9642949**	**0**	**0**	**9642949**	**74.0575**	**9642949**	**0**	**9642949**	**74.0575**	**0**	**74.0575**	**0**	**0.0000**	**0**	**0.0000**	**9642949**

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note : (1) PAN would not be displayed on website of Stock Exchange(s) (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category of shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares under-lying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg. X	Class eg. Y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
1	**Institutions**																		
(a)	**Mutual Fund**		**1**	**129576**	**0**	**0**	**129576**	**0.9951**	**129576**	**0**	**129576**	**0.9951**	**0**	**0.9951**	**0**	**0.0000**	**NA**	**NA**	**129576**
(b)	**Venture Capital Funds**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(c)	**Alternate Investment Funds**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(d)	**Foreign Venture Capital Investors**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(e)	**Foreign Portfolio Investor**		**4**	**18157**	**0**	**0**	**18157**	**0.1394**	**18157**	**0**	**18157**	**0.1394**	**0**	**0.1394**	**0**	**0.0000**	**NA**	**NA**	**18157**
(f)	**Financial Institutions / Banks**		**1**	**1431**	**0**	**0**	**1431**	**0.0110**	**1431**	**0**	**1431**	**0.0110**	**0**	**0.0110**	**0**	**0.0000**	**NA**	**NA**	**1431**
(g)	**Insurance Companies**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(h)	**Provident Funds/ Pension Funds**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(i)	**Any Other (Specify)**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
	Sub Total (B)(1)		**6**	**149164**	**0**	**0**	**149164**	**1.1456**	**149164**	**0**	**149164**	**1.1456**	**0**	**1.1456**	**0**	**0.0000**	**NA**	**NA**	**149164**
2	**Central Government/ State Government(s)/ President of India**																		
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
3	**Non-Institutions**																		
(a)	**Individuals**			**0**	**0**										**0**		**NA**	**NA**	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		8468	1149170	0	0	1149170	8.8256	1149170	0	1149170	8.8256	0	8.8256	0	0.0000	NA	NA	1147942
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		10	486052	0	0	486052	3.7329	486052	0	486052	3.7329	0	3.7329	0	0.0000	NA	NA	486052
(b)	**NBFCs registered with RBI**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
	Trust Employee		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

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Table III - Statement showing shareholding pattern of the Public shareholder

Cate-gory	Category of shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares under-lying Depo-sitory Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg. X	Class eg. Y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in demateria lized form (XIV)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(c)	**Overseas Depositories (holding DRs) (balancing figure)**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
(d)	**Any Other (Specify)**		**890**	**1593567**	**0**	**0**	**1593567**	**12.2385**	**1593567**	**0**	**1593567**	**12.2385**	**0**	**12.2385**	**0**	**0.0000**	**NA**	**NA**	**1593567**
	IEPF		1	13816	0	0	13816	0.1061	13816	0	13816	0.1061	0	0.1061	0	0.0000	NA	NA	13816
	Trusts		1	100	0	0	100	0.0008	100	0	100	0.0008	0	0.0008	0	0.0000	NA	NA	100
	Foreign Nationals		5	423	0	0	423	0.0032	423	0	423	0.0032	0	0.0032	0	0.0000	NA	NA	423
	Hindu Undivided Family		324	96008	0	0	96008	0.7373	96008	0	96008	0.7373	0	0.7373	0	0.0000	NA	NA	96008
	Non Resident Indians (Non Repat)		126	57898	0	0	57898	0.4447	57898	0	57898	0.4447	0	0.4447	0	0.0000	NA	NA	57898
	Non Resident Indians (Repat)		209	336696	0	0	336696	2.5858	336696	0	336696	2.5858	0	2.5858	0	0.0000	NA	NA	336696
	Rajesh Harichandra Budhrani	AAHPB9647H	1	237493	0	0	237493	1.8239	237493	0	237493	1.8239	0	1.8239	0	0.0000	NA	NA	237493
	Overseas Bodies Corporates		1	820638	0	0	820638	6.3025	820638	0	820638	6.3025	0	6.3025	0	0.0000	NA	NA	820638
	Banbridge Limited	AAHCB1879J	1	820638	0	0	820638	6.3025	820638	0	820638	6.3025	0	6.3025	0	0.0000	NA	NA	820638
	Clearing Member		43	8229	0	0	8229	0.0632	8229	0	8229	0.0632	0	0.0632	0	0.0000	NA	NA	8229
	Bodies Corporate		180	259759	0	0	259759	1.9949	259759	0	259759	1.9949	0	1.9949	0	0.0000	NA	NA	259759
	Sub Total (B)(3)		**9368**	**3228789**	**0**	**0**	**3228789**	**24.7970**	**3228789**	**0**	**3228789**	**24.7970**	**0**	**24.7970**	**0**	**0.0000**	**NA**	**NA**	**3227561**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		**9374**	**3377953**	**0**	**0**	**3377953**	**25.9425**	**3377953**	**0**	**3377953**	**25.9425**	**0**	**25.9425**	**0**	**0.0000**	**NA**	**NA**	**3376725**

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

No. of shareholders	No. of Shares

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note : (1) PAN would not be displayed on website of Stock Exchange(s).(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares. (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

Table IV – Statement showing shareholding pattern of the non-promoter non-public shareholder

Cate-gory	Category of shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares under-lying Depo-sitory Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg. X	Class eg. Y	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares: No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held (b)	Number of equity shares held in demateria lized form (XIV)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
1	**Custodian/DR Holder**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)**		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**

Note : (1) PAN would not be displayed on website of Stock Exchange(s).(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares. (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

None of our Group Companies hold any Equity Shares in our Company.

5. MAJOR SHAREHOLDERS OF OUR COMPANY AND THEIR INTEREST IN OUR COMPANY

The details of the ten largest Shareholders of our Company as on the date of this Advertisement is set out below:

Sr. No.	Name Of The Shareholder	No. of Equity Shares held	% of the paid-up Equity Share Capital
1.	FIH Mauritius Investments Ltd	63,47,609	48.75 %
2.	Mahesh P Babani	8,62,116	6.62 %
3.	Banbridge Limited	8,20,638	6.30 %
4.	Mahesh Purshottam Babani HUF	5,97,240	4.59 %
5.	Doppalapudi Bhaktavatsala Rao	2,41,020	1.85 %
6.	Rajesh Harichandra Budhrani	2,37,493	1.82 %
7.	Nahoosh Tradelink LLP	2,21,006	1.70 %
8.	Vinaykumar Doppalapudi Rao	1,59,426	1.22 %
9.	Rajkumar Doppalapudi	1,34,136	1.03 %
10.	Seema Mahesh Babani	1,30,000	1.00 %

6. DETAILS OF PROMOTERS OF OUR COMPANY

1. **Utkarsh Bhikhoobhai Shah** aged 59 years is a science graduate with Chemistry as a principal subject. Over a period of last more than 38 years and apart from spreading the existing coal business, he diversified into textile dyes, speciality chemicals, auxiliaries, intermediates, polyester fibre & Real Estate Development. He acquired partial equity stake of Fairchem Organics Limited in the year 2010. He is heading various charitable initiatives in rural development, senior citizen, education & health. He is past president of Gujarat Chamber of Commerce & Industry. In the past, he also held the position of president of Jain International Trade Organisation, an international organization of businessmen, industrialist, professionals and knowledge stake holders. His address is Anantam Bunglow, Rajpath Rangoli 100 Ft Road, Nr. Shashwat Bunglows, Ahmedabad - 380054.
2. **Mahesh P Babani** is a commerce graduate from University of Mumbai and has been associated with Privi Organics Limited and was the Managing Director for the period from 2001 to 2016. He is involved in formulation of long - term strategy, business development and financial management of the Privi Organics India Limited as Managing Director, which has amalgamated into Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)*.His address is Satguru House, Flat No.7, Shirley Rajan Road, Bandra (West), Mumbai – 400050.
3. **Doppalapudi Bhaktavatsala Rao** holds degree of Bachelors of Engineering from Sri Venkateswara University and also holds degree of Master of Engineering from Indian Institute of Science, Bangalore. He has more than 35 years of experience in operations, project planning and execution, research and development and human resources of Privi Organics India Limited and has been a director in Privi Organics Limited since 1982, and a whole time director, designated as executive director, since April 1, 2004. He is involved in the operations and standardising various processes in the management of the Privi Organics India Limited which has amalgamated into Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)*.His address is 903, Daffodil, Satguru Gardens, Thane (E) – 400603
4. **Nahoosh Jayvadan Jariwala** holds a bachelor's degree in commerce from Gujarat University. He has work experience of more than 25 years in the chemical industry. He was director of Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)* since November 03, 1992 and designated as Managing Director since April 01, 2010. Presently, he is the Managing Director of our Company. His address is 'Jariwala', Beside Shashwat Bunglows, Rajpath Club Rangoli Road, Ahmedabad - 380059.
5. **Mahesh Purshottam Babani HUF**

   Mahesh Purshottam Babani HUF was formed on April 01, 1958. It is represented by Mahesh P Babani who is also the promoter of our Company in his individual capacity.

   Main Business Activities:

   There are no business activities being carried out by Mahesh Purshottam Babani HUF and accordingly there has been no change in main business activities of Mahesh Purshottam Babani HUF.
6. **Nahoosh Tradelink LLP**

   Nahoosh Tradelink LLP was incorporated on April 01, 2016. The registered office of Nahoosh Tradelink LLP is situated at Jariwala beside Shaswat Bunglow, Rajpath Club, Rangoli Road, Bodakdev, Ahmedabad, Gujarat 380 059, India.

   Main Business Activities:

   The main business activities of Nahoosh Tradelink LLP are to carry on the business of marketing, importing, exporting, dealing, trading of commodities, allied products, retail products, consumer goods, domestic and other products, merchandise articles, materials of all kinds, sizes, types and description and to act as agents, dealers, suppliers, distributors, wholesalers, retailers, representative, consignor, consignee and merchants.
7. **Jariwala Tradelink LLP**

   Jariwala Tradelink LLP was incorporated on December 07, 2015. The registered office of Jariwala Tradelink LLP is situated at Jariwala beside Shaswat Bunglow, Rajpath Club, Rangoli Road, Bodakdev, Ahmedabad, Gujarat 380 059, India.

   Main Business Activities:

   The main business activities of Jariwala Tradelink LLP are to carry on the business of marketing, importing, exporting, dealing, trading of commodities, allied products, retail products, consumer goods, domestic and other products, merchandise articles, materials of all kinds, sizes, types and description and to act as agents, dealers, suppliers, distributors, wholesalers, retailers, representative, consignor, consignee and merchants.
8. **FIH Mauritius Investments Ltd.**

   FIH Mauritius Investments Ltd, is a private company, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the Mauritius Companies Act, 2001 and the subsequent amendments and re-enactment thereto.

   FIH Mauritius Investments Ltd's principal activity is to achieve long-term capital appreciation, by investing in public and private equity securities and debt instruments.

   The registered office of the FIH Mauritius Investments Ltd is located at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Republic of Mauritius.

7. BUSINESS AND MANAGEMENT OF OUR COMPANY

Business of our Company

Fairchem Organics Limited ("**FOL**") was incorporated on March 27, 2019 as a wholly owned subsidiary of Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)*. The Scheme of Arrangement was aimed at demerger of "Speciality Oleo Chemicals and Intermediate Neutraceuticals (Demerged Undertaking) of Fairchem Speciality Limited into Fairchem Organics Limited. The Scheme was sanctioned by NCLT vide order dated June 30, 2020 (certified copy received on August 03, 2020) and is effective with the appointed date 1 being closing of the business hours on March 31, 2019.

Pursuant to the Scheme, the Speciality Oleo Chemicals and Intermediate Neutraceuticals Business operated by Fairchem Speciality Limited stands demerged in our Company operative from August 12, 2020.

Main products : (A) Dimer Acid, (B) Linoleic Acid / Soya Fatty Acid and (C) Mixed Tocopherol Concentrate / Sterols;

Other Products: (A) Palmitic Acid, (B) Monobasic Acid, (C) Distilled Fatty Acid and (D) Residue.

Board of Directors

Our Company is managed by the Board of Directors consisting of the following:

Sr. No.	Name	Designation
1.	Utkarsh Bhikhoobhai Shah	Chairman and Non-Executive Director (Additional)
2	Nahoosh Jayvaden Jariwala	Managing Director
3.	Sumit Maheshwari	Nominee Director
4.	Venkatraman Srinivasan	Independent Director (Additional)
5.	Darius Dinshaw Pandole	Independent Director (Additional)
6.	Sonal Vimal Ambani	Independent Director (Additional)

Brief profile of our Directors

For the complete profile of Utkarsh Bhikhoobhai Shah, see *"Details of Promoters of our Company"* above.

Nahoosh Jayvadan Jariwala holds a bachelor's degree in commerce from Gujarat University. He has work experience of more than 25 years in the chemical industry. He was director of Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)* since November 03, 1992 and designated as Managing Director since April 01, 2010. Presently, he is the Managing Director of our Company.

Sumit Maheshwari is a Nominee Director of our Company nominated by our Promoter i.e. FIH Mauritius Investments Ltd. He holds a bachelor's and a master's degree in commerce from the University of Mumbai. He is a certified associate member of the Institute of Chartered Accountants of India. He has completed the post graduate programme in management from the Indian School of Business. He has over 10 years of experience in finance sector. Previously, he has worked with KPMG and is currently the managing director and chief executive officer of Fairbridge Capital Private Limited.

Venkatraman Srinivasan is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Bombay and is a fellow member of Institute of Chartered Accountants of India since 1981. He is a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, since 1984. He is engaged in audit and assurance practice and direct tax and corporate advisory services since 1984, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and in advisory in the areas of direct tax, company law, competition law, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters. He has a work experience of 35 years. He is a special invitee on the Accounting Standards Board of the Institute of Chartered Accountants of India (ICAI) for the F. Y. 2020-21 and was a special invitee on the Ind AS Transition Facilitation Group Committee of the ICAI for the F. Y. 2019-20. He participated in the case study based governance program on "Audit Committees in this New Era of Governance" at the Harvard Business School.

Darius Dinshaw Pandole is an Independent Director of our Company. He holds a bachelor's degree in economics from Harvard University and a master's degree in business management from the University of Chicago. He is presently the managing director and chief executive officer – private equity and equity AIF, JM Financial Limited. He has over 27 years of experience in private equity. Prior to this, he was a partner at New Silk Route Advisors, a private equity advisory firm primarily focused on India. He was also an executive director with IDFC Asset Management Company Limited that managed the India Development Fund, an infrastructure focused private equity fund.

Sonal Vimal Ambani is an Independent Director of our Company. She holds a bachelor's degree in chemistry, a master's degree in business administration in marketing and finance and a doctorate in business management. She has worked as an Assistant Vice President in Morgan Stanley Dean Witter. She is involved in charity and non-profit initiatives.She also holds two patents granted in the US, namely, 'Systems and Method for Providing Financial Services to Children and Teenagers' and 'Purchase Management System and Electronic Receipts'.

Key Managerial Personnel

In addition to our Managing Director, Shri Nahoosh Jariwala, Rajen Jhaveri, Chief Financial Officer, Company Secretary and Compliance Officer is a Key Managerial Personnel of our Company.

Rajen Jhaveri is appointed as the Chief Financial Officer and Company Secretary & Compliance Officer of our Company on August 12, 2020 effective from August 13, 2020. He has passed the final examination of Chartered Accountants course from the Institute of Chartered Accountants of India and Company Secretary course from the Institute of Company Secretaries of India. He has work experience of more than 30 years. In the past, he has been associated with Zydus BSV Pharma Private Limited, Gujarat Rural Housing Finance Corporation Limited, Atul Products Limited, The Ahmedabad Electricity Company Limited and Core Parenterals Limited. He was also associated with Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)* as head of finance and company secretary from April, 1994 to October, 2006 and re-joined as the chief financial officer and company secretary and compliance officer from August, 2014 onwards till August 12, 2020. Pursuant to the Scheme, he stepped down as the chief financial officer and company secretary and compliance officer of Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)*) and was appointed as the CFO and Company Secretary & Compliance Officer of our Company.

8. REASONS FOR THE SCHEME OF ARRANGEMENT

Rationale provided in the Scheme:

The text of the Rationale as provided in the Composite Scheme of Arrangement and Amalgamation:

Quote

i. The current corporate structure of FSL comprises an operating business of manufacturing, supplying and exporting of speciality oleo chemicals and neutraceuticals and a business of developing, manufacturing, supplying, exporting aroma chemicals. The business of aroma chemicals is carried out through Privi Organics, a wholly owned subsidiary of FSL.

ii. Both the businesses – that of oleo chemical and nutraceuticals; and aroma chemicals require different skill sets, business strategies, R&D support and capital assets. The nature of risk, competition, challenges, opportunities and business methods for both the businesses are distinctly different.

iii. Each of the varied business being carried out by FSL and by Privi Organics, the wholly owned subsidiary of FSL have significant potential for growth and profitability.

iv. However, as each business requires significantly different operating and financial strategies, their individual potential will be best realized if the businesses are operated separately and independently.

v. It is proposed to consolidate the businesses carried on by FSL and through its wholly owned subsidiary into a single identified entity and segregate other businesses into another identified entity. This will create two niche, dedicated and focused business segments without any risk or overlap of one business over the other. Thus, the oleo chemical and nutraceutical business will be housed in a Demerged Undertaking and the business of aroma chemicals will be housed in FSL. To that effect, Privi Organics will be merged with FSL.

vi. The restructuring arrangement would enable greater/ enhanced focus of the management in each business of FSL and Demerged Undertaking which would facilitate the management of both FSL and the Demerged Undertaking to not only efficiently exploit opportunities for each of the businesses but also enhance efficiency in overall combined business including economies of scale, efficiency of operations which can be deployed more efficiently for the purpose of development of businesses of the respective entities and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.

vii. The Scheme will create enhanced value for shareholders and allow a focused strategy and specialisation for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.

viii. The Scheme will not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.

Approvals with respect to the Scheme of Arrangement

The NCLT vide its order dated June 30, 2020 has sanctioned the Composite Scheme of Arrangement and Amalgamation. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

9A. Report on special purpose financial statements (March 2020)

The Board of Directors
Fairchem Organics Limited
Plot No. A- 71, TTC,Thane Belapur Road,
Near KoparKhairane,
Navi Mumbai – 400 709

Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated August 27, 2020.
2. We have audited the accompanying special purpose financial statements of Fairchem Organics Limited (the "Company") which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from March 27, 2019 (date of incorporation) to March 31, 2020 and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. Based on our audit, we report that:
   a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
   b. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) statement of changes in equity and statement of cash flows dealt with by this report are in agreement with the books of account;
   c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, the state of affairs of the Company as at March 31, 2020;
      (ii) in the case of the Statement of Profit and Loss, the profit for the period from March 27, 2019 to March 31, 2020; and
      (iii) in the case of the Statement of Cash flows, of the cash flows for the period from March 27, 2019 to March 31, 2020
      (iv) in the case of the Statement of Changes in Equity, of the equity for the period from March 27, 2019 to March 31, 2020

Emphasis of Matter

8. We draw attention to Note 2(a) to the special purpose financial statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared.
9. We draw your attention to Note 51 to the special purpose financial statements which requires the Company's accounting in respect of Scheme of Arrangement and Amalgamation approved by the National Company Law Tribunal ,in accordance with the applicable accounting standards (Ind AS 103) from the beginning of the preceding year i.e. March 27, 2019; however, the Company has considered the effect of the Scheme from the appointed date i.e. closing of business hours on March 31, 2019. Further, as stated in Note 51, the Scheme was approved on June 30, 2020 and accordingly, the impact of the Scheme was not considered in the statutory financial statements approved by the Board of Directors in their meeting held on June 23, 2020 on which we issued an unmodified opinion vide our report dated June 23, 2020.

Our opinion is not modified in respect of these matters.

Other Matters

10. The special purpose financial statements dealt with by this report, have been prepared for the limited purpose of inclusion in the Draft Information Memorandum and Information Memorandum, to be submitted/filedwith BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)(together 'the Stock Exchanges') for the proposed listing of equity shares of the Company on the Stock Exchanges.
11. The Company has prepared its statutory financial statements for the period ended March 31, 2020 in accordance with Companies Act 2013 on which we issued an unmodified opinion vide our audit report dated June 23, 2020.

Our opinion is not modified in respect of these matters.

Restriction on Use

12. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
13. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 10 above. This report is not planned or prepared in contemplation of the interest of any other person and may not address items of possible interest to any such person. Accordingly, this report or its content or findings of audit procedures should not be otherwise used or disclosed or distributed or shared or referred with any other party for availing the benefit of the services for use for any other purpose. Our work and findings shall in no way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the proposed listing of equity shares. We neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our this report is shown or into whose hands it may come without our prior consent in writing.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN:20112433AAAAIL2103

Place: Mumbai
Date: September 29, 2020

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AUDITED FINANCIAL STATEMENTS

FAIRCHEM ORGANICS LIMITED (BALANCE SHEET AS AT MARCH 31, 2020)

(₹ in lakhs)

	Notes	As at March 31, 2020
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	4	12,626.66
Capital work-in-progress	5	942.85
Intangible Assets	6	7.46
Financial Assets		
(i) Loans	7	0.53
(ii) Other Financial Assets	8	27.69
Non-current Tax Assets (Net)	9	79.63
Other Non-current Assets	10	653.88
		14,338.70
Current Assets		
Inventories	11	3,771.10
Financial Assets		
(i) Trade receivables	12	3,787.90
(ii) Cash and cash equivalents	13	3.08
(iii) Bank balances other than (ii) above	14	17.87
(iv) Loans	15	1.22
(v) Other Financial Assets	16	1.24
Other current assets	17	149.47
		7,731.88
TOTAL ASSETS		**22,070.58**

(₹ in lakhs)

	Notes	As at March 31, 2020
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	18	-
Share Capital Suspense Account	19	1,302.09
Other Equity	20	11,554.43
		12,856.52
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	21	1,633.16
Provisions	22	114.33
Deferred Tax Liabilities (Net)	39	1,162.90
		2,910.39
Current Liabilities		
Financial Liabilities		
(i) Borrowings	23	4,437.37
(ii) Trade Payables	24	
(a) Total outstanding dues of micro enterprises and small enterprises		41.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		599.86
(iii) Other financial liabilities	25	1,005.84
Other current liabilities	26	87.77
Provisions	27	33.76
Current Tax Liabilities (Net)	28	97.78
		6,303.67
TOTAL EQUITY AND LIABILITIES		**22,070.58**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

(₹ in lakhs)

	Notes	For the period March 27, 2019 to March 31, 2020
Income		
Revenue from Operations	30	30,649.26
Other Income	31	658.86
Total Revenue		**31,308.12**
Expenses		
Cost of materials consumed	32	19,832.24
Changes in Inventories of finished goods and work-in-progress	33	634.00
Employee benefits expense	34	1,550.16
Finance Costs	35	657.90
Depreciation and amortisation expense	4, 6	595.95
Other expenses	36	3,549.60
Total Expenses		**26,819.85**

(₹ in lakhs)

	Notes	For the period March 27, 2019 to March 31, 2020
Profit Before Tax		**4,488.27**
Tax Expense		
Current tax		883.00
Deferred tax		(49.59)
		833.41
Profit After Tax		**3,654.86**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement (losses) / gains on post employment defined benefit plans		(12.90)
- Income tax effect		3.25
Other comprehensive income for the period, net of tax		**(9.65)**
Total comprehensive income for the period		**3,645.21**
Earnings Per Share		
Basic and Diluted earnings per share (in Rupees)	38	28.07
Nominal value per equity share (in Rupees)		10.00

STATEMENT OF CASH FLOWS FOR PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

(₹ in lakhs)

	Notes	For the period March 27, 2019 to March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Taxation		**4,488.27**
Adjustments for:		
Depreciation and Amortisation	4, 6	595.95
Finance Cost	35	657.90
Interest Income	31	(12.54)
Dividend Income	31	(625.00)
Unrealised Foreign Exchange (Gain)		(4.02)
Credit Impairment Loss Reversal on Receivables	31	(7.06)
Loss on assets sold / discarded (Net)	36	31.28
Operating Profit Before Working Capital Changes		**5,124.78**
Adjustments For Changes In Working Capital:		
(Increase) In Inventories		(370.48)
Decrease In Non Current Loans		0.98
(Increase) In Other Non Current Financial Assets		(13.91)
(Increase) In Trade receivables		(563.69)
(Increase) In Current Loans		(0.48)
Decrease In Other current assets		175.02
(Decrease) In Trade and Other Payables		(359.27)
Increase In Non Current Liabilities - Provisions		24.79
(Decrease) In Current Liabilities - Provisions		(36.64)
Increase In Other Current Financial Liabilities		0.81
Increase In Other Current Liabilities		4.58
Cash Generated From Operations		**3,986.49**
Direct Taxes Refund / (Paid) (Net)		(868.89)
A. Net Cash Generated From Operating Activities		**3,117.60**

	Notes	For the period March 27, 2019 to March 31, 2020
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipments		(3,032.93)
Proceeds from Sale of Property, Plant and Equipments		5.07
Purchase of Investments		-
Interest Income		12.54
Dividend Income		625.00
B. Net Cash Used In Investing Activities		**(2,390.32)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings (net)		1,499.57
Repayment of Long Term Borrowings (net)		(909.97)
Net Proceeds from Short Term Borrowings (net)		388.37
Proceeds from Issue of Share Capital		1.00
Dividend Paid (including tax on dividend)		(1,048.83)
Interest Paid		(655.98)
C. Net Cash Used In Financing Activities		**(725.84)**
Net Increase in cash and cash equivalents (A+B+C)		**1.44**
Cash and Cash Equivalents as at March 27, 2019		-
Cash and Cash Equivalents pursuant to a Scheme of Arrangement (Refer Note 51)		1.64
Cash and Cash Equivalents as at the end of the period		**3.08**
Reconciliation of cash and cash equivalent as per the statement of cash flows		**As at March 31, 2020**
Cash and Cash Equivalents :		
Cash on hand		1.77
Bank Balances :		
- In Current Accounts		1.31
		3.08

Note : (1) 1The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows" (2) Refer Note 25 for net debt reconciliation. (3) Amount paid towards CSR activities Rs. 4.83 lakhs. (4) For non-cash transactions pursuant to Scheme of Arrangement refer Note 51.

STATEMENT OF CHANGES IN EQUITY FOR PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

(₹ in lakhs)

			Notes	For the period March 27, 2019 to March 31,2020
A. Equity Share Capital				
Balance as at March 27, 2019			18	-
Issue of Share Capital during the period				1.00
Shares cancelled pursuant to a Scheme of Arrangement (Refer Note 51)				(1.00)
Balance as at March 31, 2020			18	-
B. Share Capital Suspense Account				
Balance as at March 27, 2019			19	-
Addition pursuant to a Scheme of Arrangement (Refer Note 51)				1,302.09
Balance as at March 31, 2020			19	1,302.09
C. Other Equity		**Reserves and Surplus**		
	Capital Reserves	**Retained Earnings**		**Total**
Balance as at March 27, 2019	-	-		-
Addition pursuant to a Scheme of Arrangement (Refer Note 51)	8,958.05	-		8,958.05
Profit for the period	-	3,654.86		3,654.86
Other Comprehensive Income	-	(9.65)		(9.65)
Total Comprehensive Income for the period	**-**	**3,645.21**		**3,645.21**
Transactions with owners in their capacity as owners:				
Dividends Paid (including Dividend Distribution Tax)	-	(1,048.83)		(1,048.83)
Balance as at March 31, 2020	**8,958.05**	**2,596.38**		**11,554.43**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1. **Background of the Company**

Fairchem Organics Limited (the 'Company') was incorporated on March 27, 2019. These Special purpose financial statements of the Company have been prepared for the period from April 01, 2020 to June 30, 2020. Pursuant to the Scheme of arrangement, the Oleo Chemical and Neutraceutical business of Fairchem Speciality Limited was demerged and merged into the Company (Refer note 48). The manufacturing facility is set up at Village Chekhala, Ta. Sanand, Dist. Ahmedabad, Gujarat.

2. **Significant accounting policies**

This Note provides a list of the significant accounting policies adopted by the Company in the preparation of these Special Purpose Financial Statements. These policies have been consistently applied during current period, unless otherwise stated.

a) Basis of preparation

i) Compliance with Ind AS

These Special Purpose Financial Statements of the Company comprising the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the period from March 27, 2019 (Date of incorporation) to March 31, 2020, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), for inclusion in draft Information Memorandum and Information Memorandum, to be submitted / filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (together 'the Stock Exchanges') for the proposed listing of equity shares of the Company on the Stock Exchanges.

These Special Purpose Financial Statements have been prepared by giving effect to the Scheme of Arrangement and Amalgamation (Refer note 48) with effect from closing of business hours on March 31, 2019, the appointed date, consequent upon receipt of approval to the Scheme from National Company Law Tribunal (NCLT), Mumbai Bench.

The Special Purpose Financial Statements are not the statutory financial statements of the Company, and hence, the disclosure provisions applicable to statutory financial statements prepared under the Act, are considered irrelevant for the purposes for which these have been prepared.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the Special Purpose Financial Statements.

The principles of measurement, recognition and disclosures (to the extent considered relevant) followed for preparation of these Special Purpose Financial Statements are consistent with the accounting policies followed by the Company in its statutory financial statements for the period ended March 31, 2020.

ii) New standards or interpretations adopted by the Company

The Ministry of Corporate Affairs (MCA) has issued amendments to the following Ind AS with effect from April 1, 2020:

i) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error
ii) Ind AS 103, Business Combinations
iii) Ind AS 109 and Ind AS 107, Financial Instruments
iv) Ind AS 116, Leases
v) Ind AS 10 (Events after the Reporting Period)
vi) Ind AS 34 (Interim Financial Reporting)
vii) Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets)

The above amendments did not have any impact on the amounts recognised and are not expected to significantly affect the current or future periods.

iii) Historical cost convention

The Special purpose Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

iv) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle, or
– Held primarily for the purpose of trading, or
– Expected to be realised within twelve months after the reporting period, or months after the reporting period, all other assets are classified as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle, or
– It is held primarily for the purpose of trading, or
– It is due to be settled within twelve months after the reporting period, or
– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, all other liabilities are classified as non-current.

b) Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the special purpose financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

c) Revenue recognition

Sale of products

Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognised at an amount that the Company expects to receive from customers that is net of trade discounts, rebates and goods and services tax (GST). The Company does not have any contracts where the transfer of the promised goods to customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction price for the time value of money.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Export benefit entitlements under Duty Drawback and Merchandise Exports from India Scheme (MEIS) are recognised when the right to receive credit as per the terms of the scheme is established in respect of the exports and there is no uncertainty in receiving the same.

d) Income tax

The income tax expense or credit for the period is the tax on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose financial statements.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

e) Leases

Company as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets are reviewed for possible reversal of the impairment at the end of each reporting period.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less provision for impairment, if any.

I) Inventories

Raw materials, packing material, stores and fuel, work in progress and finished goods are stated at the lower of cost and net realisable value. The cost of raw materials, packing materials, stores and fuel are determined based on first-in, first-out (FIFO) method and comprises cost of purchase. The cost of semi-finished goods comprises raw materials, direct labour, and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale .

j) Financial assets and liabilities

(i) Financial assets

1. Classification

The Company classifies its financial assets in the following measurement categories:

• at fair value (either through other comprehensive income, or through profit or loss), and

• at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2. Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

3. Subsequent Measurement

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss or gains arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to "Profit or Loss" in the Statement of Profit and Loss.

Measured at fair value through profit or loss (FVPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at Fair Value through Other Comprehensive Income (FVOCI) are not reported separately from other changes in fair value.

4. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

5. Derecognition

A financial asset is de-recognised only when the Company

• has transferred the rights to receive cash flows from the financial asset or,

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

6. Income recognition

Interest income from debt instruments is recognised using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(ii) Financial liabilities:

1. Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

2. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expense.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life as per technical evaluation. Estimated useful life of the assets/significant component thereof are as under:

Assets class	Useful life in years
• Buildings	10 to 30
• Plant and Equipment	10 to 25
• Electrical Installations	10
• Office Equipments and Computers	3 to 5
• Furniture and Fixtures	10
• Vehicles	6 to 8

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate. Amortisation of leased assets are over the Lease period.

m) Intangible Assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Assets class	Useful life in years
• Computer software	3

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs)

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and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/expenses.

p) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions and Contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

r) Employee Benefits

(i) Defined contribution plans

Contributions to retirement benefit plans in the form of provident fund, employee state insurance scheme and pension scheme as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "**Gratuity Plan**") covering eligible employees, which is funded. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity Fund contributions are made to a trust administered by the Company which has further invested in Life Insurance Corporation. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

(iii) Other employee benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Directors who are identified as the chief operating decision makers. The managing directors assess the financial performance and position of the company, and make strategic decisions.

t) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• the profit attributable to owners of the company

• by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

u) Rounding off

All amounts disclosed in the special purpose financial statements and notes have been rounded off to the nearest lakhs, or decimal thereof as per the requirement of Schedule III, unless otherwise stated.

3 Critical estimates and judgements

The preparation of special purpose financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

The areas involving critical estimates or judgements are:

• Estimation of defined benefit obligation – Note 29

• Impairment of trade receivables – Note 41

• Estimation of useful life of tangible assets – Note 4

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company.

4 Property, Plant and Equipment as at March 31, 2020

(All amounts in Rs. Lakhs, unless otherwise stated)

	Gross Carrying Amount					Accumulated Depreciation/Amortisation					Net Carrying amount
	Opening as on March 27, 2019	Addition pursuant to a Scheme of Arrangement (Refer note 51)	Additions	Deductions/ Adjustments	As at March 31, 2020	Opening as on March 27, 2019	Addition pursuant to a Scheme of Arrangement (Refer note 51)	For the period	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Freehold Land	-	63.10	-	-	63.10	-	-	-	-	-	63.10
Right of use asset	-	459.40	-	-	459.40	-	18.51	6.46	-	24.97	434.43
Building	-	2,235.32	29.00	-	2,264.32	-	237.39	85.43	-	322.82	1,941.50
Plant and Machinery	-	9,443.77	1,658.23	44.05	11,057.95	-	904.86	413.68	9.64	1,308.90	9,749.05
Electric Installation	-	349.68	-	-	349.68	-	146.14	34.20	-	180.34	169.34
Air Conditioners	-	49.18	0.93	0.52	49.59	-	20.22	6.46	0.47	26.21	23.38
Office Equipments and Computers	-	78.78	11.30	4.18	85.90	-	39.57	14.02	3.22	50.37	35.53
Furniture and Fixtures	-	178.04	23.90	-	201.94	-	41.41	20.80	-	62.21	139.73
Vehicles	-	113.66	10.74	3.44	120.96	-	38.58	14.29	2.51	50.36	70.60
Total	-	**12,970.93**	**1,734.10**	**52.19**	**14,652.84**	-	**1,446.68**	**595.34**	**15.84**	**2,026.18**	**12,626.66**

(i) Refer to note 46 for information on property, plant and equipment hypothecated and / or mortgaged as security by the Company.

(ii) Contractual obligations - Refer to note 44 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Refer to note 48 - Leasehold land has been classified as Right of use asset as per Ind AS 116.

5 Capital Work in Progress

	As at March 31, 2020
Opening Balance	-
Addition pursuant to a Scheme of Arrangement (Refer Note 51)	87.91
Addition during the period	2,542.17
Transfer during the period	1,687.23
Closing Balance	942.85

6 Intangible Assets as at March 31, 2020

(₹ in lakhs)

	Gross Carrying Amount					Accumulated Amortisation					Net Carrying amount
	Opening as on March 27, 2019	Addition pursuant to a Scheme of Arrangement (Refer note 51)	Additions	Deductions/ Adjustments	As at March 31, 2020	Opening as on March 27, 2019	Addition pursuant to a Scheme of Arrangement (Refer note 51)	For the period	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Computer Software	-	-	8.07	-	8.07	-	-	0.61	-	0.61	7.46
Total	-		**8.07**	-	**8.07**	-		**0.61**	-	**0.61**	**7.46**

7 Loans

	As at March 31, 2020
(Unsecured, Considered Good)	
Security Deposits	0.53
	0.53

8 Other Financial Assets

Margin Money Deposit *	27.69
	27.69

** Pledged with the bank for non cash limit*

9 Non Current Tax Assets (Net)

Advance Income Tax and Tax deducted at source (Net of Provision)	79.63
	79.63

10 Other Non Current Assets

(Unsecured and Considered Good)	
Capital advances	653.88
	653.88

11 Inventories

[Refer note 2 (i) - valued at lower of cost and net realisable value]	
Raw Materials	2,673.36
Packing Materials	4.89
Stores and Fuel	370.89
Semi-finished Goods	664.14
Finished Goods	57.82
	3,771.10
Of the above includes Goods in transit :	
Raw Materials	37.31
Stores and Fuel	0.05
Finished Goods	57.82

The cost of stores and spares inventories recognised as an expense includes Rs. 44.92 lakhs in respect of write-downs of inventory determined based on evaluation of slow and non moving inventories.

12 Trade Receivables

Trade Receivables considers good - Unsecured	3,787.90
Trade Receivables - credit impaired	42.00
	3,829.90
Less: Credit impairment loss	(42.00)
	3,787.90

Refer Note 41(A) for credit risk related disclosures.

13 Cash and cash equivalents

Balances with banks:	
- In Current Accounts	1.31
Cash on Hand	1.77
	3.08

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

14 Bank balances other than note 13 above

Unpaid Dividend Accounts	17.87
	17.87

15 Loans

(Unsecured, Considered Good)	
Loans to Employees	1.01
Security Deposits	0.21
	1.22

16 Other Current Financial Assets

Interest Accrued but not Due	1.24
	1.24

17 Other Current Assets

Balances with Government Authorities	24.66
Export Incentive Receivable	53.46
Advance to vendors	40.83
Prepaid Expenses	27.55
Excess deposit in Gratuity Fund	2.44
Others	0.53
	149.47

18 Equity Share Capital Authorised:

Authorised:	
10,000 Equity Shares of Rs. 10 each	1.00
	1.00
Issued, Subscribed and Paid-up:	
Nil Equity Shares of Rs. 10 each, fully paid-up (Refer Note 18.1)	-
	-

18.1 Movement in Equity Share Capital

	No. of Equity Shares	Amount
Balance as at March 27, 2019	-	-
Shares issued during the period	10,000	1.00
Shares cancelled pursuant to a Scheme of Arrangement (Refer Note 51)	(10,000)	(1.00)
Balance as at the end of the period	-	-

18.2 Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

19 Equity Shares Suspense Account

Equity Shares to be issued pursuant to a Scheme of Arrangement (Refer Note 51)	1,302.09
	1,302.09

20 Other Equity

Capital Reserve	8,958.05
Retained Earnings	2,596.38
	11,554.43
Movement of Capital Reserve	
Balance as at March 27, 2019	-
Addition pursuant to a Scheme of Arrangement (Refer Note 51)	8,958.05
Balance as at the end of the period	**8,958.05**
Movement of Retained Earnings	
Balance as at March 27, 2019	-
Profit for the period	3,654.86
Other Comprehensive Income	(9.65)
	3,645.21
	As at March 31, 2020
Less : Dividend paid including Dividend distribution tax	1,048.83
Balance as at the end of the period	**2,596.38**

Capital Reserve

Capital Reserve was created pursuant to a Scheme of Arrangement (Refer Note 51).

Retained Earnings

The retained earnings reflect the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance under this head, after considering the requirements of the Companies Act, 2013.

21 Borrowings - Non-Current

Secured - at amortized cost	
Term Loan from Bank *	1,633.16
	1,633.16

** After considering unamortised expenses of Rs. 12.33 Lakhs as at March 31, 2020.*

Security Details

Term Loans from banks are secured by hypothecation by way of first and exclusive charges on all present and future stocks, book debts and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road and Hypothecation of plant and machinery installed at the factory premises.

Name of bank	Maturity Date	Terms of Repayment	Outstanding as at March 31, 2020
HDFC Bank (Term Loans)	December, 2021	Repayment in 63 monthly instalments	791.41
	October, 2020	Repayment in 39 monthly instalments	48.09
	January, 2025	Repayment in 64 monthly instalments	1,402.72

The carrying amount of financial and non-financials assets hypothecated and / or mortgaged as security for current and non-current borrowings are disclosed in note 46.

In view of the extension of time granted vide a circular of Reserve Bank of India (RBI), RBI/2019-20/186 dated March 27, 2020 for the payment of interest and principal for term loans falling due between March 1, 2020 and May 31, 2020, the Company has availed the moratorium.

22 Non-Current Provisions

Provision for Employee Benefits [Refer Note 29(a)]	
Provision for compensated absences	114.33
	114.33

23 Borrowings - Current

Secured:	
Working Capital Loans from Bank	4,405.09
Packing credit in Foreign Currency	32.28
	4,437.37

Working Capital Loan and Packing credit in Foreign Currency from banks are secured by hypothecation by way of First and exclusive charges on all present and future stocks, book debts and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road and Hypothecation of plant and machinery installed at the factory premises.

Packing credit from bank are due for repayment within 120 days.

24 Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises *	41.29
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	599.86
	641.15

*** Total outstanding dues of Micro, Small and Medium Enterprises**

(including dues of Creditors for capital goods)

a)	Principal Amount due to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and remaining unpaid as at the period end.	74.60
b)	Interest due to suppliers registered under MSMED Act and remaining unpaid as at the period end.	-
c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	72.27
d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.32
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.73
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	2.41

25 Other Financial Liabilities

Current	
Current maturities of long term debt (Refer Note 21)	
Term Loan from Bank	596.73
Interest accrued but not due on borrowings	14.39
Unclaimed dividend #	17.87
Creditors for capital goods *	176.77
Employee benefit payable	200.08
	1,005.84

** Including dues to Micro and Small Enterprises for Rs. 36.04 Lakhs - Refer Note 24.*

 # There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at the period end.

Net Debt Reconciliation

Cash and cash equivalents	3.08
Current borrowings	(4,437.37)
Non-current borrowing (includes current maturity of long term borrowings)	(2,229.89)
	(6,664.18)

	Cash and cash equi-valents	Non-Current Borrow-ings	Current Borrow-ings	Total
Net Debt as of March 27, 2019	-	-	-	-
Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	1.64	(1,640.29)	(4,049.00)	(5,687.65)
Cash flow (Net)	1.44	(589.60)	(388.37)	(976.53)
Interest expense	-	186.93	461.21	648.14
Interest accrued but not due	-	(2.13)	0.21	(1.92)
Interest paid	-	(184.80)	(461.42)	(646.22)
Net Debt as of March 31, 2020	**3.08**	**(2,229.89)**	**(4,437.37)**	**(6,664.18)**

26 Other current liabilities

Advances from customers (Refer Note 49)	19.80
Statutory liabilities	67.81
Other liabilities	0.16
	87.77

27 Current Provisions

Provision for employee benefits [Refer Note 29 (a)]	
Provision for gratuity	-
Provision for compensated absences	33.76
	33.76

28 Current Tax Liabilities (Net)

Income tax provision net of Advance Tax	97.78
	97.78

29 (a) Provision for Employee Benefits

	As at March 31, 2020	
	Current	Non-current
Compensated absences	33.76	114.33
Gratuity	-	-
Total Provision for Employee Benefits	**33.76**	**114.33**

(b) Long term employee benefit obligations

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

	As at March 31, 2020
Current leave obligations expected to be settled within the next 12 months	33.76

(c) Post employment obligations

Defined benefit plans

Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972 and as per Company policy. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Adi Finchem Limited Employees Group Gratuity Assurance Scheme which in-turn, has taken Group Gratuity Scheme of the Life Insurance Corporation of India in the form of a qualifying insurance policy.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The expense recognised during the period towards defined contribution plan are

	For the period March 27, 2019 to March 31, 2020
Employer's Contribution to Provident Fund	38.58
Employer's Contribution to Employees' State Insurance	3.36
Employer's Contribution to Employees' Pension Scheme 1995	24.93
	66.87

	Present value of obligation	Fair value of plan assets	Net amount
As at March 27, 2019	-	-	-
Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	233.23	(207.82)	25.41
Current service cost	26.12	-	26.12
Interest expense/(income)	15.44	(14.51)	0.93
Total amount recognised in statement of profit and loss	**41.56**	**(14.51)**	**27.05**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	0.11	0.11
(Gain)/loss from change in demographic assumptions	0.02	-	0.02
(Gain)/loss from change in financial assumptions	17.79	-	17.79
Experience (gains)/losses	(5.02)	-	(5.02)
Total amount recognised in other comprehensive income	**12.79**	**0.11**	**12.90**
Employer contributions	-	(67.80)	(67.80)
Benefit payments	(13.33)	13.33	-
As at March 31, 2020	**274.25**	**(276.69)**	**(2.44)**

The net liability disclosed above relating to funded and unfunded plans are as follows:

	As at March 31, 2020
Fair value of plan assets	(276.69)
Present value of funded obligations	274.25
(Surplus)/Deficit of gratuity plan	**(2.44)**
Categories of plan assets are as follows:	
Insurer managed funds	(276.69)
Total	**(276.69)**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2020
Discount Rate	6.85%
Salary growth Rate	0% for F.Y. 2020-21; 12% for F.Y. 2021-22; 10% for F.Y. 2022-23; 8% thereafter
Withdrawal Rate	2% at all ages

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

	Change in assumptions	Increase in assumptions	Decrease in assumptions
	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
Discount Rate	0.50%	(13.86)	15.15
Salary growth Rate	0.50%	14.87	(13.19)
Withdrawal Rate	10.00%	(0.47)	0.47

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure:

i **Investment Risk**: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

ii **Liquidity Risk**: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company, there can be strain on the cash flows.

iii **Market Risk**: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv **Legislative Risk**: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the period ending March 31, 2021 are INR 29.27 lakhs.

The weighted average duration of the defined benefit obligation is 11 years. The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2020					
Defined benefit obligation (gratuity)	49.56	5.02	30.88	188.79	274.25

30 Revenue from Operations

	For the period March 27, 2019 to March 31, 2020
Sale of finished goods (Refer Note 49)	30,579.09
Other operating revenues	
- Scrap sales	25.41
- Export incentives	44.76
	30,649.26

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31 Other Income

Net Gain on Foreign Currency Transactions and Translation	2.38
Interest income from financial assets measured at amortised cost	
- Deposits	3.07
- Others	9.47
Dividend from Non-current equity investment measured at cost	625.00
Compensation received	11.67
Credit Impairment Loss Reversal on Receivables	7.06
Miscellaneous income	0.21
	658.86

32 Cost of materials consumed

Raw Materials :	
Inventory at the beginning of the period	-
Add: Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	1,628.04
Add: Purchases	20,722.21
	22,350.25
Less: Inventory at the end of the period	2,673.36
	19,676.89
Packing Materials :	
Inventory at the beginning of the period	-
Add: Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	3.94
Add: Purchases	156.30
	160.24
Less: Inventory at the end of the period	4.89
	155.35
	19,832.24

33 Changes in inventory of finished goods and work-in-progress

Opening Stock	
Finished Goods	-
Semi Finished Goods	-
	-
Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	
Finished Goods	74.53
Semi Finished Goods	1,281.43
	1,355.96
Closing Stock	
Finished Goods	57.82
Semi Finished Goods	664.14
	721.96
(Increase) / Decrease in Inventories of finished goods and work-in-progress	**634.00**

34 Employee benefit expenses

Salaries, wages and bonus	1,436.62
Contribution to Provident Fund and other funds	66.87
Gratuity	27.05
Staff welfare expenses	19.62
	1,550.16

35 Finance Costs

Interest on Long Term Borrowings	186.93
Interest and other borrowing cost	461.21
Interest on Income Tax	9.76
	657.90

36 Other Expenses

Consumption of Stores and Spares	413.11
Power and Fuel	1,883.98
Laboratory expenses	43.07
Research & Development Expenses	25.98
Rent, rates and taxes	9.18
Insurance	28.18
Repairs and maintenance :	
- Machinery	57.04
- Buildings	23.74
- Others	6.49
Travelling and conveyance	12.61
Telephone and advertisement expense	16.37
Directors' sitting fees	13.00
Remuneration to Auditors for:	
Statutory Audit and Limited Reviews	27.10
Others	2.90
Out of pocket expenses	0.62
Commission on sales	50.62
Freight and forwarding	332.13
Legal and professional fees	189.31
Vehicle expenses	21.90
Loss on assets sold / discarded (Net)	31.28
Corporate Social Responsibility expenditure	4.85
Solid waste disposal charges	210.17
Miscellaneous expenses	145.97
	3,549.60

37 Expenditure towards Corporate Social Responsibility (CSR) activities

(a) Gross amount required to be spent by the Company during the period: Rs. 47.06 lakhs.

(b) Amount spent during the period :

	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4.83	0.02	4.85

38 Earnings per Share (EPS)

	For the period March 27, 2019 to March 31, 2020
Basic	
Net Profit available to Equity Shareholders	3,654.86
Weighted Average Number of Equity Shares (Refer Note 51)	13,020,900
Basic EPS (Rs.)	28.07
	For the period March 27, 2019 to March 31, 2020
Diluted	
Net Profit before tax as per Statement of Profit and Loss	3,654.86
Weighted Average Number of Equity Shares (Refer Note 51)	13,020,900
Diluted EPS (Rs.)	28.07
Nominal value of an equity share	10.00

39 Taxation

39 a) - Income tax expense

Current tax	
Current tax on profits for the period	883.00
Total current tax expense	**883.00**
Deferred tax	
(Decrease)/increase in deferred tax liabilities	(60.81)
Decrease/(increase) in deferred tax assets	11.22
Deferred tax on Other Comprehensive Income	(3.25)
Total deferred tax expense/(benefit)	**(52.84)**
Income tax expense	**830.16**

39 b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Profit for the period	4,488.27
Statutory tax rate	25.17%
Tax expense at applicable tax rate	**1,129.61**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:	
Amount Exempt from tax	(157.30)
Amount not allowable under tax	22.84
Effect of change in Income tax rate on Deferred tax (Refer note below)	(164.99)
Income tax expense	**830.16**

Note:

The Company has elected to exercise the option under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the provision for income tax and deferred tax balances have been recorded/ remeasured using the new tax rate and the Company has reversed deferred tax liabilities amounting to Rs. 164.99 Lakh

39 c)- Deferred tax liabilities

	As at March 31, 2020
The balance comprises temporary differences attributable to:	
On Property, Plant and Equipments	1,238.07
Others	3.11
Total deferred tax liabilities	**1,241.18**
Deferred tax assets:	
On Defined Benefit Obligations	36.66
Others	41.62
Total deferred tax assets	**78.28**
Net deferred tax liabilities	**1,162.90**

Movement in deferred tax balances

Particulars	As at March 27, 2019	Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	As at March 31, 2020
On Property, Plant and Equipments	-	1,300.12	(62.05)	-	-	1,238.07
Others	-	1.87	1.24	-	-	3.11
Total deferred tax liabilities	-	**1,301.99**	**(60.81)**	-	-	**1,241.18**
Deferred tax assets:						
On Defined Benefit Obligations	-	42.82	(9.41)	3.25	-	36.66
Others	-	43.43	(1.81)	-	-	41.62
Total deferred tax assets	-	**86.25**	**(11.22)**	**3.25**	-	**78.28**
Net deferred tax liabilities	-	**1,215.74**	**(49.59)**	**(3.25)**	-	**1,162.90**

40 Fair value measurements

Financial instruments by category

	As at March 31, 2020	
	Carrying Value	Fair Value
Financial assets		
(Measured at amortised cost)		
Security Deposits	0.74	0.74
Margin Money Deposits	27.69	27.69
Trade Receivables	3,787.90	3,787.90
Cash and cash equivalents	3.08	3.08
Bank balances other than cash and cash equivalents above	17.87	17.87
Loans to Employees	1.01	1.01
Interest Accrued but not due	1.24	1.24
Total financial assets	**3,839.53**	**3,839.53**
Financial liabilities		
(Measured at amortised cost)		
Borrowings	6,667.26	6,667.26
Trade payables	641.15	641.15
Interest accrued but not due on borrowings	14.39	14.39
Unclaimed dividends	17.87	17.87
Creditors for Capital Goods	176.77	176.77
Employee benefit payable	200.08	200.08
Total financial liabilities	**7,717.52**	**7,717.52**

Fair value hierarchy

All financial instruments have been measured at amortised cost. For all financial instruments referred above which have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). All financial instruments referred above have been classified as Level 3.

The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, investments, margin money deposits, loans to employees, security deposits, trade payables, capital creditors, interest accrued but not due on borrowings, unclaimed dividends, employee benefit payable and other deposits are considered to be as their fair values, due to their current nature.

The fair values of borrowings have been calculated based on cash flows discounted using a current lending rate. They are classified as level 3 in the hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For Level 3 financial instruments, the fair value has been based on present values and the discount rates used, are adjusted for counterparty or own risk.

41 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management framework of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Cash and cash equivalents & bank balances

The Company is also exposed to credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents. These balances (other than cash on hand) are with high credit rating banks which are governed by Reserve Bank of India. The company believes its credit risk in such bank balances is immaterial.

Security deposits and other receivables

With respect to other financial assets namely security and other deposits and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the balance sheet.

Trade receivables

The Company measures the expected credit loss of trade receivables from customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends which is very negligible.

	Carrying amount
	As at March 31, 2020
Neither past due nor impaired	3,009.50
Past due 0-90 days	762.50
Past due 90-180 days	0.10
Past due 180-270 days	15.43
Past due 270–360 days	0.02
More than 360 days	42.35

Movement in impairment provision

	Amount
Balance as at March 27, 2019	-
Add: Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	49.06
Impairment loss reversed	(7.06)
Balance as at March 31, 2020	**42.00**

(B) Management of Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Material and sustained shortfall in cash flow could undermine the company's credit rating and impair investor confidence.

The company maintained a cautious funding strategy, with a positive cash generation from operating activities for the period ended March 31, 2020.

Financing Arrangement

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

	As at March 31, 2020
Floating rate	
Current Borrowings	1,262.63
Non current Borrowings	500.43

Maturities of financial liabilities

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

Contractual maturities of financial liabilities As at March 31, 2020	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings *	21, 23, 25	6,667.26	5,034.10	1,633.16	6,667.26
Trade payables	24	641.15	641.15	-	641.15
Interest accrued but not due on borrowings	25	14.39	14.39	-	14.39
Unclaimed dividends	25	17.87	17.87	-	17.87
Creditors for Capital Goods	25	176.77	176.77	-	176.77
Employee benefit payable	25	200.08	200.08	-	200.08
Total liabilities		**7,717.52**	**6,084.36**	**1,633.16**	**7,717.52**

** After considering unamortised expenses of Rs. 12.33 Lakhs as at March 31, 2020.*

(C) Management of Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the company. Further, the financial performance and financial position of the company is exposed to foreign currency risk that arises on outstanding receivable and payable balances at a reporting year end date. Interest rate risk arises from variable rate borrowings that expose the company's financial performance, financial position and cash flows to the movement in market rates of interest.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$. The Company imports capital goods and raw materials and exports finished goods. The company also pays interest, legal and professional fees and travelling and conveyance in foreign currency.

Foreign currency exposure

	As at March 31, 2020 USD in lakhs
Financial Assets	
Trade Receivables	0.98
Exposure to foreign currency assets	**0.98**
Financial Liabilities	
Packing credit	0.43
Trade Payable	-
Exposure to foreign currency liabilities	**0.43**

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

	Impact on profit before tax
	For the period March 27, 2019 to March 31, 2020
USD Sensitivity	
INR/USD increase by 5%*	2.07
INR/USD decrease by 5%*	(2.07)

* Holding all other variables constant

Interest rate risk

The Company is mainly exposed to interest rate risk due to its floating interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company mitigates the interest rate risk for borrowing in functional currency, which is linked with MCLR, by negotiating and fixing the rate at the time of renewal of bank facility which remains effective for one year from the date of renewal. In case of borrowing in foreign currency, which is linked with US Libor rate, the company mitigates the risk by fixing the margin at the time of renewal of bank facility which remains effective for one year from the date of renewal.

The Company has various non current and current borrowings whose facilities are on a variable interest rate basis. Refer below table for interest rate exposure.

Interest Rate Exposure

The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2020
Variable Rate Borrowings	6,667.26

Sensitivity - Interest Rate

The sensitivity of profit or loss to higher/(lower) interest expense from borrowings as a result of change in borrowing rates is as follows:

	Impact on profit before tax
	For the period March 27, 2019 to March 31, 2020
Interest Rates - increase by 0.5%*	(3.24)
Interest Rates - decrease by 0.5%*	3.24

* Holding all other variables constant

42 Capital management

(a) Risk management

The Company considers the following components of its Balance Sheet as managed capital:

Total equity as shown in the balance sheet includes share capital and retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital or issue new shares.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratios:

Net debts (Total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the Balance Sheet)

The gearing ratios were as follows:

	As at March 31, 2020
Net Debts *	6,664.18
Total Equity	12,856.52
Net Debt to Equity Ratio	0.52

** After considering unamortised expenses of Rs. 12.33 Lakhs as at March 31, 2020.*

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods. Refer the below note for the final dividend declared and paid.

43 Related party disclosures

(a) Relationships

Promoter Group

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)

FIH Private Investments Limited, Mauritius

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Key Management Personnel

Mr. Nahoosh Jariwala	Director (up to August 26, 2020) Managing Director (w.e.f. August 27, 2020)
Mr. Rajen Jhaveri	Director (up to August 26, 2020)
Mr. Kaushik Bhatt	Director (up to August 26, 2020)

Post employment benefit plan

Adi Finechem Limited Employees Group Gratuity Assurance Scheme

(b) The nature and volume of transactions carried out and balances with related parties in the ordinary course of business are as follows:

Transactions

Name of the related party and nature of the relationship	For the period March 27, 2019 to March 31, 2020
Other Related Parties	
Reimbursement of Expenses	
Fairchem Speciality Limited	0.01
Dividend Income	
Privi Organics India Limited	625.00
Freight Expenses	
Fairfreight Lines Private Limited	1.54
Key Management Personnel	
Remuneration	
Mr. Nahoosh Jariwala	144.00
Mr. Rajen Jhaveri	69.02
Mr. Kaushik Bhatt	25.31
Reimbursement of Expenses	
Mr. Rajen Jhaveri	1.20
Mr. Kaushik Bhatt	0.42

Balances

Name of the related party and nature of the relationship	As at March 31, 2020
Payable to Key Management Personnel:	
Mr. Nahoosh Jariwala	8.25
Mr. Rajen Jhaveri	24.74
(Net of Tax Deducted at Source)	

Terms and Conditions

1) Transactions with related parties are at normal commercial terms.

2) All outstanding balances are unsecured and payable in cash.

44 Contingent Liabilities and commitments

(a) Contingent liabilities

	As at March 31, 2020
Claims against the Company not acknowledged as debt	15.00
Disputed excise and service tax liability	25.97
Disputed Value added tax and Central Sales Tax liability	12.93
Total	**53.90**

The company is contesting the demands and the management believes that its position is likely to be upheld in the appellate process. It is not practicable to estimate the timing of cash outflows, if any in respect of legal matters, pending resolution of the proceedings with the appellate authorities.

The Company has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("**PF**") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the special purpose financial statements.

(b) Capital Commitments

	As at March 31, 2020
Estimated value of contracts in capital account remaining to be executed	1,506.14
Total	**1,506.14**

45 Events occurring after reporting period

The Company evaluated subsequent events through September 29, 2020, the date the special purpose financial statements were available for issuance, and determined that there were no additional material subsequent events requiring disclosure except as disclosed under Note 51.

46 Assets hypothecated and / or mortgaged as security

The carrying amounts of assets hypothecated and / or mortgaged as security for borrowings are:

	Notes	As at March 31, 2020
Non-Current		
Non-financial assets		
Land (Freehold)	4	63.10
Building	4	1,941.50
Plant and Machinery	4	9,749.05
Total non-current assets hypothecated and / or mortgaged as security		**11,753.65**
Current		
Non-financial assets		
Inventories	11	3,771.10
Financial assets		
Trade receivables	12	3,787.90
Total current assets hypothecated as security		**7,559.00**

47 Segment reporting

In accordance with the requirements of Ind AS 108 – "Operating Segments" the Company has determined its business segment as Specialty Chemicals (which includes Oleo Chemicals and Intermediate Neutraceuticals). Since 100% of the Company's business is in this segment, there are no other primary reportable segments. Thus the Segment Revenue, Segment Results, total carrying amount of Segment Assets, total carrying amount of Segment Liabilities, total cost incurred to acquire segment assets, the total amount charged for depreciation and amortisation during the period are all as reflected in the special purpose financial statements for the period ended March 31, 2020 and as on that date.

Segment	For the period March 27, 2019 to March 31, 2020	
	Revenue from external Customers	Total segment revenue
Total Segment revenue	30,579.09	30,579.09
	30,579.09	**30,579.09**

	For the period March 27, 2019 to March 31, 2020
Revenue from external customers	
India	29,494.88
Outside India	1,084.21
Total	**30,579.09**

All the non-current assets of the Company are located within India.

48 Leases

Company as lessee

The entity has reclassified leasehold land under Property, Plant & Equipments as Right of use assets on the date of initial application of Ind AS 116 - Leases.

There are no other lease arrangements entered into by the Company. Hence, there is no impact on the transition to Ind AS 116.

49. Ind AS 115 – Revenue from Contracts with Customers

The Company has opted for modified retrospective approach in accordance with Ind-AS 115 "Revenue from Contracts with Customers". Management has used judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer.

(A) The Company is primarily in the Business of manufacture and sale of Speciality Oleo Chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. The Company does not give significant credit period resulting in no significant financing component.

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(B) Reconciliation of revenue recognised from Contract liability:

	As at March 31, 2020
Opening Contract liability	-
Add: Transferred pursuant to a Scheme of Arrangement (Refer Note 51)	35.42
Less: Recognised as revenue during the period	(916.05)
Add: Addition to contract liability during the period	900.43
Add: Other Adjustments	-
Closing Contract liability	19.80

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Revenue from contract with customer as per Contract price	30,628.96
Less: Discounts and incentives	(16.73)
Less:- Sales Returns /Credits /Reversals	(33.14)
Revenue from contract with customer as per statement of profit and loss	30,579.09

Disaggregation of Revenue from contract with customers

	For the period March 27, 2019 to March 31, 2020
India	29,494.45
Middle East	63.59
North America	1,021.05
	30,579.09

50 Impact of Covid-19

The COVID-19 pandemic has disrupted many business operations globally due to lockdown and other directives imposed by the governments. The sole manufacturing plant of the Company closed its operations from March 25, 2020. The Company has resumed production with effect from May 21, 2020 and is expected to achieve normal business operations from June, 2020. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's assessment of current indicators and economic conditions there is no material impact on its special purpose financial statements as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions.

51 Scheme of Arrangement and Amalgamation

The Board of Directors of the Company, in its meeting held on May 22, 2019, had approved a Composite Scheme of arrangement and amalgamation ('**the Scheme**') amongst Fairchem Speciality Limited (FSL), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL), two wholly owned subsidiaries of FSL and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL and Amalgamation of POIL, manufacturers of aroma chemicals, into and with FSL, under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. National Company Law Tribunal (NCLT) has sanctioned the scheme on June 30, 2020 and hence, the impact of the scheme was not considered in the statutory financial statements approved by the Board of Directors in their meeting held on June 23, 2020. The Company has received certified copy of the scheme on August 3, 2020. The said scheme has been adopted by the Board of Directors of FSL, FOL and POIL in their meeting held on August 12, 2020.

Further, the Company has also filed form INC 28 with Registrar of Companies on August 12, 2020. As a consequence, the scheme has been made effective with effect from August 12, 2020.

Pursuant to the Scheme of Arrangement, FOL shall debit its share capital account, with the aggregate face value of its cancelled shares (Rs. 1 lakh) and the capital reserve in its books shall be increased to the extent of the amount of its cancelled shares. FOL shall also issue and allot Equity Shares to the Shareholders of FSL in the following proportion.

1 fully paid up equity share of Rs. 10/- each fully paid up of Fairchem Organics Limited shall be issued and allotted for every 3 fully paid up equity shares of Rs.10/- each fully paid up held by them in Fairchem Speciality Limited on the Record date i.e., August 24, 2020.

Accordingly, FOL is required to issue and allot 13,020,900 Equity shares of Rs. 10/- each to the Equity Shareholders of FSL.

Pending allotment of Equity shares to the Shareholders of FSL, Rs. 1,302.09 Lakhs has been shown as "Share Capital Suspense Account" and accordingly Earnings Per Share (both Basic and Diluted) has been calculated considering the balance in Share Capital Suspense Account.

Further, as per the Scheme, the difference, if any, between the carrying value of assets and liabilities transferred to FOL (i.e Rs. 10,259.14 lakhs) and the consideration discharged by way of the New Equity Shares issued to the shareholders of the FSL (i.e. Rs. 1,302.09 lakhs) in lieu of the Demerged Undertaking, has been recorded as 'Capital Reserves' (i.e. Rs. 8,958.05 lakhs) in the books of FOL.

As per the applicable Indian Accounting Standard Ind AS 103 ('standard'), since this demerger is a common control business combination, the financial statements are prepared by the Company at carrying amounts not from the appointed date but from the beginning of the preceding period in the financial statements which happens to be the date of incorporation i.e. March 27, 2019. However, the Company has recognised the impact of the business combination only from closing of business hours on March 31, 2019 (i.e. the appointed date specified in the scheme). The management believes that the transactions between March 27, 2019 and closing of business hours on March 31, 2019 would not have any material impact on the net assets. Thus, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period do not contain the impact of the transactions of the demerged undertaking from March 27, 2019 to March 31, 2019. However, there is no impact of the same on the Company's balance sheet as at March 31, 2020.

Pursuant to the Scheme of Arrangement, the following assets and liabilities have been taken over by the Company:

	Closing of Business Hours As at March 31, 2019
Assets	
Property, Plant and Equipment	11,524.25
Capital work-in-progress	87.91
Loans	2.25
Other Financial Assets	15.02
Non-current Tax Assets (Net)	59.55
Other Non-current Assets	125.67
Inventories	3,400.62
Trade receivables	3,213.13
Cash and cash equivalents	1.64
Bank balances other than above	16.53
Other current assets	324.49
Total Assets	**18,771.06**
Liabilities	
Borrowings	4,878.14
Provisions	147.04
Deferred Tax Liabilities (Net)	1,215.74
Trade Payables	1,000.42
Other financial liabilities	1,123.80
Other current liabilities	83.19
Current Tax Liabilities (Net)	63.59
Total Liabilities	**8,511.92**
Net Assets acquired by the Company	**10,259.14**

9B. Report on special purpose financial statements (June 2020)

The Board of Directors
Fairchem Organics Limited
Plot No. A- 71, TTC,
Thane Belapur Road,
Near KoparKhairane,
Navi Mumbai – 400 709

Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated August 27, 2020 and Addendum 1 dated October 19, 2020.
2. We have audited the accompanying special purpose financial statements of Fairchem Organics Limited (the "Company") which comprise the balance sheet as at June 30, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from April 1, 2020 to June 30, 2020 and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. Based on our audit, we report that:
   a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
   b. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) statement of changes in equity and statement of cash flows dealt with by this report are in agreement with the books of account;
   c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, the state of affairs of the Company as at June 30, 2020;
      (ii) in the case of the Statement of Profit and Loss, the loss for the period from April 1, 2020 to June 30, 2020;
      (iii) in the case of the Statement of Cash flows, of the cash flows for the period from April 1, 2020 to June 30, 2020; and
      (iv) in the case of the Statement of Changes in Equity, of the movement in equity for the period from April 1, 2020 to June 30, 2020

Emphasis of Matter – Basis of preparation

8. We draw attention to Note2(a) to the special purpose financial statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared. Further, as stated in Note 48,the accompanying special purpose financial statements includes the effect of the Company's Composite Scheme of Arrangement amongst Fairchem Speciality Limited and Fairchem Organics Limited pursuant to which equity shares of the Company are required to be issued and listed, which was approved by the National Company Law Tribunal, Mumbai on June 30, 2020.

Our opinion is not modified in respect of this matter.

Other Matters

9. The special purpose financial statements dealt with by this report, have been prepared for the limited purpose of inclusion in the Information Memorandum, to be submitted/filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)(together 'the Stock Exchanges')for the proposed listing of equity shares of the Company on the Stock Exchanges.

Restriction on Use

10. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 9 above. This report is not planned or prepared in contemplation of the interest of any other person and may not address items of possible interest to any such person. Accordingly, this report or its content or findings of audit procedures should not be otherwise used or disclosed or distributed or shared or referred with any other party for availing the benefit of the services for use for any other purpose. Our work and findings shall in no way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the proposed listing of equity shares. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our this report is shown or into whose hands it may come without our prior consent in writing.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN:20112433AAAAKF5137

Place: Mumbai
Date: December 4, 2020

FAIRCHEM ORGANICS LIMITED (BALANCE SHEET AS AT JUNE 30, 2020)

(₹ in lakhs)

	Notes	As at June 30, 2020
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	4	12,538.95
Capital work-in-progress	5	947.69
Intangible Assets	6	6.79
Financial Assets		
(i) Loans	7	0.53
(ii) Other Financial Assets	8	30.04
Non-current Tax Assets (Net)	9	99.44
Other Non-current Assets	10	692.53
		14,315.97
Current Assets		
Inventories	11	3,048.16
Financial Assets		
(i) Trade receivables	12	3,992.12
(ii) Cash and cash equivalents	13	2.89
(iii) Bank balances other than (ii) above	14	17.87
(iv) Loans	15	1.56
(v) Other Financial Assets	16	0.99
Other current assets	17	180.42
		7,244.01
TOTAL ASSETS		**21,559.98**

(₹ in lakhs)

	Notes	As at June 30, 2020
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	18	-
Share Capital Suspense Account	19	1,302.09
Other Equity	20	11,525.45
		12,827.54
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	21	1,840.54
Provisions	22	122.26
Deferred Tax Liabilities (Net)	37	1,161.49
		3,124.29
Current Liabilities		
Financial Liabilities		
(i) Borrowings	23	3,302.67
(ii) Trade Payables	24	
(a) Total outstanding dues of micro enterprises and small enterprises		38.64
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		515.78
(iii) Other financial liabilities	25	1,272.48
Other current liabilities	26	323.35
Provisions	27	54.05
Current Tax Liabilities (Net)	28	101.18
		5,608.15
TOTAL EQUITY AND LIABILITIES		**21,559.9**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD APRIL 1, 2020 TO JUNE 30, 2020

(₹ in lakhs)

	Notes	For the period April 01, 2020 to June 30,2020
Income		
Revenue from Operations	29	3,507.20
Other Income	30	2.15
Total Revenue		**3,509.35**
Expenses		
Cost of material consumed	31	2,669.16
Changes in Inventories of finished goods and work-in-progress	32	(273.45)
Employee benefits expense	33	370.44
Finance Costs	34	150.72
Depreciation and amortisation expense	4 & 6	162.59
Other expenses	35	466.72
Total Expenses		3,546.18
Loss Before Tax		(36.83)

(₹ in lakhs)

	Notes	For the period April 01, 2020 to June 30,2020
Tax Expense		
Current tax		-
(Excess) provision of income tax of earlier years (net)		(19.80)
Deferred tax		1.95
		(17.85)
Loss After Tax		**(18.98)**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Remeasurement (losses) / gains on post employment defined benefit plans		(13.36)
- Income tax effect		3.36
Other comprehensive income for the period, net of tax		(10.00)
Total comprehensive income for the period		**(28.98)**
Loss Per Share		
Basic and Diluted loss per share (in Rupees)	36	(0.15)
Nominal value per equity share (in Rupees)		10.00

STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED ON JUNE 30, 2020

(₹ in lakhs)

	Notes	For the period April 01, 2020 to June 30,2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) Before Taxation		(36.83)
Adjustments for:		
Depreciation and Amortisation	4 & 6	162.59
Finance Cost	34	150.72
Interest Income	30	(0.32)
Unrealised Foreign Exchange (Gain)		(1.14)
Operating Profit Before Working Capital Changes		**275.02**
Adjustments For Changes In Working Capital:		
Decrease In Inventories		722.94
(Increase) In Other Non Current Financial Assets		(2.35)
(Increase) In Trade receivables		(203.08)
(Increase) In Current Loans		(0.34)
(Increase) In Other current assets		(30.95)
(Decrease) In Trade and Other Payables		(86.73)
Increase In Non Current Liabilities - Provisions		7.93
Increase In Current Liabilities - Provisions		6.93
Increase In Other Current Financial Liabilities		22.22
Increase In Other Current Liabilities		235.58
Cash Generated From Operations		**947.17**
Direct Taxes Refund (Net)		3.39
Net Cash Generated From Operating Activities		**950.56**

	Notes	For the period April 01, 2020 to June 30,2020
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipments		(218.26)
Interest Income		0.57
Net Cash (Used In) Investing Activities		**(217.69)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings (net)		792.42
Repayment of Long Term Borrowings (net)		(239.43)
Net Repayment of Short Term Borrowings (net)		(1,134.70)
Interest Paid		(151.35)
Net Cash Used In Financing Activities		**(733.06)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**(0.19)**
Cash and Cash Equivalents as at the beginning of the period		3.08
Cash and Cash Equivalents as at the end of the period		2.89
Reconciliation of cash and cash equivalent as per the statement of cash flows		**As at June 30, 2020**
Cash and Cash Equivalents :		
Cash on hand		1.58
Bank Balances :		
- In Current Accounts		1.31
		2.89

Note : (1) The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows" (2) For non-cash transactions pursuant to Scheme of Arrangement refer note 48.

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED JUNE 30, 2020

(₹ in lakhs)

			Notes	For the period April 01, 2020 to June 30,2020
A. Equity Share Capital				
Balance as at March 31, 2020			18	-
Issue of Share Capital during the period				-
Balance as at June 30, 2020			18	-
B. Share Capital Suspense Account				
Balance as at March 31, 2020			19	**1,302.09**
Issue of Share Capital during the period				-
Balance as at June 30, 2020				**1,302.09**
C. Other Equity		**Reserves and Surplus**		
	Capital Reserves	**Retained Earnings**		**Total**
Balance as at March 31, 2020	**8,958.05**	**2,596.38**		**11,554.43**
Loss for the period	(18.98)	-		(18.98)
Other Comprehensive Income	(10.00)	-		(10.00)
Total Comprehensive Income for the period	**-**	**(28.98)**		**(28.98)**
Balance as at June 30, 2020	**8,958.05**	**2,567.40**		**11,525.45**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1 Background of the Company

Fairchem Organics Limited (the 'Company') was incorporated on March 27, 2019. These Special purpose financial statements of the Company have been prepared for the period from April 01, 2020 to June 30, 2020. Pursuant to the Scheme of arrangement, the Oleo Chemical and Neutraceutical business of Fairchem Speciality Limited was demerged and merged into the Company (Refer note 48). The manufacturing facility is set up at Village Chekhala, Ta. Sanand, Dist. Ahmedabad, Gujarat.

2 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in the preparation of these Special Purpose Financial Statements. These policies have been consistently applied during current period, unless otherwise stated.

a) Basis of preparation

i) Compliance with Ind AS

These Special Purpose Financial Statements of the Company comprising the Balance Sheet as at June 30, 2020, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the period from April 01, 2020 to June 30, 2020, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), for inclusion in Information Memorandum, to be submitted / filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (together 'the Stock Exchanges') for the proposed listing of equity shares of the Company on the Stock Exchanges. These Special Purpose Financial Statements have been prepared by giving effect to the Scheme of Arrangement and Amalgamation (Refer note 48) with effect from closing of business hours on March 31, 2019, the appointed date, consequent upon receipt of approval to the Scheme from National Company Law Tribunal (NCLT), Mumbai Bench. The Special Purpose Financial Statements are not the statutory financial statements of the Company, and hence, the disclosure provisions applicable to statutory financial statements prepared under the Act, are considered irrelevant for the purposes for which these have been prepared. Further, no comparative information is given as they are not considered relevant for the purpose of these Special Purpose Financial Statements.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the Special Purpose Financial Statements.

The principles of measurement, recognition and disclosures (to the extent considered relevant) followed for preparation of these Special Purpose Financial Statements are consistent with the accounting policies followed by the Company in its statutory financial statements for the period ended June 30, 2020.

ii) New standards or interpretations adopted by the Company

The Ministry of Corporate Affairs (MCA) has issued amendments to the following Ind AS with effect from April 1, 2020:

i) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error
ii) Ind AS 103, Business Combinations
iii) Ind AS 109 and Ind AS 107, Financial Instruments
iv) Ind AS 116, Leases
v) Ind AS 10 (Events after the Reporting Period)
vi) Ind AS 34 (Interim Financial Reporting)
vii) Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets)

The above amendments did not have any impact on the amounts recognised and are not expected to significantly affect the current or future periods.

iii) Historical cost convention

The Special purpose Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

iv) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, all other liabilities are classified as non-current.

b) Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the special purpose financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date are recognised in the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other incomes/expenses.

c) Revenue recognition

Sale of products

Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognised at an amount that the Company expects to receive from customers that is net of trade discounts, rebates and goods and services tax (GST). The Company does not have any contracts where the transfer of the promised goods to customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction price for the time value of money.

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Export benefit entitlements under Duty Drawback and Merchandise Exports from India Scheme (MEIS) are recognised when the right to receive credit as per the terms of the scheme is established in respect of the exports and there is no uncertainty in receiving the same.

d) Income tax

The income tax expense or credit for the period is the tax on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose financial statements.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

e) Leases

Company as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for

use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease

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payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets are reviewed for possible reversal of the impairment at the end of each reporting period.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less provision for impairment, if any.

i) Inventories

Raw materials, packing material, stores and fuel, work in progress and finished goods are stated at the lower of cost and net realisable value. The cost of raw materials, packing materials, stores and fuel are determined based on first-in, first-out (FIFO) method and comprises cost of purchase. The cost of semi-finished goods comprises raw materials, direct labour, and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Financial assets and liabilities

(i) Financial assets

1. Classification

The Company classifies its financial assets in the following measurement categories:

- at fair value (either through other comprehensive income, or through profit or loss), and
- at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2. Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

3. Subsequent Measurement

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss or gains arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to "Profit or Loss" in the Statement of Profit and Loss.

Measured at fair value through profit or loss (FVPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at Fair Value through Other Comprehensive Income (FVOCI) are not reported separately from other changes in fair value.

4. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

5. Derecognition

A financial asset is de-recognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or,
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

6. Income recognition

Interest income from debt instruments is recognised using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(ii) Financial liabilities:

1. Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

2. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expense.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life as per technical evaluation. Estimated useful life of the assets/significant component thereof are as under:

Assets class	Useful life in years
• Buildings	10 to 30
• Plant and Equipment	10 to 25
• Electrical Installations	10
• Office Equipments and Computers	3 to 5
• Furniture and Fixtures	10
• Vehicles	6 to 8

Depreciation methods and useful lives are reviewed at each financial year end and adjusted if appropriate.

Amortisation of leased assets are over the Lease period.

m) Intangible Assets and amortisation

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets.

Assets class	Useful life in years
• Computer software	3

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/expenses.

p) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions and Contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

r) Employee Benefits

(i) Defined contribution plans

Contributions to retirement benefit plans in the form of provident fund, employee state insurance scheme and pension scheme as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees, which is funded. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity Fund contributions are made to a trust administered by the Company which has further invested in Life Insurance Corporation. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

(iii) Other employee benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Directors who are identified as the chief operating decision makers. The managing directors assess the financial performance and position of the company, and make strategic decisions.

t) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

u) Rounding off

All amounts disclosed in the special purpose financial statements and notes have been rounded off to the nearest lakhs, or decimal thereof as per the requirement of Schedule III, unless otherwise stated.

3 Critical estimates and judgements

The preparation of special purpose financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – Note 29
- Impairment of trade receivables – Note 41
- Estimation of useful life of tangible assets – Note 4

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company.

4 Property, Plant and Equipment as at June 30, 2020 *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Gross Carrying Amount			Accumulated Depreciation/Amortisation			Net Carrying Amount
	Opening as on April 01, 2020	Additions	As at June 30, 2020	Opening as on April 01, 2020	For the period	As at June 30, 2020	As at June 30, 2020
Freehold Land	63.10	-	63.10	-	-	-	63.10
Leasehold Land	459.40	-	459.40	24.97	1.61	26.58	432.82
Building	2,264.32	-	2,264.32	322.82	21.86	344.68	1,919.64
Plant and Machinery	11,057.95	66.91	11,124.86	1,308.90	115.97	1,424.87	9,699.99
Electric Installation	349.68	-	349.68	180.34	8.42	188.76	160.92
Air Conditioners	49.59	-	49.59	26.21	1.61	27.82	21.77
Office Equipments and Computers	85.90	1.47	87.37	50.37	3.50	53.87	33.50
Furniture and Fixtures	201.94	5.83	207.77	62.21	5.45	67.66	140.11
Vehicles	120.96	-	120.96	50.36	3.50	53.86	67.10
Total	**14,652.84**	**74.21**	**14,727.05**	**2,026.18**	**161.92**	**2,188.10**	**12,538.95**

(I) Refer to note 44 for information on property, plant and equipment hypothecated and / or mortgaged as security by the Company. (ii) Contractual obligations - Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5 Capital Work in Progress

	As at June 30, 2020
Opening Balance	942.85
Addition during the period	71.75
Transfer during the period	66.91
Closing Balance	947.69

Capital work-in-progress mainly comprises of Building and Plant & Machinery

6 Intangible Assets as at June 30, 2020

Particulars	Gross Carrying Amount			Accumulated Depreciation/Amortisation			Net Carrying Amount
	Opening as on April 01, 2020	Additions	As at June 30, 2020	Opening as on April 01, 2020	For the period	As at June 30, 2020	As at June 30, 2020
Computer Software	8.07	-	8.07	0.61	0.67	1.28	6.79
Total	**8.07**	**-**	**8.07**	**0.61**	**0.67**	**1.28**	**6.79**

		As at June 30, 2020
7	**Loans**	
	(Unsecured, Considered Good)	
	Security Deposits	0.53
		0.53
8	**Other Financial Assets**	
	Margin Money Deposit *	30.04
		30.04

** Pledged with the bank for non cash limit*

9	**Non Current Tax Assets (Net)**	
	Advance Income Tax and Tax deducted at source (Net of Provision)	99.44
		99.44
10	**Other Non Current Assets**	
	(Unsecured and Considered Good)	
	Capital advances	692.53
		692.53
11	**Inventories**	
	[Refer note 2 (i) - valued at lower of cost and net realisable value]	
	Raw Materials	1,697.41
	Packing Materials	4.82
	Stores and Fuel	350.52
	Semi-finished Goods	910.52
	Finished Goods	84.89
		3,048.16
	Of the above includes Goods in transit :	
	Raw Materials	182.82
	Stores and Fuel	4.24
	Finished Goods	84.89
12	**Trade Receivables**	
	Trade Receivables considers good - Unsecured	3,992.12
	Trade Receivables - credit impaired	42.00
		4,034.12
	Less: Allowance for doubtful debts	(42.00)
		3,992.12

Refer Note 39 for credit risk related disclosures.

13	**Cash and cash equivalents**	
	Balances with banks:	
	- In Current Accounts	1.31
	Cash on Hand	1.58
		2.89

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

14	**Bank balances other than note 13 above**	
	Unpaid Dividend Accounts	17.87
		17.87
15	**Loans**	
	(Unsecured, Considered Good)	
	Loans to Employees	1.35
	Security Deposits	0.21
		1.56
16	**Other Current Financial Assets**	
	Interest Accrued but not Due	0.99
		0.99
17	**Other Current Assets**	
	Balances with Government Authorities	25.18
	Export Incentive Receivable	36.30
	Advance to vendors	97.79
	Prepaid Expenses	20.63
	Others	0.52
		180.42
18	**Equity Share Capital Authorised:**	
	10,000 (March 31, 2020: 10,000) Equity Shares of Rs. 10 each	1.00
		1.00
	Issued, Subscribed and Paid-up:	
	Nil Equity Shares of Rs. 10 each, fully paid-up (Refer Note 18.1)	-
		-

		As at June 30, 2020 No. of Equity Shares	As at June 30, 2020 Amount
18.1	**Movement in Equity Share Capital**		
	Balance as at the beginning of the period	-	-
	Shares issued during the period	-	-
	Balance as at the end of the period	-	-

18.2 Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

		As at June 30, 2020
19	**Equity Shares Suspense Account**	
	Equity Shares to be issued pursuant to a Scheme of Arrangement (Refer Note 48)	1,302.09
		1,302.09
20	**Other Equity**	
	Capital Reserves	8,958.05
	Retained Earnings	2,567.40
		11,525.45
	Movement of Capital Reserve	
	Balance as at the beginning of the period	8,958.05
	Balance as at the end of the period	8,958.05
	Movement of Retained Earnings	
	Balance as at the beginning of the period	2,596.38
	Loss for the period	(18.98)
	Other Comprehensive Income	(10.00)
	Balance as at the end of the period	**2,567.40**

Capital Reserve

Capital Reserve was created pursuant to a Scheme of Arrangement (Refer Note 48).

Retained Earnings

The retained earnings reflect the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance under this head, after considering the requirements of the Companies Act, 2013.

21	**Borrowings - Non-Current**	
	Secured - at amortized cost	
	Term Loan from Bank *	1,840.54
		1,840.54

** After considering unamortised expenses of Rs. 11.12 Lakhs as at June 30, 2020.*

Security Details

Term Loans from banks are secured by hypothecation by way of first and exclusive charges on all present and future stocks, book debts and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road and Hypothecation of plant and machinery installed at the factory premises.

Name of bank	Maturity Date	Terms of Repayment	Outstanding as at June 30, 2020
HDFC Bank (Term Loans)	December, 2021	Repayment in 63 monthly instalments	809.61
	October, 2020	Repayment in 39 monthly instalments	49.27
	January, 2025	Repayment in 64 monthly instalments	1,935.12

The carrying amount of financial and non-financials assets hypothecated and / or mortgaged as security for current and non-current borrowings are disclosed in note 44.

In view of the extension of time granted vide a circular of Reserve Bank of India (RBI), RBI/2019-20/186 dated March 27, 2020 for the payment of interest and principal for term loans falling due between March 1, 2020 and May 31, 2020, the Company has availed the moratorium.

		As at June 30, 2020
22	**Non-Current Provisions**	
	Provision for Employee Benefits	
	Provision for compensated absences	122.26
		122.26
23	**Borrowings**	
	Secured:	
	Working Capital Loans from Bank	3,074.96
	Packing credit in Foreign Currency	227.71
		3,302.67

Working Capital Loan and Packing credit in Foreign Currency from banks are secured by hypothecation by way of First and exclusive charges on all present and future stocks, book debts and collaterals security by way of Equitable mortgage of industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road and Hypothecation of plant and machinery installed at the factory premises. Packing credit from bank are due for repayment within 120 days.

		As at June 30, 2020
24	**Trade Payables**	
	(a) Total outstanding dues of micro enterprises and small enterprises	38.64
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	515.78
		554.42
25	**Other Financial Liabilities**	
	Current	
	Current maturities of long term debt (Refer Note 21)	
	Term Loan from Bank	942.34
	Interest accrued but not due on borrowings	13.76
	Unclaimed dividend *	17.87
	Creditors for capital goods #	76.21
	Employee benefit payable	222.30
		1,272.48

** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at the period end.*
 # Including dues to Micro and Small Enterprises for Rs. 5.19 Lakhs.

Net Debt Reconciliation

Cash and cash equivalents	2.89
Current borrowings	(3,302.67)
Non-current borrowing (includes current maturity of long term borrowings)	(2,782.88)
	(6,082.66)

	Cash and cash equivalents	Non-Current Borrowings	Current Borrowings
Net Debt as of March 31, 2020	**3.08**	**(2,229.89)**	**(4,437.37)**
Cash flow (Net)	(0.19)	(552.99)	1,134.70
Interest expense	-	53.34	94.55
Interest accrued but not due	-	0.57	0.06
Interest paid	-	(53.91)	(94.61)
Net Debt as of June 30, 2020	**2.89**	**(2,782.88)**	**(3,302.67)**

		As at June 30, 2020
26	**Other current liabilities**	
	Advances from customers	62.18
	Statutory liabilities	259.11
	Other liabilities	2.06
		323.35
27	**Current Provisions**	
	Provision for employee benefits	
	Provision for gratuity	17.95
	Provision for compensated absences	36.10
		54.05
28	**Current Tax Liabilities (Net)**	
	Income tax provision net of Advance Tax	101.18
		101.18

		For the period April 01, 2020 to June 30, 2020
29	**Revenue from Operations**	
	Sale of finished goods	3,501.18
	Other operating revenues	
	- Scrap sales	1.86
	- Export incentives	4.16
		3,507.20
30	**Other Income**	
	Net Gain on Foreign Currency Transactions and Translation	1.77
	Interest income from financial assets measured at amortised cost	
	- Deposits	0.31
	- Others	0.01
	Miscellaneous income	0.06
		2.15
31	**Cost of materials consumed**	
	Raw Materials :	
	Inventory at the beginning of the period	2,673.36
	Add: Purchases	1,689.54
		4,362.90
	Less: Inventory at the end of the period	1,697.41
		2,665.49
	Packing Materials :	
	Inventory at the beginning of the period	4.89
	Add: Purchases	3.60
		8.49
	Less: Inventory at the end of the period	4.82
		3.67
		2,669.16

continued on next page...

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32 Changes in inventory of finished goods and work-in-progress

Opening Stock	
Finished Goods	57.82
Semi Finished Goods	664.14
	721.96
Closing Stock	
Finished Goods	84.89
Semi Finished Goods	910.52
	995.41
Total changes in inventory of finished goods and work-in-progress	**(273.45)**

33 Employee benefit expenses

Salaries, wages and bonus	340.14
Contribution to Provident Fund and other funds	16.57
Gratuity	7.03
Staff welfare expenses	6.70
	370.44

34 Finance Costs

Interest on Long Term Borrowings	53.34
Interest and other borrowing cost	94.55
Interest on Income Tax	2.83
	150.72

35 Other Expenses

Consumption of Stores and Spares	51.12
Power and Fuel	241.39
Laboratory expenses	1.51
Research & Development Expenses	4.22
Rent, rates and taxes	1.71
Insurance	7.86
Repairs and maintenance :	
- Machinery	5.99
- Buildings	0.10
- Others	1.47
Telephone and advertisement expense	0.78
Directors' sitting fees	2.50
Remuneration to Auditors for:	
Statutory Audit Fees	7.33
Commission on sales	1.88
Freight and forwarding	67.26
Legal and professional fees	24.85
Vehicle expenses	3.24
Solid waste disposal charges	24.65
Miscellaneous expenses	18.86
	466.72

36 Earnings per Share (EPS)

Basic	
Net loss available to Equity Shareholders	(18.98)
Weighted Average Number of Equity Shares (Refer Note 48)	1,30,20,902
Basic EPS (Rs.)	(0.15)
Diluted	
Net loss before tax as per Statement of Profit and Loss	(18.98)
Weighted Average Number of Equity Shares (Refer Note 48)	1,30,20,902
Diluted EPS (Rs.)	(0.15)
Nominal value of an equity share	10.00

There is no dilution to the Basic Loss per Share as there are no dilutive potential equity shares.

37 Taxation

37a) Income tax expense

Current tax	
Current tax on profits for the period	-
Adjustments for current tax of prior periods	(19.80)
Total current tax expense	**(19.80)**
Deferred tax	
Decrease/(increase) in deferred tax liabilities	(1.41)
(Decrease)/increase in deferred tax assets	3.36
Deferred tax on Other Comprehensive Income	(3.36)
Total deferred tax expense/(benefit)	**(1.41)**
Income tax expense	**(21.21)**

37 b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Profit for the period	(36.83)
Statutory tax rate	25.17%
Tax expense at applicable tax rate	**(9.27)**
Tax effects of amounts which are not deductible (taxable) in calculating taxable income: Amount not allowable under tax	7.86
Adjustments for current tax of prior periods	(19.80)
Income tax expense	**(21.21)**

37 c)- Deferred tax liabilities

	As at June 30, 2020
The balance comprises temporary differences attributable to:	
Deferred tax liabilities:	
On Property, Plant and Equipments	1,236.66
Others	3.11
Total deferred tax liabilities	**1,239.77**
Deferred tax assets:	
On Defined Benefit Obligations	36.53
Others	41.75
Total deferred tax assets	**78.28**
Net deferred tax liabilities	**1,161.49**

Movement in deferred tax balances

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at June 30, 2020
Deferred tax liabilities:				
On Property, Plant and Equipments	1,238.08	(1.42)	-	1,236.66
Others	3.10	0.01	-	3.11
Total deferred tax liabilities	**1,241.18**	**(1.41)**	**-**	**1,239.77**
Deferred tax assets:				
On Defined Benefit Obligations	36.66	(3.49)	3.36	36.53
Others	41.62	0.13	-	41.75
Total deferred tax assets	**78.28**	**(3.36)**	**3.36**	**78.28**
Net deferred tax liabilities	**1,162.90**	**1.95**	**(3.36)**	**1,161.49**

38 Fair value measurements

Financial instruments by category

	As at June 30, 2020 Carrying Value	Fair Value
Financial assets		
(Measured at amortised cost)		
Security Deposits	0.74	0.74
Margin Money Deposits	30.04	30.04
Trade Receivables	3,992.12	3,992.12
Cash and cash equivalents	2.89	2.89
Bank balances other than cash and cash equivalents above	17.87	17.87
Loans to Employees	1.35	1.35
Interest Accrued but not due	0.99	0.99
Total financial assets	**4,046.00**	**4,046.00**
Financial liabilities		
(Measured at amortised cost)		
Borrowings	6,085.55	6,085.55
Trade payables	554.42	554.42
Interest accrued but not due on borrowings	13.76	13.76
Unclaimed dividends	17.87	17.87
Creditors for Capital Goods	76.21	76.21
Employee benefit payable	222.30	222.30
Total financial liabilities	**6,970.11**	**6,970.11**

Fair value hierarchy

All financial instruments have been measured at amortised cost. For all financial instruments referred above which have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). All financial instruments referred above have been classified as Level 3.

The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, investments, margin money deposits, loans to employees, security deposits, trade payables, capital creditors, interest accrued but not due on borrowings, unclaimed dividends, employee benefit payable and other deposits are considered to be as their fair values, due to their current nature.

The fair values of borrowings have been calculated based on cash flows discounted using a current lending rate. They are classified as level 3 in the hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For Level 3 financial instruments, the fair value has been based on present values and the discount rates used, are adjusted for counterparty or own risk.

39 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management framework of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Cash and cash equivalents & bank balances

The Company is also exposed to credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents. These balances (other than cash on hand) are with high credit rating banks which are governed by Reserve Bank of India. The company believes its credit risk in such bank balances is immaterial.

Security deposits and other receivables

With respect to other financial assets namely security and other deposits and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the balance sheet.

Trade receivables

The Company measures the expected credit loss of trade receivables from customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends which is very negligible.

	Carrying amount As at June 30, 2020
Neither past due nor impaired	3,316.48
Past due 0-90 days	669.14
Past due 90-180 days	6.20
Past due 180-270 days	0.03
Past due 270–360 days	-
More than 360 days	42.28

Movement in impairment provision

	Amount
Balance as at March 31, 2020	**42.00**
Movement during the period	-
Balance as at June 30, 2020	**42.00**

(B) Management of Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Material and sustained shortfall in cash flow could undermine the company's credit rating and impair investor confidence.

The company maintained a cautious funding strategy, with a positive cash generation from operating activities throughout the period.

Financing Arrangement

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

	As at June 30, 2020
Floating rate	
Current Borrowings:	
Expiring within one year	1,346.33
Non current Borrowings:	
Expiring within one year	-

Maturities of financial liabilities

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

Contractual maturities of financial liabilities As at June 30, 2020	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings *	21, 23, 25	6,085.55	4,245.01	1,840.54	6,085.55
Trade payables	24	554.42	554.42	-	554.42
Interest accrued but not due on borrowings	25	13.76	13.76	-	13.76
Unclaimed dividends	25	17.87	17.87	-	17.87
Creditors for Capital Goods	25	76.21	76.21	-	76.21
Employee benefit payable	25	222.30	222.30	-	222.30
Total liabilities		**6,970.11**	**5,129.57**	**1,840.54**	**6,970.11**

** After considering unamortised expenses of Rs. 11.12 Lakhs as at June 30, 2020.*

(C) Management of Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the company. Further, the financial performance and financial position of the company is exposed to foreign currency risk that arises on outstanding receivable and payable balances at a reporting year end date. Interest rate risk arises from variable rate borrowings that expose the company's financial performance, financial position and cash flows to the movement in market rates of interest.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$. The Company imports capital goods and raw materials and exports finished goods. The company also pays interest, legal and professional fees and travelling and conveyance in foreign currency.

Foreign currency exposure

	As at June 30, 2020 USD in Lakhs
Financial Assets	
Trade Receivables	1.99
Exposure to foreign currency assets	**1.99**
Financial Liabilities	
Packing credit	3.02
Trade Payable	-
Exposure to foreign currency liabilities	**3.02**

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

	Impact on profit before tax For the period April 01, 2020 to June 30, 2020
USD Sensitivity	
INR/USD increase by 5%*	(3.89)
INR/USD decrease by 5%*	3.89

* Holding all other variables constant

Interest rate risk

The Company is mainly exposed to interest rate risk due to its floating interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company mitigates the interest rate risk for borrowing in functional currency, which is linked with MCLR, by negotiating and fixing the rate at the time of renewal of bank facility which remains effective for one year from the date of renewal. In case of borrowing in foreign currency, which is linked with USD Libor rate, the company mitigates the risk by fixing the margin at the time of renewal of bank facility which remains effective for one year from the date of renewal.

The Company has various non current and current borrowings whose facilities are on a variable interest rate basis. Refer below table for interest rate exposure.

Interest Rate Exposure

The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at June 30, 2020
Variable Rate Borrowings	6,085.55

Sensitivity - Interest Rate

The sensitivity of profit or loss to higher/(lower) interest expense from borrowings as a result of change in borrowing rates is as follows:

	Impact on profit before tax For the period April 01, 2020 to June 30, 2020
Interest Rates - increase by 0.5%*	(0.74)
Interest Rates - decrease by 0.5%*	0.74

* Holding all other variables constant

40 Capital management

(a) Risk management

The Company considers the following components of its Balance Sheet as managed capital:

Total equity as shown in the balance sheet includes share capital, general reserve, retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital or issue new shares.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratios:

Net debts (Total borrowings net of cash and cash equivalents)
divided by
Total 'equity' (as shown in the Balance Sheet)

The gearing ratios were as follows:

	As at June 30, 2020
Net Debts *	6,082.66
Total Equity	12,827.54
Net Debt to Equity Ratio	0.47

** After considering unamortised expenses of Rs. 11.12 Lakhs as at June 30, 2020.*

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods.

41 Related party disclosures

(a) Relationships

Promoter Group

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)

FIH Private Investments Limited, Mauritius

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

Key Management Personnel

Mr. Nahoosh Jariwala	Director (up to August 12, 2020) Managing Director (w.e.f. August 13, 2020)
Mr. Rajen Jhaveri	Director (up to August 26, 2020)
Mr. Kaushik Bhatt	Director (up to August 26, 2020)

Post employment benefit plan

Adi Finechem Limited Employees Group Gratuity Assurance Scheme

(b) The nature and volume of transactions carried out and balances with related parties in the ordinary course of business are as follows:

Transactions

Name of the related party and nature of the relationship	For the period April 01, 2020 to June 30, 2020
Key Management Personnel	
Remuneration	
Mr. Nahoosh Jariwala	36.00
Mr. Rajen Jhaveri	15.66

Balances

Name of the related party and nature of the relationship	As at June 30, 2020
Payable to Key Management Personnel:	
Mr. Nahoosh Jariwala	7.94
Mr. Rajen Jhaveri	26.82
(Net of Tax Deducted at Source)	

Terms and Conditions

1) Transactions with related parties are at normal commercial terms.
2) All outstanding balances are unsecured and payable in cash.

42 Contingent Liabilities and commitments

(a) Contingent liabilities	**As at June 30, 2020**
Claims against the Company not acknowledged as debt	15.00
Disputed excise and service tax liability	25.97
Disputed Value added tax and Central Sales Tax liability	14.92
Total	**55.89**

The company is contesting the demands and the management believes that its position is likely to be upheld in the appellate process. It is not practicable to estimate the timing of cash outflows, if any in respect of legal matters, pending resolution of the proceedings with the appellate authorities.

The Company has evaluated the impact of Supreme Court ("**SC**") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the special purpose financial statements.

(b) Capital Commitments

	As at June 30, 2020
Estimated value of contracts in capital account remaining to be executed	1,331.31
Total	**1,331.31**

43 Events occurring after reporting period

The Company evaluated subsequent events through November 25, 2020, the date the special purpose financial statements were available for issuance, and determined that there were no additional material subsequent events requiring disclosure except as disclosed under Note 47.

44 Assets hypothecated and / or mortgaged as security

The carrying amounts of assets hypothecated and / or mortgaged as security for borrowings are:

	Notes	As at June 30, 2020
Non-Current		
Non-financial assets		
Land (Freehold)	4	63.10
Building	4	1,919.64
Plant and Machinery	4	9,699.99
Total non-current assets hypothecated and / or mortgaged as security		**11,682.73**
Current		
Non-financial assets		
Inventories	11	3,048.16
Financial assets		
Trade receivables	12	3,992.12
Total current assets hypothecated as security		**7,040.28**

45 Segment reporting

In accordance with the requirements of Ind AS 108 – "Operating Segments" the Company has determined its business segment as Specialty Chemicals (which includes Oleo Chemicals and Intermediate Neutraceuticals). Since 100% of the Company's business is in this segment, there are no other primary reportable segments. Thus the Segment Revenue, Segment Results, total carrying amount of Segment Assets, total carrying amount of Segment Liabilities, total cost incurred to acquire segment assets, the total amount charged for depreciation and amortisation during the period are all as reflected in the special purpose financial statements for the period ended June 30, 2020.

Segment	For the period April 01, 2020 to June 30, 2020 Revenue from external Customers	Total segment revenue
Total Segment revenue	3,501.18	3,501.18
	3,501.18	**3,501.18**

	For the period April 01, 2020 to June 30, 2020
Revenue from external customers	
India	3,350.98
Outside India	150.20
Total	**3,501.18**

All the non-current assets of the Company are located within India.

46 Leases

Company as lessee

The entity has reclassified leasehold land under Property, Plant & Equipments as Right of use assets on the date of initial application of Ind AS 116 - Leases. There are no other lease arrangements entered into by the Company. Hence, there is no impact on the transition to Ind AS 116.

47 Impact of Covid-19

The COVID-19 pandemic has disrupted many business operations globally due to lockdown and other directives imposed by the governments. The sole manufacturing plant of the Company closed its operations from March 25, 2020. The Company has resumed production with effect from May 21, 2020 and has achieved normal business operations from June 2020. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's assessment of current indicators and economic conditions there is no material impact on its special purpose financial statements as at June 30, 2020. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions.

48 Scheme of Arrangement and Amalgamation

The Board of Directors of the Company, in its meeting held on May 22, 2019, had approved a Composite Scheme of arrangement and amalgamation ('**the Scheme**') amongst Fairchem Speciality Limited (FSL), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL), two wholly owned subsidiaries of FSL and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL and Amalgamation of POIL, manufacturers of aroma chemicals, into and with FSL, under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. National Company Law Tribunal (NCLT) has sanctioned the scheme on June 30, 2020 and hence, the impact of the scheme was not considered in the statutory financial statements approved by the Board of Directors in their meeting held on June 23, 2020. The Company has received certified copy of the scheme on August 3, 2020. The said scheme has been adopted by the Board of Directors of FSL, FOL and POIL in their meeting held on August 12, 2020. Further, the Company has also filed form INC 28 with Registrar of Companies on August 12, 2020. As a consequence, the scheme has been made effective with effect from August 12, 2020.

Pursuant to the Scheme of Arrangement, FOL shall debit its share capital account, with the aggregate face value of its cancelled shares (Rs. 1 lakh) and the capital reserve in its books shall be increased to the extent of the amount of its cancelled shares. FOL shall also issue and allot Equity Shares to the Shareholders of FSL in the following proportion.

1 fully paid up equity share of Rs. 10/- each fully paid up of Fairchem Organics Limited shall be issued and allotted for every 3 fully paid up equity shares of Rs. 10/- each fully paid up held by them in Fairchem Speciality Limited on the Record date i.e., August 24, 2020.

Accordingly, FOL is required to issue and allot 13,020,900 Equity shares of Rs. 10/- each to the Equity Shareholders of FSL.

Pending allotment of Equity shares to the Shareholders of FSL, Rs. 1,302.09 Lakhs has been shown as "Share Capital Suspense Account" and accordingly Earnings Per Share (both Basic and Diluted) has been calculated considering the balance in Share Capital Suspense Account.

Further, as per the Scheme, the difference, if any, between the carrying value of assets and liabilities transferred to FOL (i.e Rs. 10,259.14 lakhs) and the consideration discharged by way of the New Equity Shares issued to the shareholders of the FSL (i.e. Rs. 1,302.09 lakhs) in lieu of the Demerged Undertaking, has been recorded as 'Capital Reserves' (i.e. Rs. 8,958.05 lakhs) in the books of FOL.

As per the applicable Indian Accounting Standard Ind AS 103 ('**standard**'), since this demerger is a common control business combination, the financial statements are prepared by the Company at carrying amounts not from the appointed date but from the beginning of the preceding period in the financial statements which happens to be the date of incorporation i.e. March 27, 2019. However, the Company has recognised the impact of the business combination only from closing of business hours on March 31, 2019 (i.e. the appointed date specified in the scheme). The management believes that the transactions between March 27, 2019 and closing of business hours on March 31, 2019 would not have any materia impact on the net assets. Thus, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period do not contain the impact of the transactions of the demerged undertaking from March 27, 2019 to March 31, 2019. However, there is no impact of the same on the Company's balance sheet as at June 30, 2020.

Pursuant to the Scheme of Arrangement, the following assets and liabilities have been taken over by the Company:

	Closing of Business Hours As at March 31, 2019
Assets	
Property, Plant and Equipment	11,524.25
Capital work-in-progress	87.91
Loans	2.25
Other Financial Assets	15.02
Non-current Tax Assets (Net)	59.55
Other Non-current Assets	125.67
Inventories	3,400.62
Trade receivables	3,213.13
Cash and cash equivalents	1.64
Bank balances other than above	16.53
Other current assets	324.49
Total Assets	**18,771.06**
Liabilities	
Borrowings	4,878.14
Provisions	147.04
Deferred Tax Liabilities (Net)	1,215.74
Trade Payables	1,000.42
Other financial liabilities	1,123.80
Other current liabilities	83.19
Current Tax Liabilities (Net)	63.59
Total Liabilities	**8,511.92**
Net Assets acquired by the Company	**10,259.14**

continued on next page...

Corporate profits at all-time high in Sept quarter: Crisil

PRESS TRUST OF INDIA
Mumbai, December 21

CORPORATE PROFITS ROSE 15% to touch an all-time high in the September quarter as margins widened on softer input costs and better utilisation levels, the research arm of rating agency Crisil said on Monday.

From an absolute perspective, the Ebitda touched an all-time high of ₹1.60 lakh crore in the September quarter, as against ₹1.02 lakh crore in the preceding June quarter, it said.

The trend of companies' profits growing even as the economy contracts as a result of the pandemic has led some watchers to express concern, claiming that this is illustrative of widening inequalities.

Crisil, which analysed a sample of 800 listed entities comprising 85% of NSE's market cap in sectors excluding banking and finance and oil and gas, said improving utilisation levels, along with better management of power, fuel and raw material cost by large companies contributed to the handsome profit growth.

Aggregate operating profit margins improved by over 1% despite a rise in raw material cost during the quarter, it said.

From an employee costs perspective, which is leading to the concerns, it said 370 manufacturing firms in its sample showed a contraction of 4%, while the same for service sector reported a "moderate growth".

The growth in profits came even as the revenues did not go up, the report said, pointing out that the topline was "stable" in Q2 as compared to the year-ago period after falling 29% in the April-June quarter.

India can inoculate priority groups by June 2021, says Fitch Solutions

PRESS TRUST OF INDIA
New Delhi, December 21

A VACCINE AGAINST Covid-19 can cover priority groups in India by June next year if inoculation is quickly ramped up to roughly the same level as the one million coronavirus tests conducted each day in the country, Fitch Solutions said on Monday.

"India's role in the global Covid-19 vaccine rollout will be significant both as a recipient of the medicine as well as a producer," Fitch said in a report. India, it said, has one of the largest vaccine manufacturing capacities in the world and has secured authorisation to mass-produce the AstraZeneca, Novavax and Gamaleya Research Institute vaccines.

With a population of 130 crore (and 9.4 crore over 65-year-olds), the domestic vaccination drive will be the largest in the world. "The country has a good track record of such drives with masses of the population regularly gaining inoculation for various diseases such as polio and cholera," it said.

India's vaccine rollout will begin in first quarter of 2021 (January to March), with frontline healthcare workers and individuals over the age of 50 years gaining priority.

Fitch said the government aims to vaccinate 25 crore people over six-to-eight months, which is "a lofty goal". "However, if India can quickly ramp up vaccinations to roughly the same level as the one million (10 lakh) tests it conducts each day, then we expect coverage across priority groups can be achieved by June 2021," it said.

Night curfew in Maha cities from today

PRESS TRUST OF INDIA
Mumbai, December 21

AHEAD OF THE Christmas and New Year celebrations, the Maharashtra government on Monday declared a night curfew — from 11 pm to 6 am — in municipal corporation areas from December 22 to January 5 as a precautionary step amid growing concerns over a new coronavirus variant in Britain.

It has also been decided on compulsory 14-day institutional quarantine for those who arrive at the state's airports from European and West Asian countries from Monday. The decisions were taken after CM Uddhav Thackeray held a review meeting in the light of the situation in the UK.

Solar power tariff dips to all-time low of ₹1.99/unit

PRESS TRUST OF INDIA
New Delhi, December 21

SOLAR POWER TARIFF has dropped to an all-time low of ₹1.99 per unit in an auction of projects of 500 MW capacity by Gujarat Urja Vikas Nigam last week, as per a source.

State-run power giant NTPC (200MW), Torrent Power (100MW), Saudi Arabian firm Al Jomaih Energy and Water (80MW) and Aditya Birla Renewable (120MW) have emerged as the lowest bidders, the source said.

Solar power tariff had dropped to record low of ₹2 per unit in an auction for 1,070 MW projects conducted by the Solar Energy Corporation of India (SECI) last month. Al Jomaih Energy and Water, and Sembcorp Energy India arm Green Infra Wind Energy had emerged as the lowest bidders.

Congress leader Motilal Vora passes away at 92

PRESS TRUST OF INDIA
New Delhi, December 21

VETERAN CONGRESS LEADER Motilal Vora, a staunch Gandhi family loyalist who had a political career spanning almost five decades, died at a hospital here on Monday following post-Covid complications, his family said. He was 92.

Vora was admitted to the Escorts Hospital in Okhla here a few days ago with a urinary infection. He developed a severe lung infection and was put on ventilator support, his family said. He completed 92 years on Sunday, they said. His last rites will be conducted on Tuesday in Durg in Chhattisgarh, where he stayed most of his life.

Vora, a two-time former chief minister of undivided Madhya Pradesh and a former governor of Uttar Pradesh, had served as a Rajya Sabha member four times and as a Lok Sabha member once.

President Ram Nath Kovind, Vice President M Venkaiah Naidu, Prime Minister Narendra Modi and several political leaders including former prime minister Manmohan Singh, Congress president Sonia Gandhi and former Congress chief Rahul Gandhi paid tributes to the departed leader.

Govt identifies new routes for ferry, RO-RO services

THE GOVERNMENT ON Monday said it has identified new routes for ferry and RO-RO (Roll-on Roll-off) services, including at Somnath Temple, Hazira, Okha and Jamnagar, the government said on Monday. The Ministry of Ports, Shipping and Waterways, under its Sagarmala project, has also identified six international routes, connecting Chattogram (Bangladesh), Seychelles (East Africa) Madagascar (East Africa) and Jaffna (Sri Lanka) from Indian coastal port towns. **—PTI**

HDFC Asset Management Company Limited
A Joint Venture with Standard Life Investments
CIN: L65991MH1999PLC123027

Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. Phone: 022 66316333 • Toll Free Nos: 1800-3010-6767 / 1800-419-7676 • Fax: 022 22821144 • e-mail: cliser@hdfcfund.com • Visit us at: www.hdfcfund.com

Notice-cum-Addendum to the Scheme Information Document / Key Information Memorandum of HDFC Multi-Asset Fund for Change in fundamental attributes

Notice is hereby given that HDFC Trustee Company Limited (**"the Trustee"**) to HDFC Mutual Fund (**"the Fund"**) has decided to make changes in fundamental attributes of HDFC Multi-Asset Fund, an open ended scheme investing in Equity and Equity related instruments, Debt & Money Market Instruments and Gold related instruments (**"the Scheme"**) with effect from **January 28, 2020 ("Effective Date")** as follows:

1. **Change in Investment Strategy:**

Existing Investment Strategy	Revised Investment Strategy (proposed)
The Scheme aims to provide diversification across Equity, Debt and Gold related instruments with an aim to provide optimal risk adjusted returns. **Equity Investments:** The aim will be to invest in companies across market capitalization which have: a) reasonable growth prospects b) sound financial strength c) sustainable business models d) acceptable valuation that offer potential for capital appreciation. The Scheme aims to maintain a reasonably diversified portfolio at all times. **Debt Investments:** Investment in Debt securities (including securitised debt) and money market instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook. **Gold related instruments** The Scheme may invest in Gold ETFs and other Gold related instruments (including derivatives, Sovereign Gold Bonds etc as and when SEBI / RBI permits). **REITs & InvITs** The Scheme may also invest in the hybrid securities viz. units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time. Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities. The Scheme may also invest in the schemes of Mutual Funds. **Though every endeavor will be made to achieve the objective of the Scheme, the AMC / Sponsors / Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.**	The Fund would invest across equity and equity related instruments, cash, debt, gold related instruments, hybrid securities and derivatives based on prevailing market conditions subject to permissible limits. The Fund Manager will increase exposure to Equity when market valuations are attractive (subject to maximum permissible limit under the Asset Allocation Pattern) and will prune down the equity exposure by increasing cash, debt, hybrid securities or exposure to gold related instruments and / or hedging when equity markets get expensive or experience volatility or under any other conditions as found suitable by the Fund Manager. Additionally, the Fund may consider investments in such securities as permitted by SEBI from time to time. **Equity Investments:** The aim will be to invest in companies across market capitalization which have: a) reasonable growth prospects b) sound financial strength c) sustainable business models d) acceptable valuation that offer potential for capital appreciation. The Scheme aims to maintain a reasonably diversified portfolio at all times. **Arbitrage Opportunities:** The Scheme may seek to generate income through arbitrage opportunities such as Index / Stock Spot vs Index / Stock Futures or Index Futures vs Stock Futures or Future of same stock with different expiry months or ADR / GDR vs underlying shares etc. The Scheme may also use corporate action or event driven strategy where there is a potential opportunity for arbitrage in cash or derivate market such as dividend arbitrage or buy-back arbitrage or merger etc. **Debt Investments:** Investment in Debt securities (including securitised debt) and money market instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook. **Gold related instruments:** The Scheme may invest in Gold ETFs and other Gold related instruments (including derivatives, Sovereign Gold Bonds etc as and when SEBI / RBI permits). **REITs & InvITs:** The Scheme may also invest in the hybrid securities viz. units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time. Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities. The Scheme may also invest in the schemes of Mutual Funds. Depending upon the market conditions and in the interest of the investors, the Fund Manager shall decide allocation to various asset classes, within the limits specified under section 'Asset Allocation' of the Scheme Information Document. **Though every endeavor will be made to achieve the objective of the Scheme, the AMC / Sponsors / Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.**

2. **Addition of provisions enabling creation of Segregated Portfolio:**

The below-mentioned provisions on creation of segregated portfolio shall stand inserted in the Scheme Information Document of the Scheme from the Effective Date:

"CREATION OF SEGREGATED PORTFOLIO:

In order to ensure fair treatment to all investors in case of a Credit Event and to deal with liquidity risk, SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, as amended from time to time has allowed creation of Segregated Portfolio of debt and money market instruments by mutual fund schemes. Creation of Segregated Portfolio shall be optional and at the sole discretion of the asset management company.

The salient features of creation of Segregated Portfolio are as follows:

The term 'Segregated Portfolio' shall mean a portfolio, comprising debt or money market instrument affected by a Credit Event, that has been segregated in a mutual fund scheme.

The term 'Main Portfolio' shall mean the scheme portfolio excluding the Segregated Portfolio.

The term 'Total Portfolio' shall mean the scheme portfolio including the securities affected by the Credit Event.

The AMC at its sole option and discretion may create Segregated Portfolio in the Scheme, with the approval of the Trustees, subject to the following:

Segregated portfolio may be created, in case of a Credit Event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- Downgrade of a debt or money market instrument to 'below investment grade', or
- Subsequent downgrades of the said instruments from 'below investment grade', or
- Similar such downgrades of a loan rating; or
- Any other scenario as permitted by SEBI from time to time.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of Segregated Portfolio shall be based on issuer level Credit Events as detailed above and implemented at the ISIN level.

Further, Segregated Portfolio may be created for unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments only in case of actual default of either the interest or principal amount and subject to guidelines prescribed by SEBI in this behalf from time to time.

It may be noted that even for the same security (ISIN level) held by multiple Schemes, the AMC, in its sole discretion, may decide to segregate the portfolio only for select Schemes.

It may be noted that notwithstanding the above, segregation of portfolio may be effected in such events and in such manner as may be permitted by SEBI whether by changes to circulars or guidelines in this behalf or by way of clarifications issued thereto from time to time or in any other manner.

Process for creation of Segregated Portfolio:

a) In case the AMC decides on creation of Segregated Portfolio on the day of a Credit Event it shall:
   i. seek approval of trustees prior to creation of the Segregated Portfolio.
   ii. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors and also disclose that the segregation shall be subject to trustee approval. Additionally, the said press release shall be prominently disclosed on the website of HDFC Mutual Fund ("the Fund").
   iii. ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of Credit Event, the subscription and redemption in the scheme(s) shall be suspended for processing with respect to creation of units and payment on redemptions.
b) Process post receipt of trustee approval by the AMC for creation of Segregated Portfolio in the Scheme(s):
   i. Segregated Portfolio shall be effective from the day of Credit Event
   ii. The AMC shall issue a press release immediately with all relevant information pertaining to the Segregated Portfolio. An e-mail or SMS shall be sent to all unit holders of the concerned scheme(s) who have registered email id / mobile number in the folio.
   iii. The NAV of both segregated and Main Portfolio of the Scheme(s) shall be disclosed from the day of the Credit Event.
   iv. All existing investors in the scheme(s) as on the day of the Credit Event shall be allotted equal number of units in the Segregated Portfolio as held in the Main Portfolio.
   v. No redemption and subscription shall be allowed in the Segregated Portfolio. However, in order to facilitate exit to unit holders in Segregated Portfolio, the AMC shall enable listing of units of Segregated Portfolio on the recognized stock exchange within 10 working days of creation of Segregated Portfolio and also enable transfer of such units held in demat mode on receipt of transfer requests.
c) If the trustees do not approve the proposal to Segregate Portfolio, the AMC shall issue a press release immediately informing investors of the same.

Valuation and processing of subscriptions and redemptions:

a) Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the Credit Event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.
b) All subscription and redemption requests for which NAV of the day of Credit Event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:
   i. Upon trustees' approval to create a Segregated Portfolio:-
      - Investors redeeming their units will get redemption proceeds based on the NAV of Main Portfolio and will continue to hold the units of Segregated Portfolio.
      - Investors subscribing to the scheme(s) will be allotted units only in the Main Portfolio based on its NAV.
   ii. In case trustees do not approve the proposal of Segregated Portfolio, subscription and redemption applications will be processed based on the NAV of Total Portfolio.

TER for the Segregated Portfolio:

a) The AMC will not charge investment and advisory fees on Segregated Portfolio. However, TER (excluding the investment and advisory fees) may be charged, on a pro-rata basis only upon recovery of the investments in Segregated Portfolio.
b) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the Main Portfolio (in % terms) of the scheme(s) during the period for which Segregated Portfolio was in existence.
c) The legal charges related to recovery of the investments of the Segregated Portfolio may be charged to the Segregated Portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the Main Portfolio. The legal charges in excess of the TER limits, if any, shall be borne by The AMC.
d) The costs related to Segregated Portfolio shall in no case be charged to the Main Portfolio.

Periodic Disclosures:

In order to enable the existing as well as the prospective investors to take informed decision, inter alia the following disclosures shall be made:

a) A statement of holding indicating the units held by the investors in the Segregated Portfolio along with the NAV of both Segregated Portfolio and Main Portfolio as on the day of the Credit Event shall be communicated to the investors within 5 working days of creation of the Segregated Portfolio.
b) Adequate disclosure of the Segregated Portfolio shall appear in the scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Scheme.
c) Net Asset Value (NAV) of Segregated Portfolio, if any, shall be declared on daily basis.
d) Investors of the Segregated Portfolio shall be duly informed of the recovery proceedings of the investments of the Segregated Portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Risk factors associated with Creation of Segregated Portfolio:

a) Investor holding units of Segregated Portfolio may not be able to liquidate their holding till recovery of money from the issuer.
b) Security comprising of Segregated Portfolio may not realise any value.
c) Listing of units of Segregated Portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Given below is an **illustration explaining the segregation of portfolio**:

Scheme Portfolio before the Credit Event

Assets	Amount (Rs.)
Debt A	50,000
Debt B	50,000
Debt C	50,000
Net Assets	1,50,000

Assuming number of units outstanding is 10,000 units

NAV = Net Assets / No of units = 150,000/10,000= Rs.15/-

There is a Credit Event in one of the Security (Debt C). Due to Credit Event the Debt C is valued at Rs. 25,000/- in line with extant SEBI regulations on valuation of such securities. AMC decides to segregate portfolio by segregating exposure in Debt C. The resultant split will be as follows:

Scheme Main Portfolio

Assets	Amount (Rs.)
Debt A	50,000
Debt B	50,000
Net Assets	100,000

NAV (Main Portfolio) = 100,000/10,000= Rs.10/-

Scheme Segregated Portfolio

Assets	Amount (Rs.)
Debt C	25,000
Net Assets	25,000

NAV (Segregated Portfolio) = Rs. 25,000/10,000= Rs.2.5/-

Investor (having 1000 units) will see his scheme holdings as follows:

Particulars	Before Credit Event	After Credit Event	
		Main Portfolio	Segregated Portfolio
Market Value of Units (Rs.)	15,000	10,000	2500
No. of Units	1000	1000	1000
NAV per unit (Rs.)	15.00	10.00	2.50

Monitoring by Trustees

In order to ensure timely recovery of investments of a Segregated Portfolio, if any, the trustees would continuously monitor the progress and take suitable action as they deem appropriate.

In order to avoid mis-use of Segregated Portfolio, Trustees shall ensure that a mechanism is put in place which will negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the Segregated Portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the Segregated Portfolio of the scheme."

All other features and terms & conditions of the Scheme such as Asset Allocation Pattern, Investment Objectives, etc. shall remain unchanged.

The above changes tantamount to changes in fundamental attributes of the Scheme and have accordingly been approved by the respective Board of Directors of the HDFC Asset Management Company Limited ("**AMC**") and the Trustee to the Fund. The Securities and Exchange Board of India ("**SEBI**") has also vide its communication dated November 10, 2020 noted the changes in fundamental attributes of the Scheme.

As per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 ("**MF Regulations**"), changes in fundamental attributes can be carried out only after the Unit holders of the Scheme have been informed of the change via written communication and an option to exit the Scheme at the prevailing NAV without any exit load is provided to them ("**Exit Option**").

Thus, in accordance with the MF Regulations, existing Unit holders of the Scheme i.e. those Unit holders / investors whose valid applications have been received by the Fund till 3:00 p.m. on December 22, 2020 are provided with an option to exit at the prevailing NAV without any exit load, from **December 28, 2020 to January 27, 2021** (upto 3:00 p.m. on January 27, 2021) (both days inclusive) ("**Exit Option Period**"), if they do not wish to stay invested in the Scheme pursuant to the aforesaid changes.

The Exit Option can be exercised during the Exit Option Period by submitting redemption / switch-out request at any of the Official Point(s) of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website www.hdfcfund.com. A written communication in this behalf is also being sent to existing Unit holders via email on registered email id / letter. In case any existing Unit holder does not receive the same, they are advised to contact any of the Investor Service Centres of the AMC.

Unit holders should procure a release of their pledges / vacate the lien prior to applying for redemption / switch-out during the Exit Option Period. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above.

Unit holders should ensure that any change in address or bank mandate are updated in the Fund's records before exercising the Exit Option. Whereas, Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes.

The redemption proceeds (net of applicable taxes, if any) will be remitted / dispatched to the Unit holders within 10 (ten) working days from the date of receipt of the redemption request.

Securities Transaction Tax (STT) on redemption / switch-out of units, if any, exercised during the Exit Option Period shall be borne by HDFC AMC. Redemption / Switch-out by the Unit holders due to changes in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. **In view of the individual nature of financial and tax implications, each Unit holder is advised to consult his or her own tax advisors / financial advisors.**

Unit holders who have registered for systematic investment / transfer facilities into the Scheme but do not wish to continue their future investment into the Scheme, must apply for cancellation of their systematic investment / transfer facilities registrations.

Unit holders may note that no action is required in case they are in agreement with the aforesaid changes, which shall be deemed as consent being given by the Unit holders for the proposed changes. **This offer to exit is merely an option and not compulsory.** We would like the Unit holders to remain invested in the Scheme.

For any queries or clarifications in this regard, please call us on 1800 3010 6767 / 1800 419 7676 or email us on cliser@hdfcfund.com. You may also visit any of the Investor Service Centres (ISC) of HDFC MF. Visit www.hdfcfund.com for any other information.

The updated SID &KIM of the Scheme containing the revised provisions shall be displayed on the website www.hdfcfund.com immediately after completion of Exit Option Period.

This addendum shall form an integral part of the SID / KIM of the Scheme as amended from time to time.

For **HDFC Asset Management Company Limited**

Sd/-
Authorized Signatory

Place : Mumbai
Date : December 21, 2020

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

FORM A

PUBLIC ANNOUNCEMENT

(Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

FOR THE ATTENTION OF THE CREDITORS OF GREENLINE BUILDERS LIMITED

RELEVANT PARTICULARS

1.	Name of Corporate Debtor	**Greenline Builders Limited**
2.	Date of incorporation of Corporate Debtor	25th April 2005
3.	Authority under which Corporate Debtor is incorporated / registered	Registrar of Companies, New Delhi Under the Companies Act, 1956
4.	Corporate Identity No. / Limited Liability Identification No. of Corporate Debtor	U45201DL2005PLC135267
5.	Address of the registered office and principal office (if any) of Corporate Debtor	**REGD. OFFICE**: 106, Palco House, T/10, Main Patel Nagar, New Delhi - 110008
6.	Insolvency commencement date in respect of Corporate Debtor	16th December 2020 (Order downloaded from NCLT website on 19th December 2020)
7.	Estimated date of closure of insolvency resolution process	14th June 2021 (180th day from the date of commencement of Insolvency resolution process)
8.	Name and Registration number of the insolvency professional acting as Interim Resolution Professional	**Damodar Prasad Gupta** **Reg. No.:** IBBI/IPA-002/IP-N00997/2020-2021/13223
9.	Address & email of the interim resolution professional, as registered with the board	First Floor, 14, Rani Jhansi Road, Near Jhandewalan Temple, New Delhi - 110055 **Email :** gsdel@gmail.com
10.	Address and e-mail to be used for correspondence with the Interim Resolution Professional	First Floor, 14, Rani Jhansi Road, Near Jhandewalan Temple, New Delhi - 110055 **Email :** cirp.greenline@gmail.com
11.	Last date for submission of claims	2nd January 2021
12.	Classes of creditors, if any, under clause (b) of sub-section (6A) of section 21, ascertained by the Interim Resolution Professional	Not Applicable
13.	Names of insolvency professionals identified to act as authorised representative of creditors in a class (three names for each class)	Not Applicable
14.	(a) Relevant forms and (b) Details of authorized representatives are available at:	(1) Weblink: https://ibbi.gov.in/home/downloads (b) At the address mentioned at Column No.10

Notice is hereby given that the National Company Law Tribunal New Delhi, Bench-IV ordered the commencement of a Corporate Insolvency Resolution Process against **Greenline Builders Limited on 16th December 2020.**

The creditors of **Greenline Builders Limited** are hereby called upon to submit their claims with proof, on or before **2nd January 2021** to the Interim Resolution Professional at the correspondence address mentioned against entry No. 10 only.

The Financial creditors shall submit their claims with proof by electronics means only. All other creditors may submit claims with proof in person, by post or electronics means.

A financial creditor belonging to a class (Not Applicable), as listed against the entry No. 12, shall indicate its choice of authorised representative from among the three insolvency professionals listed against entry No.13 to act as authorised representative of the class [Not Applicable] in Form CA.

Submission of false or misleading proof of claims shall attract penalties.

Sd/-
Damodar Prasad Gupta
Interim Resolution Professional for Greenline Builders Limited
Reg. No.: IBBI/IPA-002/IP-N00997/2020-2021/13223

Date: 21.12.2020
Place: New Delhi

FORM NO. NCLT. 3A

NATIONAL COMPANY LAW TRIBUNAL CHANDIGARH BENCH

CP (CAA) No.19/Chd/Hry/2020

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 r.w. Companies (Compromises, Arrangements, Amalgamations) Rules 2016

AND

In the Matter of

Scheme of Amalgamation between

Aftab Investments Private Limited (Transferor Company No. 1), Silver Bells Investments Private Limited (Transferor Company No. 2), Tushar Impex Enterprises Limited (Transferee Company No. 1 / Transferor Company No. 3), Red Rose Investments Private Limited (Transferor Company No. 4), Sun Flower Investments Private Limited (Transferor Company No. 5), Metro Leasing And Finance India Co Limited (Transferee Company No. 2 / Transferor Company No. 6), Defodills Techcon Private Limited (Transferor Company No. 7), Rohini Investments Private Limited (Transferor Company No. 8), Indica Investments Limited (Transferee Company No. 3 / Transferor Company No. 9), Advitanand Holdings Private Limited (Transferor Company No. 10), Azeem Investments Private Limited (Transferor Company No. 11), Beatific Investments Private Limited (Transferor Company No. 12), Dream Securities Private Limited (Transferor Company No. 13) with Rumy Chabra Investments Private Limited (Transferee Company No. 4) and their respective shareholders

And

In the Matter of:

AFTAB INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 , Regd. Off.: K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram ,Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACA1383P

... Petitioner Company 1/ Transferor Company 1

2. SILVER BELLS INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. Off.: K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAFCS5110H, ... Petitioner Company 2/ Transferor Company 2

3. TUSHAR IMPEX ENTERPRISES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. Off.: K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACT3559L ... Petitioner Company 3/Transferor Company 3/Transferee Company 1

4. RED ROSE INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACR8052N, ... Petitioner Company 4/ Transferor Company 4

5. SUN FLOWER INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAICS0983P, ... Petitioner Company 5/ Transferor Company 5

6. METRO LEASING AND FINANCE INDIA CO. LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AACCM9971F ... Petitioner Company 6/Transferor Company 6/Transferee Company 2

7. DEFODILLS TECHCON PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil-Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACD5841P ... Petitioner Company 7/ Transferor Company 7

8. ROHINI INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACR8051R ... Petitioner Company 8/ Transferor Company 8

9. INDICA INVESTMENTS LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACI0507R ... Petitioner Company 9/Transferor Company 9/Transferee Company 3

10. ADVITANAND HOLDINGS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: anuragdonline@gmail.com, PAN No. : AABCA0891R ... Petitioner Company 10/ Transferor Company 10

11. AZEEM INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACA1383P ... Petitioner Company 11/ Transferor Company 11

12. BEATIFIC INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AABCB5133H ... Petitioner Company 12/ Transferor Company 12

13. DREAM SECURITIES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil-Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: anuragdonline@gmail.com, PAN No. : AABCD1523B ... Petitioner Company 13/ Transferor Company 13

14. RUMY CHABRA INVESTMENTS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Regd. K-106/1,64 KM Milestone, Delhi Jaipur Highway No.8, Village Sidhrawali, Tehsil- Manesar, Gurugram, Haryana 122413, Phone No. 0120-4147414, Email: ashish.mishra@metrogroup.co.in, PAN No. : AAACR0587J ... Petitioner Company 14/ Transferee Company 4

NOTICE OF PETITION

A joint petition under section 230-232 of the Companies Act, 2013, for sanctioning of the Scheme of Amalgamation between Aftab Investments Private Limited (Transferor Company No. 1), Silver Bells Investments Private Limited (Transferor Company No. 2), Tushar Impex Enterprises Limited (Transferee Company No. 1 / Transferor Company No. 3), Red Rose Investments Private Limited (Transferor Company No. 4), Sun Flower Investments Private Limited (Transferor Company No. 5), Metro Leasing And Finance India Co Limited (Transferee Company No. 2 / Transferor Company No. 6), Defodills Techcon Private Limited (Transferor Company No. 7), Rohini Investments Private Limited (Transferor Company No. 8), Indica Investments Limited (Transferee Company No. 3 / Transferor Company No. 9), Advitanand Holdings Private Limited (Transferor Company No. 10), Azeem Investments Private Limited (Transferor Company No. 11), Beatific Investments Private Limited (Transferor Company No. 12), Dream Securities Private Limited (Transferor Company No. 13) with Rumy Chabra Investments Private Limited (Transferee Company No. 4)and their respective shareholders and their respective shareholders was presented by petitioner companies on 23.06.2020 and the said petition is fixed for hearing before National Company Law Tribunal, Chandigarh on 12.01.2021. Any person desirous of supporting or opposing the said petition/ application/reference should send to the petitioner's advocate, notice of his intention, signed by him or his advocate, with his name and address, so as to reach the Petitioner's advocate not later than two days before the date fixed for the hearing of the petition. Where he seeks to oppose the petition, the grounds of opposition or a copy of his affidavit shall be furnished with such notice. A copy of the petition will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Dated : 18.12.2020

Sd/-
Mr. Dhritiman Bhattacharyya/
Ms. Deeti Ojha, Advocates at 607, Sector – 18B, Chandigarh and also at Unity Legal, S 369, GK 2, New Delhi 110048, deeti.ojha@unitylegal.com

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Advertisement No. 110/2020

Government of India
Public Enterprises Selection Board
invites applications for the post of

DIRECTOR (FINANCE)

in

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Last date of receipt of applications in PESB is by **15:00 hours on 24th February, 2021**

For details login to website http://www.pesb.gov.in

पंजाब नैशनल बैंक ....भरोसे का प्रतीक | punjab national bank ...the name you can BANK upon! (A GOVERNMENT OF INDIA UNDERTAKING)

Circle Sastra Center North Delhi, Gurudwara Road Karol Bagh New Delhi-110005
EMAIL: cs8292@pnb.co.in, PHONE NO.: 011-28759561, 28759562

POSSESSION NOTICE

Whereas, the undersigned being the Authorized Officer of **Punjab National Bank** under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under section 13(12) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 issued a demand notice dated 06.10.2020 calling upon the Borrowers **Mr Arvinder Singh Chawala, Ms Harleen Kaur, Ms Hrvinder Kaur** to repay the amount mentioned in the notice aggregating to **Rs. 16,22,949/- (Rupees Sixteen lac twenty two thousand nine hundred forty nine only) as on 31.01.2020 plus accrued interest/unrealized interest at the contractual rate(s) together with incidental expenses, costs, charges, etc. till the date of payment** within 60 days from the date of the notice.

The Borrowers/Guarantor having failed to repay the amount, notice is hereby given to the Borrowers/Guarantor and the public in general that the undersigned being the Authorized Officer of Punjab National Bank has taken Possession of the property as described herein below in exercise of powers conferred upon him under sub-section (4) of Section 13 of the Act, read with rule 8 of the Security Interest (Enforcement) rules, 2002 on this **16th the day of December of the year 2020.**

The Borrowers/Guarantor in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Punjab National bank, for an amount of **Rs. 16,22,949 /- (Rupees Sixteen lac twenty two thousand nine hundred forty nine only) and interest thereon.**

The borrower's attention is invited to provisions of sub-Section 8 of Section13 of the Act, in respect of time available, to redeem the secured asset.

DESCRIPTION OF THE IMMOVABLE PROPERTY

First Floor portion without roof right forming part of freehold property bearing no A-19 of Khasra no 883/28/50 kata no 161/162 situated in Krishna park Ext New Delhi, area measuring 83 Sq yards of village nangli jalab Delhi, Bounded as : North - Plot no.18, South - Plot no. 20, East - Road 10 wide, West - Road 30 wide

Date : 16-12-2020, Place : New Delhi **Authorized Officer, Punjab National Bank**

DEBTS RECOVERY TRIBUNAL, DEHRADUN

Government of India, Ministry of Finance, Deptt. of Financial Services
2ND FLOOR, PARAS TOWER, MAZRA, SAHARANPUR ROAD, DEHRADUN, UK-248171

BEFORE THE RECOVERY OFFICER-II, DRT, DEHRADUN

NOTICE OF DEMAND & APPEARANCE

(NOTICE UNDER RULE 2 OF SECOND SCHEDULE OF THE INCOME TAX ACT 1961 READ WITH SECTION 25 TO 29 OF THE RECOVERY OF DEBTS & BANKRUPTCY ACT, 1993.)

R.C. No. 440/2019 in O.A. No. 237/2019 Dy. No. 815 Date: 4.12.2020

Kotak Mahindra Bank Ltd. Vs. Balwinder Singh & Others
Branch Rudrapur, District Udham Singh Nagar, Uttarakhand
Also Branch at SCO No. 153-155, Sector 9-C, Chandigarh

To,

1. **Balwinder Singh S/o Sh. Ranajeet Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
2. **Smt. Ranjeet Kaur W/o Sh. Gurvinder Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
3. **Smt. Ravindra Kaur W/o Sh. Dharampal Kamboj,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
4. **Smt. Sukhvinder Kaur W/o Sh. Sukhavantra Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
5. **Hardeep Singh S/o Sh. Veer Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
6. **Balwinder Dhanju S/o Sh. Jagir Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
Second Address: House No. 287, Mohalla Sonari, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
7. **Jageer Singh S/o Sh. Bhagwan Singh,** R/o House No. 41, Village Bakhapur, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.
Second Address: House No. 287, Mohalla Sonari, Tehsil Kichha, District Udham Singh Nagar, Uttarakhand.

Certificate Debtor

(I) This is to notify that amount of **Rs. 58,06,420.97 (Rupees Fifty Eight Lacs Six Thousand Four Hundred Twenty and Paisa Ninety Seven Only)** plus Pendent lite and future interest @ 11.60% per annum simple rate on reducing balance from the date of filing of O.A. being 20.05.2019 and costs Rs. 1,09,000.00 is due against you as per Recovery Certificate dated 25.09.2019 issued by the Hon'ble Presiding Officer, Debts Recovery Tribunal, Dehradun in **O.A. No. 237/2019.**

(ii) You are, hereby called upon to deposit the above sum within 15 days of the receipt of the Demand Notice, failing which the recovery shall be made in accordance with the provisions of the Recovery of Debts and Bankruptcy Act, 1993 and Rules thereunder.

(iii) In additions to the sum aforesaid you will be liable to pay:-

a) In such interest as is payable for the period commencing immediately after this notice of the execution proceedings.

b) All costs, charges and expenses incurred in respect of the service of this notice and other process that may be taken for recovering the amount due.

(iv) In case the above said amount is not paid by you then you are hereby ordered to appear before the undersigned on **15.01.2021 at 11.00 A.M.** for further proceedings.

Given under by hand and seal of this Tribunal on this **04th December, 2020.**

Recovery Officer-II
DRT, Dehradun

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HO: PRINTING & STATIONERY DEPARTMENT
C-13, SECTOR-1, NOIDA-201301 (U.P.)

EMPANELMENT OF PRINTERS

Punjab National Bank invites applications from the Printers based in Delhi NCR region meeting the eligibility criteria prescribed in the application proforma for empanelment on the bank's panel for ordinary printing.

Application form can be collected personally from Printing & Stationery Deptt., C-13, Sector -1, Noida 201301 or the same can be downloaded from Bank's website **www.pnbindia.in**. Non-refundable application fee of Rs.1,180/- (Rupees One Thousand One Hundred Eighty only) payable in form of Account Payee Demand Draft in favour of the Chief Manager, Punjab National Bank, Printing & Stationery Deptt., Noida, is to be enclosed with the application proforma.

The applications on standard format complete in all respects with covering letter must reach Printing & Stationery Deptt. at the above mentioned address by 11.01.2021 upto 1.00 p.m.

CHIEF MANAGER

J&K Bank Serving To Empower

The Jammu And Kashmir Bank
Central Stationery Department
Nowgam Bye-Pass, Srinagar
190 015 (J&K)

e-RFQ Notice (e-NIT)

for

Printing & Supply of Cheque Books / Security Forms for a period of Two(2) Years from 01-04-2021 to 31-03-2023

The Bidder should be Prospective IBA Approved Security Form Printer

Tender Notice along with Complete tender document outlining the minimum requirements can be downloaded from and BIDs can be submitted on the Banks' e-Tendering Service Provider Portal **https://eauction.auctiontiger.net** w.e.f **December 22, 2020 16.00 Hrs.** Tender Document can also be downloaded from Bank's Official Website **www.jkbank.com.** Last date for submission of Bids is **January 12, 2021, 17.00 Hrs.**

e-RFQ Ref. No. JKB/CSD/F-146/2020-N-221
Dated: 19-12-2020

पंजाब नैशनल बैंक ...भरोसे का प्रतीक ! punjab national bank ...the name you can BANK upon !

Circle Sastra Centre, Circle Office, Lucknow (West): 4-A, Habibullah Estate, Hazratganj Lucknow-226001, Email: cs8272@pnb.co.in

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES

E-Auction Sale Notice for Sale of Immovable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002.

Notice is hereby given to the public in general and in particular to the Borrower (s) and Guarantor (s) that the below described immovable property mortgaged/charged to the Secured Creditor, the constructive/physical/symbolic possession of which has been taken by the Authorised Officer of the Bank/ Secured Creditor, will be sold on "As is where is", "As is what is", and "Whatever there is" on the date as mentioned in the table herein below, for recovery of its dues due to the Bank/ Secured Creditor from the respective borrower (s) and guarantor (s). The reserve price and the earnest money deposit will be as mentioned in the table below against the respective properties. **The borrower's /guarantor's /mortgagor's attention is invited to provisions of sub-section (8) of section 13 of the Act in respect of time available to redeem the secured assets.**

SCHEDULE OF SALE OF THE SECURED ASSETS

EMD SUBMISSION : Account No. 029400211001077 (IFSC Code PUNB0029400) Nodal Officer: SH. SUNIL KUMAR TANDON, CHIEF MANAGER, CIRCLE SASTRA CENTRE, CIRCLE OFFICE, LUCKNOW WEST, MOB: 9953940234

S. N.	Name of the Branch / Name of the Account/ Name & Address of the Borrowers/ Guarantors/Account	Description of the Immovable Properties Mortgaged/ Owner's Name(mortgagers of property(ies) All that part and parcel of the property consisting of	A)Date of Demand Notice u/s 13(2) of SARFAESI Act 2002 B)Outstanding Amount C)Possession date u/s 13(4) of SARFAESI Act 2002 D)Nature of Possession (Physical /Symbolic/ constructive)	A)Reserve Price (Rs. in Lakh) B) EMD(last date of deposit of EMD) c).Bid Increase amount	Date/ Time of e-Auction	Detail of the encumbrances known to the Secured Creditors
1	**Branch:Ashok Marg Lucknow.** **Borrowers:Dr. Rizwan Siddiqui** S/o Mohd Yasin Siddiqui. R/o H.No. 529/629, K-01, Shyam Nagar, Khurram Nagar, Lucknow-226022. A/c no. 526900NC00008188,526900NC00008197, 526900NC00008203, 526900930000185, 5626900NC0008179, 526900NC00008531	EM of Land & construction at Plot /House No.529/629 on Part of Khasra No. 263 & 261, area 1508 sq.ft. i.e. 140.15 Sq.mtr. situated at Shyam Nagar, Khurram Nagar, Pargana & District Lucknow in the name of Rizwan Siddiqui S/o Late Yasin Siddiqui. **Boundaries** (as per deed) East-House of other, West-Land of Seller (Sri Iqbal Mohd. Khan), North- House of Sri Kasim Khan, South-Road 30ft. wide.	A) 18.01.2019 B) Rs. 82.47Lakh (Less recovery, if any) +Interest & Other Charges w.e.f. 01.1.2019. C) 04.11.2019 D)Symbolic Possession	A) Rs. 66.27Lakh B)Rs. 6.62 Lakh (07.01.2021) C)Rs. 0.50 lakh	08.01.2021 11 AM to 4 PM	No Known Encumbrances
2.	**Branch : Unnao.** **Borrowers:** **Naman Brick Field** **3355008700001983**	Land & Building(Residential House No.175/4)bearing on bhoomi dhari No.1829 situated at Puran Nagar inside Municipal Limits ,Tehsil & Distt. Unnao Owner: Pradeep Singh. **Area:225.80 sqm Boundaries(As per Deed):** East:Property of seller, West: Road, North: Property of seller, South:Plot of Sandeep Singh Boundaries(As per Actual): East: House of Kuldeep Singh, West: Kuchcha Road about 20 ft wide, North: House of Sandeep Singh, South:House of Dileep	A) 23.01.2018 B)Rs. 141.25 Lakh + Intt & others Charges C) 27.12.2018 D)Symbolic Possession	A)Rs. 33.64 Lakh B) Rs. 3.36 Lakh (07.01.2021) C)Rs.0.50 Lakh	08.01.2021 11 AM to 4 PM	No Known Encumbrances
3	**Branch : Unnao.** **Borrowers: M/s Shyam Anaj Bhandar** **A/c 3355008700002007**	Land & Building(Residential House No.176/4)bearing on bhoomidhari No.1829 situated at Puran Nagar inside Municipal Limits, Tehsil & Distt.Unnao. **Owner:Sandeep Singh. Area:225.80 sqm Boundaries(As per Deed):** East:Others Property, West: Road 20ft, North: Road 15ft, South: Others Property Boundaries(As per Actual):East:House of Kuldeep Singh, West: Kuchcha Road about 20 ft wide, North: Kuchcha Road about 15 ft wide, South:House of Sandeep Singh	A) 10.04.2018 B)Rs. 185.18 Lakh + Intt & others Charges C) 27.12.2018 D)Symbolic Possession	A)Rs. 36.47 Lakh B) Rs. 3.64 Lakh (07.01.2021) C)Rs.0.50 Lakh	08.01.2021 11 AM to 4 PM	No Known Encumbrances
4	**Branch : G.B. Marg, Lucknow.** **Borrowers: Sri Rajesh Kumar Srivastava** S/o Late Seeta Kant Srivastava & Smt Madhulika Srivastava W/o Sri Rajesh Kumar Srivastava..A/c no. **(029300NC20061486). Guarantors-**Sri Arjun Singh S/o Sri Prem Singh Kushwaha	House No.551-GHA/28 Govind Gali, Jay Prakash Nagar,Natkhera Road, Alambagh, Lucknow, in the name of Sri Rajesh Kumar Srivastava .**Area:126.486 sqm.** **Boundaries:** East: 10 ft wide Gali, West:10 ft wide Gali, North:Rajjanlal House, South: Kodumal House	A) 16.01.17 B)Rs. 24.70 Lakh +Interest & Other Charges C)12.05.17 **D)Symbolic Possession**	A)Rs. 31.10 Lakh B)Rs. 3.11 Lakh (07.01.2021) C)Rs. 0.50 Lakh	08.01.2021 11 AM to 4 PM	No Known Encumbrances
5	**Branch:Ashok Marg Lucknow.** **Borrowers: M/s Topstorm Apparels Private Limited, Directors/Guarantors-**1. Mohd Akhtar S/o Mohd Mustafa Siddiqui & 2.Mohd Mustafa Siddiqui S/o Mohd Dilsher, A/c 717700IC00000402) (7177008700000133)	Equitable Mortgaged of Office Space No. 19 on 1st Floor of "Royal Shopping Centre" bearing municipal no. 168/20-A, area 94.50 Sq.mtr. situated at Khayaliganj, Aminabad, Lucknow. Property owner: M/S Topstorm Apparels Pvt Ltd. **Bounded by:**East- Corridor and thereafter 10mtr. wide Naaz Cinema Road, West-House of Saltnat Begum and 5ft. wide Road, North-Office Space No. 20, South-Naaz Cinema Hall	A) 27.04.2017 B)Rs.105.49 Lakh +Intt & Other Charges w.e.f. 01.04.2017 C)01.07.2017 D)Symbolic Possession	A) Rs. 72.73 Lakh B)Rs. 7.27 Lakh (18.01.2021) Rs. 0.50 Lakh	19.01.2021 11 AM to 4 PM	No Known Encumbrances
6.	**Branch : Virndavan Colony, Lucknow.** **Borrowers: Smt. Neeta Sharma & Shri Kishan Sharma ,** House No. 7-D/ 148 Vrindavan Yojna Raibareli Road, Lucknow. **A/c No. -926000NC00000109**	House No.7-D/148, Vrindavan Yojana, Raebareilly Road, Lucknow. **Area:40.74 sqm** **Boundaries** East: 6 m wide road West:18/40 Type Houses North: House No.7-D/147 South: House No.7-D/149 Property **Owner: Smt. Neeta Sharma**	A) 03.03.2020 B)Rs. 31.19 Lakh + Intt & others Charges C)28.08.2020 D) Symbolic Possession	A)Rs. 27.25 Lakh B) Rs. 2.72 Lakh (18.01.2021) C)Rs.0.50 Lakh	19.01.2021 11 AM to 4 PM	No Known Encumbrances
7	**Branch : Aminabad(e-OBC) , Lucknow** **Borrowers: Shri Karunesh Kumar Singh and Smt. Manorama Singh.** **A/c No. 01006015000918**	Residential house situated at 532A/05C Chaudhry Tola, Aliganj, Lucknow. **Measuring 1375 Sq. Ft.** **Boundaries** : East 8 Ft. Road, ,West- foot path, North- Plot of Smt Pyara & property of Self , South - Park.	A) 01.10.2015 B)Rs. 20.51 Lakh + Intt & others Charges C)15.12.2015 D) Symbolic Possession	A)Rs. 33.65 Lakh B) Rs. 3.37Lakh (18.01.2021) C)Rs.0.50 Lakh	19.01.2021 11 AM to 4 PM	No Known Encumbrances
8	**Branch : Sadar Bazar (e-OBC) , Lucknow** **Borrowers: Shri Vinod Kumar Gupta** **A/c No. 10046015001383**	Equitable Mortgage at. E-93/M, Sector M, Kanpur Road Yojna, Ward Hind Nagar, Lucknow-226005 **measuring 30.00 sq.metre** **Boundaries** :- East : House no. 70, West : 3 mtr wide Road, North : House no. 94 of Sh. Ramesh, South : House no. 99 of sh. Dwivedi Ji	A) 08.02.2017 B)Rs. 13.07 Lakh + Intt & others Charges C) 04.08.2017 D) Symbolic Possession	A)Rs. 11.61 Lakh B) Rs. 1.16 Lakh (18.01.2021) C)Rs.0.50 Lakh	19.01.2021 11 AM to 4 PM	No Known Encumbrances
9.	**Branch :Ashiana (E OBC) Lucknow** **Borrowers: Shri Arun Kumar Srivastava & Niharika Singh** **A/c No. 51795011000203**	Equitable Mortgage at. House at Villa No.-D 700/II-2 Omaxe City Reabreailly Road Yojana Lucknow. **Area:200 sqm Built up Area:121.78 sqm.** **Boundaries:** East: Plot No.D 728/II-30 , West:24 m wide road, North: Plot No.D-699/II-30 Plot No.1, South: Plot NO.D-701/II-30 Plot No.3	A) 14.09.2020 B)Rs. 9.51 Lakh + Intt & others Charges C)02.12.2020 D) Symbolic Possession	A)Rs. 114.94 Lakh B) Rs. 11.5 Lakh (28.01.2021) C)Rs.0.50 Lakh	29.01.2021 11 AM to 4 PM	No Known Encumbrances
10	**Branch :Ashiana (E OBC) Lucknow** **Borrowers: M/s Bharat Furniture House :Propreitor Mr. Alam S/O Pyaru** **A/c No. 51794015003458**	1. Equitable Mortgage at House No.3/470 at Ruchi Khand-I Sharda Nagar Yojana , Lucknow. **Area:31.15 sqm. Owner:Mr. Alam** **Boundaries**: East:House No.3/439, West 6 m wide road, North:6 m wide road, South :House No.3/469 2. Equitable Mortgage at House No.3/469 at Ruchi Khand-I Sharda Nagar Yojana ,Lucknow. **Owner:Mr. Alam . Area:30 sqm** **Boundaries:** East: House No.3/440, West- 6m wide road, North:3/470 ,South :House No.3/468	A) 09.09.2020 B)Rs. 34.51 Lakh + Intt & others Charges C)02.12.2020 D) Symbolic Possession	A)Rs. 52.82 Lakh B) Rs. 5.28 Lakh (28.01.2021) C)Rs.0.50 Lakh	29.01.2021 11 AM to 4 PM	No Known Encumbrances
11	**Branch :Haibatmau(E OBC) Lucknow** **Borrowers: Shri Ram Kumar Verma & Smt. Mamta Verma** **A/c No. 09715015002611**	Equitable Mortgage at House at E-90 Eldeco Udyan-II Raebareilly Road Lucknow **Area:30.21 sqm.** **Owner: Sh. Ram Kumar Verma & Smt. Mamta Verma** **Boundaries:**East:4.5 m wide lane , West: House No.85, North:House No.91,South:House No.89 ,	A) 29.08.2020 B)Rs. 7.53 Lakh + Intt & others Charges C)02.12.2020 D) Symbolic Possession	A)Rs. 18.57 Lakh B) Rs. 1.86 Lakh (28.01.2021) C)Rs.0.50 Lakh	29.01.2021 11 AM to 4 PM	No Known Encumbrances
12	**Branch :Aminabad(E UBI), Lucknow** **Borrowers: M/s Bajrang Prop. Shri Manoj Kumar Gupta** **A/c No.0266210037226**	Equitable Mortgage at Flat No.FT-3 3rd Floor Bhukhand No.28 & 29 Babu Wali Gali Daliganj Lucknow. **Area:89.405 sqm .** **Owner:Shri Manoj Kumar Gupta** **Boundaries:** East: Corridor & then Flat No ST-3, West:House of Noor Mohd. North: House of Sri Nand Kumar Verma, South: Open to Sky	A) 01.05.2019 B)Rs. 20.88 Lakh + Intt & others Charges C)09.07.2019 D) Symbolic Possession	A)Rs. 38.96 Lakh B) Rs. 3.90 Lakh (28.01.2021) C)Rs.0.50 Lakh	29.01.2021 11 AM to 4 PM	No Known Encumbrances

Terms & Conditions:- 1. The sale shall be subject to the Terms & Conditions prescribed in the Security Interest (Enforcement) Rules 2002 and to the following further conditions. 2. The properties are being sold on "As is where is", "As is what is", and "Whatever there is" basis. 3. The particulars of Secured Assets specified in the Schedule herein above have been stated to the best of the information of the Authorised Officer, but the Authorised Officer shall not be answerable for any error, misstatement of omission in this proclamation. 4. The sale will be done by the undersigned through e-auction platform provided at the Website **https://www.mstcecommerce.com** on above mentioned date. **5. For detailed terms & conditions of the sale, please refer www.ibapi.in, /www.mstcecommerce.com**

STATUTORY SALE NOTICE UNDER RULE 8(6) OF THE SARFAESI ACT, 2002

Date 19.12.2020, Place Lucknow

Authorised Officer,
Punjab National Bank, Secured Creditor

PUBLIC NOTICE

Plot No. S-23/21. DLF Phase 3, Gurgaon Haryana was registered in the name of Mrs Sudarshan Bhasin W/o J L Bhasin R/o A-88 Defence Colony, New Delhi - 110024 who has expired on August 26, 2005 leaving no will and accordingly the name of Mr. Sumeet Bhasin, Sujata Sabharwal and Sanjay Bhasin is being noted in DLF's record in respect of the captioned plot. If anybody has any objection to this, he or she may approach Ms DLF Ltd, DLF Gateway Tower R block, DLF CITY PHASE-III Gurugram-122002 or the undersigned within 21 days of the publication of this notice.

Sd/-
Tara Narula
Advocate
D/1720/2012 406, Lawyers Chambers DELHI HIGH COURT, New Delhi-110003
Mob : 9810037337

PUBLIC NOTICE

This Notice is hereby given to general public that Sh. Parag Bose and Smt. Sanghamitra Bose to be owner and in possession of Second Floor back side flat bearing No.UG-2D (without roof rights) "said floor" Part of Property Bearing Plot No. F/60, Gali No. 4, area measuring 50 Sq. Yards., out of 200 Sq. Yds, Out of Khasra No.84/5, situated in the Revenue Estate of Village Palam, Delhi State Delhi colony known as Mahavir Enclave, New Delhi 110045, by virtue of Sale Deed dated-21.12.2009, Doc. No.10799 duly Regd. in the SRO-IX New Delhi/Delhi. And now Sh. Parag Bose and Smt. Sanghamitra Bose wishes to Sell aforesaid property to Sh. Ravi Kumar & Smt. Rajni Devi and they have approached to IDFC First Bank Ltd. for financial assistance and therefore shall be mortgaged with the said Bank. All person's having any claim regarding in respect of the said property/floor or any part, are hereby requested to notify the same in writing to undersigned with supporting documentary evidence at the address mention below within 10 days from the date of publication of this notice, failing which claim, if any, of such persons will be consider to have been waived and/or, abandoned and our client shall proceed with the disbursement of loan against the said property and subsequent creation of Mortgage in respect thereof.

Sunil Parsad (Advocate)
For Juris NextGen Law Offices
E-56, Greater Kailash Enclave Part-1
New Delhi-110048

बैंक ऑफ महाराष्ट्र Bank of Maharashtra भारत सरकार का उद्यम

DELHI ZONAL OFFICE, 15, NBCC TOWER, 3RD FLOOR, BHIKAJI CAMA PLACE, NEW DELHI -110066

PUBLIC NOTICE : BRANCH SHIFTING ASAF ALI ROAD

It is hereby informed that bank's branch at 3/16, Saraswati Insurance building, Asaf Ali Road, New Delhi -02 is going to be shifted to our new premises at **AB House, A-4/24, Asaf Ali Road, New Delhi-02** and will be functional at new premises from 11.01.2021, thereafter general public is requested to contact the branch at new address. Tele: 011-23280275, Mob. 9970081723

E-mail : bom422@mahabank.co.in

DY. ZONAL MANAGER
DELHI ZONE

EXPRESSION OF INTEREST FOR ASSIGNMENT OF NRRA OF TIRUPATI INKS LIMITED –IN LIQUIDATION

M/sTirupati Inks Limited- in Liquidation
CIN No.: L67120DL1984PLC017904
Liquidator : Lekh Raj Bajaj
Liquidator Address: 107 Agarwal Prestige Mall, Adjoining to M2K, Pitam Pura, Delhi-110034
Email : lekhrajbajaj@rediffmail.com, Contact no.- 9810109335

M/sTirupati Inks Limited (TIL) is a company in liquidation as per the order dated 12/09/2018 passed by Hon'ble NCLT , Principal Bench, New Delhi. Pursuant to IBBI (Liquidation Process) regulations, 2016, a liquidator may assign or transfer a not readily realizable asset. Not readily realizable asset means any asset included in the liquidation estate which could not be sold through available options and includes contingent or disputed assets and assets underlying proceedings for preferential, undervalued, extortionate credit and fraudulent transactions referred to in sections 43 to 51 and section 66 of the code

The Liquidator of the company is hereby inviting the interested person (s) to whom the liquidator may assign the Not- Readily Realizable Assets ('NRRA') of the company on the following terms and conditions:

Terms and Condition of transfer are as under

1. The assignment of assets underlying proceedings of application filed u/s 66 of IBC2016 will be done on "AS IS WHERE IS", "AS IS WHAT IS" and "WHATEVER THERE IS BASIS".
2. The assignment /transfer of assets underlying proceedings of application filed u/s 66 of IBC, 2016 shall be subject to provisions of insolvency and Bankruptcy code 2016 i.e. Sec 29A in particular and regulations made there under.
3. The interested persons(s) is requested to visit to the office of the liquidator with prior intimation, with their financial offer in writing at the address given below from 22.12.2020 to 31.12.2020 (within the working Hrs. i.e. 10.00AM to 05.00 PM).
4. The interested Persons can inspect the available documents available in the liquidator's office and on evaluation of the same, can submit their EoI to the liquidator.
5. The terms & conditions of the agreement for assignment/transfer of assets underlying proceedings of application field u/s 66 of IBC, 2016, shall be finalized after consultation with the secured financial creditors.

For any clarification please write to lekhrajbajaj@rediffmail.com
Lekh Raj Bajaj, Liquidator-M/s Tirupati Inks Limited
IP Registration No. –IBBI/IPA-002/IP-N00039/2017-18/10078
Address: 107, Agarwal Prestige Mall, Adjoining to M2K Pitampura, Delhi-110034, Email: lekhrajbajaj@rediffmail.com,
Date: 22/12/2020 **Contact No.: 9810109335**

Note liquidator shall have right to reject any EoI without giving any reason to the applicant. Further it is pertinent to mention here that mere submission of EoI and inspection of document will not be considered as allotment of NRRA. The successful buyer will be decided after the approval of secured financial creditor's. Liquidator reserves the right to cancel or modify the process without assigning any reason and without any liability whatsoever. This is not an offer document

EXPERTS' WARNING

'Vaccines don't mean we'll see last of Covid'

JOHN LAUERMAN & JAMES PATON
December 21


Global vaccine campaigns take time — usually decades — suggesting that even with the latest technologies, money and might behind the unprecedented global drive to knock out Covid-19, the disease is unlikely to be eliminated any time soon

IN RECORD SPEED, vaccines are here, and more are on their way. Less than a year since the coronavirus began ravaging the world, the first shots are raising hopes for wiping the Covid-19 pandemic from the face of the earth.

Today's programmes in the US and the UK are precursors to immunisation campaigns intended to reach the planet's entire population — all 8 billion people in every corner of the globe.

There is reason for optimism. Vaccines are the best, and perhaps only, way to eliminate infectious disease: Smallpox has been eradicated and polio is on the brink, with just two countries where transmission persists. But global vaccine campaigns take time — usually decades — suggesting that even with the latest technologies, money and might behind the unprecedented global drive to knock out Covid-19, the disease is unlikely to be eliminated any time soon.

"I would be surprised to see an actual eradication of this virus now that it's all over the world," said Walter Orenstein, associate director of the Emory Vaccine Center in Atlanta and former head of the US Centers for Disease Control and Prevention's immunization program. "I'd be shocked, given how contagious it is."

Snags in supply and distribution have already arisen in the opening days of the US campaign, and the UK, the first Western country to begin immunising, vaccinated just 138,000 people in its first week. Meanwhile, Europe has yet to start inoculations, and probably won't do so until after Christmas. Concerns are growing over how long it will take to immunize vast swaths of the world beyond a group of wealthy countries that have snapped up early supplies. A global program called Covax, which aims to deploy Covid vaccines around the globe, has secured deals with developers, including Johnson & Johnson and AstraZeneca. But some of those supplies are expected to come from an experimental inoculation from Sanofi and GlaxoSmithKline that's been delayed and may not be ready until late next year.

"It's really, really, really complicated to make sure we get those vaccines produced and distributed in an equitable way globally, for both moral and economic reasons," Mark Suzman, CEO of the Bill & Melinda Gates Foundation, told reporters on a December 9 call.

Suzman pointed to research showing that broad access to vaccines could deliver significant economic benefits to all countries and save many lives. Since wealthy nations will likely have more than enough doses to vaccinate their entire populations, they should consider the reallocation of some supplies to those most in need, he said.

Mass vaccination has been one of the most successful public health interventions in the world and has played an important part raising US life expectancy by more than 50% over the last century. About a third of US deaths in 1900 occurred in children under age five, many of them from diseases like smallpox, measles and whooping cough that are now preventable by immunisation.

Some new vaccines have also gained quick and widespread use, like shots that prevent pneumococcal infections that can cause severe illness in children and adults. Introduction of the shingles vaccination has offered prevention of the painful disease to millions of people over the past two decades.

Britons scramble for residency in Spain and Portugal before Brexit

IN OCTOBER, MICHELLE Jones and her husband Gary boarded a ferry in England for a new life in Spain. Had they left it beyond Britain's period of transition out of the European Union, things would have been much more complicated.

"We haven't got a choice — it's now or never," the former housing association worker said at the hairdressing salon she has taken over in the resort town of Fuengirola in southern Spain.

"Our family and friends in the UK think we're mad for doing it" during a pandemic, Jones, 54, said, but "we are not going to go through the rigmarole of trying to get visas and things like that."

Britain formally left the European Union on January 31 after its 2016 referendum, but since then it has been in a transition period under which rules on free travel and trade remain unchanged. That period ends on December 31. Fourteen European countries, including Portugal and Spain, will grant Britons arriving before December 31 the right to five years of residency. Other countries have tougher post-Brexit requirements, asking all Britons to re-apply after the transition period. **—REUTERS**

People over 75, essential workers next for vaccines

REUTERS
December 21


Boxes containing the Moderna Covid vaccine being moved to the loading dock for shipping at the McKesson distribution centre in Olive Branch, Mississippi, on Sunday PHOTO AP

AN ADVISORY PANEL on Sunday recommended US front-line essential workers and people 75 and older should be next in line to get inoculated as the distribution of Moderna's vaccine, the second approved coronavirus vaccine, began across the country.

The US Centers for Disease Control and Prevention's (CDC) Advisory Committee on Immunisation Practices voted 13 to one to recommend 30 million frontline essential workers, which include first responders, teachers, food and agriculture, manufacturing, US Postal Service, public transit, and grocery store workers, have the next priority for the vaccines.

In all, the move would make 51 million people eligible to get inoculated in the next round. It was not immediately clear when the next round would begin. About 200 million people, including non-frontline workers such as those in media, finance, energy and IT and communication industries, persons in the 65-74 age group, and those aged 16-64 years with high-risk conditions should be in the ensuing round, the panel recommended.

States, which are the ones distributing shots to their residents, will use the advisory panel's guidelines to decide on how to allocate the vaccines while supplies are scarce.

Inoculation against the disease is key to safely reopening large parts of the economy and reducing the risks of illness at crowded meatpacking plants, factories and warehouses.

'Saudi, UAE govt spyware targets phones of Al-Jazeera journalists'

ASSOCIATED PRESS
Dubai, December 21

DOZENS OF JOURNALISTS at *Al-Jazeera*, the Qatari state-owned media company, have been targeted by advanced spyware in an attack likely linked to the governments of Saudi Arabia and the United Arab Emirates, a cybersecurity watchdog has said.

Citizen Lab at the University of Toronto said on Sunday it traced malware that infected the personal phones of 36 journalists, producers, anchors and executives at *Al-Jazeera* back to the Israel-based NSO Group, which has been widely condemned for selling spyware to repressive governments.

Most unnerving to the investigators was that iMessages were infecting targeted cellphones without the users taking any action — what's known as a zero-click vulnerability.

Through push notifications alone, the malware instructed the phones to upload their content to servers linked to the NSO Group, Citizen Lab said, turning journalists' iPhones into powerful surveillance tools without even luring users to click on suspicious links or threatening texts.

The coordinated attacks on Qatari-funded *Al-Jazeera*, which Citizen Lab described as the largest concentration of phone hacks targeting a single organisation, occurred in July, just weeks before the Trump administration announced the normalisation of ties between Israel and the UAE, the archival to Qatar.

The breakthrough deal took public what had been a long-secret alliance. Analysts say normalisation likely will lead to stronger cooperation in digital surveillance between Israel and Persian Gulf sheikhdoms.

Apple said it was aware of the Citizen Lab report and said the latest version of its mobile operating system, iOS 14, "delivered new protections against these kinds of attacks."

IDFC FIRST Bank Limited
(erstwhile Capital First Limited and amalgamated with IDFC Bank Limited)
CIN : L65110TN2014PLC097792
Registered Office: KRM Towers, 8th Floor, Harrington Road, Chetpet, Chennai - 600031.
Tel: +91 44 4564 4000 | Fax: +91 44 4564 4022

IDFC FIRST Bank

APPENDIX IV [Rule 8(1)] POSSESSION NOTICE (For immovable property)

Whereas the undersigned being the authorised officer of the **IDFC First Bank Limited (erstwhile Capital First Limited and amalgamated with IDFC Bank Limited)** under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under section 13(12) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 issued a demand notice dated 09.12.2019 calling upon the borrower, co-borrowers and guarantors **1.Naveen Aggarwal, 2.Sangeeta Aggarwal,** to repay the amount mentioned in the notice being **Rs.24,32,221.05/- (Rupees Twenty Four Lakh Thirty Two Thousand Two Hundred Twenty One And Paise Five Only)** as on 05.12.2019 within 60 days from the date of receipt of the said notice.

The borrowers having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken **Physical Possession** of the property described herein below in exercise of powers conferred on him under sub – section (4) of section 13 of Act read with rule 8 of the Security Interest (Enforcement) Rules, 2002 on this 18th day of December 2020.

The borrowers in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the **IDFC First Bank Limited (erstwhile Capital First Limited and amalgamated with IDFC Bank Limited) for an amount of Rs.24,32,221.05/- (Rupees Twenty Four Lakh Thirty Two Thousand Two Hundred Twenty One And Paise Five Only)** and interest thereon.

The borrower's attention is invited to provisions of sub – section (8) of section 13 of the Act, in respect of time available, to redeem the secured assets.

Description of the Immovable properties.
All the piece and parcel of the property consisting of **Rz-28 Second Floor Jain Colony Uttam Nagar Delhi - 110059.**

Date:18-12-2020
Place: Delhi.
Loan Account No: 26691606.

Authorised Officer
IDFC First Bank Limited
(erstwhile Capital First Limited and amalgamated with IDFC Bank Limited)

पंजाब नैशनल बैंक punjab national bank ...the name you can BANK upon!

Circle Sastra Centre: Neelam Chowk, NIT, Faridabad - 121001
Email : 8224@pnb.co.in

POSSESSION NOTICE (For Immovable Property under [Rule 8(1)]

Whereas, The undersigned being the Authorized Officer of Punjab National Bank under the Securitisation, Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of the powers conferred under section 13(12) read with Rule 3 of the Security Interest (Enforcement) Rules 2002, issued a Demand Notice dated **13.10.2020** calling upon the **borrower M/s Jyoti Trading Corporation** to repay the amount mentioned in the notice being **Rs. 15,74,473.62 (Rupees Fifteen Lacs Seventy Four Thousand Four Hundred Seventy Three and paisa Sixty Two only)** within 60 days from the date of receipt of the said notice.

The Borrower above said having failed to repay the amount, notice is hereby given to the Borrower, and the Public in General that the undersigned has taken possession of the property described herein below in exercise of the powers conferred on him/her under Sub-section (4) of Section 13 the Act read with Rule 8 of the Security Interest (Enforcement) Rules 2002 on this **19th day of December of the year 2020**.

The Borrower / Guarantor in particular and the Public in General is hereby cautioned not to deal with the properties and any dealings with the properties will be subject to the charge of the Punjab National Bank for an amount **Rs. 15,74,473.62 (Rupees Fifteen Lacs Seventy Four Thousand Four Hundred Seventy Three and paisa Sixty Two only)** and interest thereon.

The Borrower's / Guarantor's / Mortgagor's attention is invited to provisions of sub-section (8) of section 13 of the Act, in respect of time available, to redeem the secured assets.

DESCRIPTION OF THE IMMOVABLE PROPERTY

All that part and parcel of the property consisting of Residential House measuring 160.00 Sq. Yds situated at H. No. 1A/200 (Back Portion) NH 1 NIT Faridabad in the Name of Sh. Gaurav Kapoor S/o Sh. Madan Lal Kapoor within the registration sub-district Faridabad and district Faridabad , Bounded as under:- **North:** Rasta, **South:** H. No. 1A/227, **East:** Mandir Land, **West:** Balance Part of H. No. 1A/200/2001.

Date : 22.12.2020 **Place:** Faridabad

Authorised Officer: Punjab National Bank

INDIAN OVERSEAS BANK
CENTRAL OFFICE 763, ANNA SALAI, CHENNAI - 600002

EMPANELMENT OF DIRECT SELLING AGENTS (DSAs) / HOUSING LOAN COUNSELORS(HLCs) / VEHICLE LOAN COUNSELORS(VLCs) FOR SOURCING OF HOME LOAN AND VEHICLE LOANS

For Empanelment of DSAs / Scope of Work / Eligibility (Individual & Non-Individuals) contact in below address:

INDIAN OVERSEAS BANK
3rd Floor, Rachna Building, Rajendra Place-110008, Email ID: 0805ro@iobnet.co.in
Phone: 011-25713555, Cell: 9935022249, 8750333353

UNIPATCH RUBBER LTD
10 COMMUNITY CENTRE SAKET, DELHI-110017

NOTICE TO MEMBERS OF UNIPATCH RUBBER LTD

Notice is hereby given that pursuant to the provisions of Section 201(2)(b) of the Companies Act, 2013, the Company is intending to make an application to the Ministry of Corporate Affairs, Government of India under Sections 196, read with part I of Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), if any, in respect of re-appointment of Mrs. Jeet Nabha Khemka as the Managing Director of the Company, for a period of 5 years effective from 1st April, 2020 pursuant to the terms and conditions as approved by the Board of Directors at their meeting held on March 23, 2020 and in terms of the members/shareholders' approval dated November 24, 2020.

Any member having any objection(s) to the above may, if he so desires, communicate his objection(s) in writing to the Secretary, Ministry of Company Affairs, Government of India, 5th Floor, "A" Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi – 110001 within 30 days from the date of publication of this Notice and send a copy thereof to the Company at the above mentioned address.

By Order of the Board of Directors
For Unipatch Rubber Ltd
Date : 16.12.2020 Sd/-
Place : New Delhi VIJAY KUMAR KHAJURIA
Whole-Time Director
DIN : 08632693
ADDRESS : H NO. 3A SWARNIM VIHAR, 82 SECTOR, NOIDA, GAUTAM BUDH NAGAR, (U.P.) 201304

GURU GOVIND LOGISTICS PRIVATE LIMITED
(CIN: U63040DL2009PTC191701)
Regd. Off.: H. No. 239, A-Block, Meera Bagh, Outer Ring Road, Delhi-110041 | **Email:** ggpl.talcher@gmail.com

FORM NO. INC-26
[Pursuant to rule 30 the Companies (Incorporation) Rules, 2014]

Advertisement to be published in the newspaper for change of registered office of the company from one state to another

Before the Central Government Northern Region

In the matter of sub-section (4) of Section 13 of Companies Act, 2013 and clause (a) of sub-rule (5) of rule 30 of the Companies (Incorporation) Rules, 2014

AND

In the matter of **GURU GOVIND LOGISTICS PRIVATE LIMITED having its registered office at H. No. 239, A-Block, Meera Bagh, Outer Ring Road, Delhi - 110041** ....**Petitioner**

Notice is hereby given to the General Public that the Company proposes to make application to the Central Government under section 13 of the Companies Act, 2013 seeking confirmation of alteration of the Memorandum of Association of the Company in terms of the Special Resolution passed at the Extra Ordinary General meeting held on **14th December 2020** to enable the Company to change its Registered office from **"National Capital Territory of Delhi"** to **"State of Orissa"**.

Any person whose interest is likely to be affected by the proposed change of the registered office of the company may deliver **either on the MCA-21 portal** (www.mca.gov.in) **by filing investor complaint form** or cause to be delivered or send by registered post of his/her objections supported by an affidavit stating the nature of his/her interest and grounds of opposition to the Regional Director, Northern Region, B-2 Wing, 2nd Floor, Paryavaran Bhawan, CGO Complex, New Delhi – 110003, within fourteen days from the date of publication of this notice with a copy of the applicant company at its registered office at the address mentioned below:

H. No. 239, A-Block, Meera Bagh, Outer Ring Road, Delhi - 110041

for and on behalf of the Applicant
Guru Govind Logistics Private Limited
Date : 22/12/2020 **Kanhu Charan Barik (Director)**
Place: New Delhi **DIN : 08905455**

DEBTS RECOVERY TRIBUNAL - I, DELHI
4TH FLOOR JEEVAN TARA BUILDING PARLIAMENT STREET, NEW DELHI-110001

OA No. 353/2020

PUNJAB AND SIND BANK Applicant **Vs** **GULSHAN BHOLA AND ORS.** Defendants

To

1. Mr. Gulshan Bhola (Defendant No. 01)
(Borrower) S/o. Mr. Ashok Kumar Bhola
3A-FF, RZ Block, South Extension Part-3, Uttam Nagar, New Delhi-110059.
Second Address: C-93, 1ST Floor, Rama Park, Uttam Nagar, New Delhi-110059.
Third Address: RZ-33, 1st Floor, South Extension Part-3, Uttam Nagar, New Delhi-110059.
Fourth Address: C-93, 2nd Floor, Rama Park, Uttam Nagar, New Delhi-110059.
2. Mr. Ashok Kumar Bhola (Defendant No. 02)
(Co-Borrower And Mortgagor) S/o. Mr. Mangat Ram
3A-FF, RZ Block, South Extension Part-3, Uttam Nagar, New Delhi-110059.
Second Address: C-93, 1ST Floor, Rama Park, Uttam Nagar, New Delhi-110059.
Third Address: 29119, Gali No. 6, Anand Parbat Industrial Area, New Rohtak Road, New Delhi-110005.

Whereas the above named applicant has instituted a case for recovery of **Rs. 27,65,035.11/- (Rupees Twenty Seven Lacs Sixty Five Thousand Thirty Five and Paise Eleven Only)** against you and whereas it has been shown to the satisfaction of the Tribunal that it is not possible to serve you in ordinary way. Therefore, this notice is given by advertisement directing you to make appearance before Ld. Registrar on **30.03.2021 at 10.30 A.M.** (for further details kindly visit DRT website **www.etribunal.gov.in Phone Number: 011-23748473).**

Take notice that in case of your failure to appear on the above mentioned day before this Tribunal, the case will be heard and decided in your absence.

Due to ongoing Pandemic Situation, all the matters will be taken up through Video Conferencing and for that purpose:-

(i) All the Advocates/Litigants shall download the "**Cisco Webex**" application/ Software;

(ii) "Meeting ID" and "**Password**" for the next date of hearing qua cases to be taken by 'Registrar/Recovery Officer-I/ and Recovery Officer-II shall be available one day prior to the next date at DRT Official Portal i.e. "**drt.gov.in**" under the Public Notice Head.

(iii) In any exigency qua that, the Advocates/Litigants can contact the concerned official at **Ph. No. 011-23748473.**

Given under my hand and seal of the Tribunal on this **11th December of 2020.**

By order of this Tribunal
For Registrar

Respondent may contact under mention Phone number for further enquiry.
Mr. Amit K. Dar, Ld. Registrar DRT-I, New Delhi.
Phone No: 011-23748473 Email : drt1delhi-dfs@nic.in

DEBTS RECOVERY TRIBUNAL-II AT CHANDIGARH
SCO No. 33-34-35, Sector-17-A, Chandigarh

E-AUCTION SALE NOTICE

Proclamation of sale under rule 38 and rule 52(2) of the Second Schedule to the Income tax Act, 1961 read with the Recovery of the Debts and Bankruptcy Act, 1993 as amended from time to time)

RC NO. 656/2019 **PUNJAB & SIND BANK V/S M/S FX ENTERPRISES SOLUTIONS INDIA PVT. LTD.**
CERTIFICATE HOLDERS CERTIFICATE DEBTORS

1. M/s FX Enterprises Solutions India Pvt. Ltd. Registered Office at 169, Nehru Market, Near Durga Mandir, Badarpur, New Delhi-110044, works at Plot No. 7, Sector 27-A, Mathura Road, Faridabad-121006 and plot no. 3-B, New Industrial Area, New Bata Bridge, Main Mathura Road, Faridabad through its managing Director/Authorized Signatory.
2. Raunak Aggarwala son of Shri Girish Kumar Aggarwala R/o H. No. 924, Sector 15, Faridabad.
3. Ankit Aggarwala Son of Shri Girish Kumar Aggarwalla R/o H. No. 924, Sector 15. Faridabad.
4. M/s Perfect Wellness Pvt. Ltd., Plot no. 7, sector 27-A, main Mathura Road, Faridabad-121006 through it managing Director/Authorized Signatory.

Whereas the Hon'ble Presiding Officer, Debts Recovery Tribunal, Chandigarh has drawn up the **Recovery Certificate no. 656/2019** in **O.A. No. 5535/2017** for the recovery of sum of **Rs. 21,08,36,062.00** with costs, current and future simple interest **@10.00% p.a** from **01.08.2017** until its recovery/**till the date of realization** due to the Applicant Bank/Certificate Holder from the Defendants/Certificate Debtors. And whereas the undersigned has ordered the sale of the mortgaged property mentioned in the annexed schedule in satisfaction of the said certificate.

Notice is hereby given that in the absence of any order of postponement. the said property shall be sold on **30.01.2021** in e-auction and bidding shall take place through **"online electronic bidding"** through the website **https://www.bankeauctions.com**, and shall be advertised on website https://www.bankeauctions.com, https://www.psbindia.com.

The sale will be of the property of the CDs above named as mentioned in the schedule below and the liabilities and claims attaching to the said property, so far as they have been ascertained, are those specified in the schedule against each lot/ property.

The property will be put up for the sale in the lots specified in the schedule. If the amount to be realized is satisfied by the sale of a portion of the property, the sale shall be immediately stopped with respect to the remainder. The sale shall also be stopped if, before any lot/Property is knocked down, the arrears mentioned in the said certificate interest payable under the Recovery Certificate and costs (including the cost of the sale) are tendered to the officer conducting the sale or proof is given to his satisfaction that the amount of such certificate, interest and costs have been paid to the undersigned.

At the sale, the public is invited to bid online. No officer or other person, having any duty to perform any connection with sale, however, either directly or indirectly bid for, acquire or attempt to acquired any interest in the property sold. The sale shall be subject to the conditions prescribed in the second schedule to the Income Tax Act, 1961 and the rules made there under read with Section 25 and 29 of the Recovery of Debts and Bankruptcy Act, 1993 and to the further following conditions.

That particulars specified in the annexed schedule have been stated to be correct to the information of the undersigned, but the undersigned shall not be answerable for any error, miss-statement or omission in this proclamation.

1. The Property will not be sold below the **Reserve Price of Rs. 15,80,00,000.00**
2. In the event of any dispute arising as to the amount of bid, or as to the bidder, the lot shall at once be again put to auction.
3. The highest bidder shall be declared to be the purchaser of any lot provided that he is legally qualified to bid and the amount bid by him is not less than the reserve price. It shall be discretion of the under signed to decline/acceptance of the highest bid when the price offered appears so clearly inadequate as to make it in advisable to do so.
4. Last date for submission of EMD for online bid : **28.01.2021 by 4:00 PM**
5. Earnest Money Deposit (EMD) shall be deposited online through RTGS/NEFT directly in to the credit of **Bank A/c No. 06891100014284 IFSC Code : PSIB0000600** with **Punjab &Sind bank, ARB Branch, Sector-17-B, Chandigarh** or by way of DD/Pay Order in favor of **Recovery Officer, DRT-II, Chandigarh** to be deposited with **MR. SANJAY KUMAR SHARMA, CHIEF MANAGER, PUNJAB & SIND BANK, BRANCH OFFICE, NIT FARIDABAD, HARYANA, (MOB. NO. 98729-68555), who has been appointed local commissioner by the undersigned for conduct of the sale.**
6. A copy of the bid application is to be submitted to the local commissioner mentioned above **along with self-attested copies of PAN card, Address Proof and Identify Proof, E-mail ID, Mobile Number** and other enclosure s**o as to reach him on or before 28.01.2021 by 4:00 PM,** and in case of Company, resolution of the Board of the Directors of the Company and any other Documents confirming reprehension/attorney of the company. EMD deposited after the date fixed above shall not be considered for participation in the E-Auction.
7. The Successful /Highest bidder shall have to deposit remaining **25% of the final sale proceeds i.e.** auction amount of the property to the officer conducting the sale after adjustment of earnest money on being knocked down by next day i.e. by **3 PM.** In the said account as per details mentioned in **para 5 above.** if the next day is Holiday or Sunday, then on next first working/office day.
8. The Purchaser shall deposit the balance 75% of the sale proceeds on or before 15th day from the date of sale of property, exclusive of such day, or If the 15th day be Sunday or Holiday, then on the first working/office day after the prescribed mode as stated in para 5 above. In addition to the above the purchaser shall also deposit poundage fee @ 2% upto Rs. 1000/- and 1% of the excess of the said amount of Rs. 1,000/- through RTGS/NEFT or through DD in favor of Registrar, DRT-II, Chandigarh.
9. In case of default of payment within the prescribed period, the deposit, after defraying the expenses of the sale, may, If the undersigned thinks fit, **shall be forfeited,** to the Government and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold. The property shall be resold after the issue of fresh proclamation of sale.
10. The property is BEING SOLD on **"AS IS WHERE IS BASIS"** and **"AS IS WHAT IS BASIS"**
11. The undersigned reserves right to accept or reject any all bids if found unreasonable or postpone the auction at any time without assigning any reason.
12. The sale shall be subject to confirmation by **The Recovery Officer, Debts Recovery Tribunal-II, Chandigarh,** which can be cancelled for any reason or without assigning any reason.
13. The **Recovery Officer** of the **Debts Recovery Tribunal-II, Chandigarh** is empowered to add any part or take out any part of the property from the auction proceedings at any stage.

SCHEDULE OF PROPERTY (DETAIL OF IMMOVABLE PROPERTIES OF THE CDs)

Details of Property & Owner	Property : Land & Building at Plot No. 7, Sector-27-A, Mathura Road Faridabad, Measuring 3921.25 Sq. Yds., In the name of M/s F X Enterprises Solutions India Pvt. Ltd.
Reserve Price	**Rs. 15,80,00,000.00 (Rupees Fifteen Crore Eighty Lac Only)**
Earnest Money (EMD)	**Rs. 1,58,00,000.00 (Rupees One Crore Fifty-Eight Lac Only)**
Bid Amount will be improved by	**Rs. 50,000 (Rupees Fifty Thousand Only)**
Date of Auction and Time	**30.01.2021 from 11.00 AM to 12.00 Noon by way of E-Auction**
Name of Auctioneer	**Sh. Sanjay Kumar Sharma, Chief Manager, Punjab & Sind Bank, Branch NIT Faridabad, Haryana, (Mobile No. 98729-68555) E-mail : f0471@psb.co.in, c0737@psb.co.in.**

Given under my hand and seal at Chandigarh on 01.12.2020

Recovery Officer
DRT-II, Chandigarh

DEBTS RECOVERY TRIBUNAL - I, DELHI
4TH FLOOR JEEVAN TARA BUILDING PARLIAMENT STREET, NEW DELHI-110001

OA No. 1179/2019

PUNJAB AND SIND BANK Applicant **Vs** **SWATI BHOLA AND ORS.** Defendants

To

1. Mrs. Swati Bhola (Borrower And Mortgagor) W/o. Mr. Gulshan Bhola
3A-FF, RZ Block, South Extension Part 3, Uttam Nagar, New Delhi-110059.
Second Address: C-93, 1st Floor, Rama Park, Uttam Nagar, New Delhi-110059.
Third Address: RZ-3A, 1st Floor, South Extension Part 3, Uttam Nagar, New Delhi-110059.
Fourth Address: C-93, 2nd Floor, Rama Park, Uttam Nagar, New Delhi-110059.
2. Mr. Gulshan Bhola (Borrower And Mortgagor) S/o. Mr. Ashok Kumar Bhola
3A-FF, RZ Block, South Extension Part 3, Uttam Nagar, New Delhi-110059.
Second Address: C-93, 1st Floor, Rama Park, Uttam Nagar, New Delhi-110059.
Third Address: RZ-3A, 1st Floor, South Extension Part 3, Uttam Nagar, New Delhi-110059.
Fourth Address: C-93, 2nd Floor, Rama Park, Uttam Nagar, New Delhi-110059.
3. Mr. Ashok Kumar Bhola (Guarantor) S/o. Mr. Mangat Ram
3A-FF, RZ Block, South Extension Part 3, Uttam Nagar, New Delhi-110059.
Second Address: C-93, 1st Floor, Rama Park, Uttam Nagar, New Delhi-110059.
Third Address: 29/19, Gali No. 6, Anand Parbat Industrial Area, New Rohtak Road, New Delhi-110005.

Whereas the above named applicant has instituted a case for recovery of **Rs. 23,89,863.90/- (Rupees Twenty Three Lacs Eighty Nine Thousand Eight Hundred Sixty Three And Paise Ninety Only)** against you and whereas it has been shown to the satisfaction of the Tribunal that it is not possible to serve you in ordinary way. Therefore, this notice is given by advertisement directing you to make appearance before Ld. Registrar on **26.03.2021 at 10.30 A.M.** (for further details kindly visit DRT website **www.etribunal.gov.in Phone Number: 011-23748473).**

Take notice that in case of your failure to appear on the above mentioned day before this Tribunal, the case will be heard and decided in your absence.

Due to ongoing Pandemic Situation, all the matters will be taken up through Video Conferencing and for that purpose:-

(i) All the Advocates/Litigants shall download the "**Cisco Webex**" application/ Software;

(ii) "Meeting ID" and "**Password**" for the next date of hearing qua cases to be taken by 'Registrar/Recovery Officer-I/ and Recovery Officer-II shall be available one day prior to the next date at DRT Official Portal i.e. "**drt.gov.in**" under the Public Notice Head.

(iii) In any exigency qua that, the Advocates/Litigants can contact the concerned official at **Ph. No. 011-23748473.**

Given under my hand and seal of the Tribunal on this **04th December of 2020.**

By order of this Tribunal
For Registrar

Respondent may contact under mention Phone number for further enquiry.
Mr. Amit K. Dar, Ld. Registrar DRT-I, New Delhi.
Phone No: 011-23748473 Email : drt1delhi-dfs@nic.in

AXIS BANK LIMITED
2nd Floor, SBB Loan Centre, Sita-Usha Square, Kankarbagh Main Road, Patna-800020

POSSESSION NOTICE
(FOR IMMOVABLE PROPERTY)
(As per Appendix IV read with rule 8(1) of the Security Interest Enforcement Rules, 2002)

Whereas, the undersigned being the Authorised Officer of the Axis Bank Ltd, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under section 13(12) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 issued a demand notice calling upon the borrower/s/guarantor/s to repay the amount mentioned in the notice along with contractual rate of interest plus penal interest, charges, costs etc. within 60 days from the date of the said notice.

The borrower/s/guarantor/s, having failed to repay the amount, notice is hereby given to the borrower/s/guarantor/s, in particular and the public, in general, that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him under section 13(4) of the said Act read with rule 8 of the said Rules on the date mentioned herein after.

The borrower/s/guarantor/s, in particular, and the public, in general, are hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Axis Bank Ltd., for an amount mentioned in the notice along with interest thereon and penal interest, charges, costs etc. from date of demand notice.

The borrower's attention is invited to the provisions of Sub Section (8) of Section 13 of the SARFAESI Act, 2002 in respect of time available, to redeem the secured assets.

Name & Address of Borrower / Guarantor	A) Amount Due as of Notice date B) Date of Demand Notice C) Date of Possession
1. M/s Rukmani Buildtech Public Limited At- 2nd Floor, Kailash Bhawan, Dak Bunglow Road, Patna 800001 Also At- Plot No. 35, Basement Block – C, South Extension Part II, New Delhi – 49 2. Mr. Ajeet Azad S/o Sri Nadan Kishore Thakur At- A- 48, Vijay Shree Jagat Apartment, Pani Tanki Road, Near Tiwari Bechar, Kankarbagh, Sampatchal, Lohia Nagar, Patna-80020 Also At- D-3/3090, Ground Floor Vasant Kunj, New delhi - 110070 3. Mrs. Renu Azad W/o Mr. Ajeet Azad At- A- 48, Vijay Shree Jagat Apartment, Pani Tanki Road, Near Tiwari Bechar, Kankarbagh, Sampatchal, Lohia Nagar, Patna-80020 Also At- D-3/3090, Ground Floor Vasant Kunj, New delhi - 110070 4. Mr. Rajeev Kumar @ Rajeev Kumar Thakur S/o Sri Nadan Kishore Thakur At- 1238, K2, Sangam Vihar, Phshpa Bhawan S.O, South Delhi, Delhi - 110062 Also At- C-20/1, Sewa Sadan, H Chowk Sangam Vihar, New Delhi-11062	A). Rs. 2,56,29,533.52/-being the amount due as on 18.02.2020 (this amount includes interest till 30.09.2019 under Loan A/c, No. 916030052536125. B). 28.02.2020 C). 18.12.2020

Description of the Immovable Property
(Secured Assets)

All that, piece and parcel of lease hold land measuring 7 kathha 2 dhurs equivalent to 13500 Squarefeet along with RCC building standing over thereon covered by Khesra No. – 4967, 4968 and 4969, Ward No. - 16 situated at Mouza & Circle-Madhubani, Bihar. The said lease hold land stand in the name of M/s Rukmani Buildtech Public Ltd (represented by its Director Mr.Ajeet Azad) for 99 years vide registered Lease deed no.3782 of 2016 and same is bounded as follows:-

Boundary: North – Khadi Bhandar South – Bank Road(Peech Sadak)
East – Karpoori Ati Pichhara Kshatrawas West – Nagar Parisad Ki Dukan

The said property is a lease hold land in the name of Mr. Ajeet Azad.

Date: 22.12.2020 Place: New Delhi , India **Authorised Officer / Axis Bank Ltd.**

पंजाब नैशनल बैंक ......भरोसे का प्रतीक (A GOVERNMENT OF INDIA UNDERTAKING) punjab national bank ...the name you can BANK upon!

CIRCLE SASTRA CENTRE, CIRCLE OFFICE BULANDSHAHR
E-mail:- cs8212@pnb.co.in; cobsrsamd@pnb.co.in Ph No: 9771414649

Yoegndra Kumar Verma, Choudhary Shikarpur Compound (Mohalla Kothiat) Bulandshahr 203001
Virendra Verma, Choudhary Shikarpur Compound (Mohalla Kothiat) Bulandshahr 203001
Sangeeta Rani Verma, Choudhary Shikarpur Compound (Mohalla Kothiat) Bulandshahr 203001

POSSESSION NOTICE { (RULE 8 (1) READ WITH SECTION 13(4)}

Whereas The undersigned being the authorized officer of the Punjab National Bank under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest [Act], 2002 and in exercise of powers conferred under Section 13(12) read with rule 9 of the Security Interest (Enforcement) Rules, 2002 issued a demand notice dated **26.08.2020** calling upon the borrower **Yoegndra Kumar Verma, Virendra Verma, Sangeeta Rani Verma** to repay the amount mentioned in the notice being **Rs. 1831275.60 (Rupees Eighteen Lakh Thirty One Thousand Two hundred Seventy Five and Paise Sixty Only)** + interest w.e.f 01.06.2020 untill payment in full within 60 days from-the date of receipt of the said notice.

The borrower having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/ her under Section 13(4) of the said 1[Act] read with rule 9 of the said rules on this **17 day of December of the year 2020**.

The borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Punjab National Bank for an amount **Rs. 1831275.60 (Rupees Eighteen Lakh Thirty One Thousand Two hundred Seventy Five and Paise Sixty Only)** + interest w.e.f 01.06.2020 untill payment in full.

The borrower's attention is invited to provisions of sub-section (8) of section 13 of the Act, in respect of time available, to redeem the secured assets

DESCRIPTION OF THE IMMOVABLE PROPERTY

All part and parcel of residential building measuring 93.57 Sq Mtrs situated at Choudhary shikarpur compound (mohalla Kothiat) Bulandshahr

Boundaries : East : House Geeta Sharma, **West** : Other Property, **North** : House of Arvind Sharma, **South** : Rasta Owned by Yogendra Kumar Verma,

Place : Bulandshahr, Date : 17.12.2020

Authorised Officer
For Punjab National Bank, Circle SASTRA Head (Chief Manager)

पंजाब नैशनल बैंक ......भरोसे का प्रतीक (A GOVERNMENT OF INDIA UNDERTAKING) punjab national bank ...the name you can BANK upon!

CIRCLE SASTRA CENTRE, CIRCLE OFFICE BULANDSHAHR
E-mail:- cs8212@pnb.co.in; cobsrsamd@pnb.co.in Ph No: 9771414649

1. M/s Kisan Beej Bhandar (Proprietor Concern through Proprietor Pramod Kumar Sharma) Situated at Mohalla Azizabad, Jahangirabad Road, Aurangabad 203401 Distt Bulandshahr
2. Sh. Pramod Kumar Sharma S/o Sh. Laxman Swaroop Sharma, **Address 1:** Mohalla Azizabad, Jahangirabad Road, Aurangabad 203401 Distt Bulandshahr, **Address 2:** Village Badshahpur Talab, Pargana Ahar Tehsil Siyana 203412 Distt Bulandshahr
3. Sh. Ramvir Prasad Sharma S/o Chiranji Lal Sharma, **Address:** House No. 39, Village Badshahpur Talab Talab, Tehsil Siyana Distt 203412 Distt Bulandshahr

POSSESSION NOTICE { (RULE 8 (1) READ WITH SECTION 13(4)}

Whereas The undersigned being the authorized officer of the Punjab National Bank under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest [Act], 2002 and in exercise of powers conferred under Section 13(12) read with rule 9 of the Security Interest (Enforcement) Rules, 2002 issued a demand notice dated **20.08.2019** calling upon the borrower **M/s Kisan Beej Bhandar (Proprietor Concern through Proprietor Pramod Kumar Sharma), Sh. Pramod Kumar Sharma S/o Sh. Laxman Swaroop Sharma, Sh. Ramvir Prasad Sharma S/o Chiranji Lal Sharma** to repay the amount mentioned in the notice being **Rs. 2504166.00(Rupees Twenty Five Lakh Four Thousand One Hundred Sixty Six only)** + Instt w.e.f. 01.07.2019 until payment in full within 60 days from-the date of receipt of the said notice.

The borrower having failed to repay the amount, notice is hereby given to the borrower and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/ her under Section 13(4) of the said 1[Act] read with rule 9 of the said rules on this 17 Day of December of 2020.

The borrower in particular and the public in general is hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the Punjab National Bank for an amount **Rs. 2504166.00(Rupees Twenty Five Lakh Four Thousand One Hundred Sixty Six only)** + Instt w.e.f. 01.07.2019 until payment in full.

The borrower's attention is invited to provisions of sub-section (8) of section 13 of the Act, in respect of time available, to redeem the secured assets

DESCRIPTION OF THE IMMOVABLE PROPERTY

One Shop cum Residence measuring area 60.24 SqM situated at Kisan Beej Bhandar Moh. Azizabad, Jahangirabad Road, Aurangabad Distt Bulandshahr

Bounded as under: East: Plot of Sardar Avtar Singh (4.04M), **West:** Plot Khetan Singh (16.46 M), **North:** Jahangirabad Road (4.40 M), **South:** Plot of Khetan Singh (16.46 M)

Place : Aurangabad, Date : 17.12.2020

Authorised Officer
For Punjab National Bank, Circle SASTRA Head (Chief Manager)

KARVY FINANCE

Corporate Office: Karvy Financial Services Ltd. 705/706, 7th Floor, Hallmark Business Plaza, Sant Dyaneshwar Marg, Opp to Guru Nanak Hospital, Bandra (E), Mumbai - 400051. **Email :-** abdullatif.patel@karvy.com

POSSESSION NOTICE (FOR IMMOVABLE PROPERTY)

Whereas the undersigned being the Authorised Officer of the Karvy Financial Services Ltd. under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Act,2002) and in exercise of the power conferred under section 13(12) read with Rule 3 of the Security Interest (Enforcement) Rules, 2002, issued demand notice to repay the amount mentioned in the notice within 60 days from the date of receipt of the said notice/s.

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken possession of the property described herein below in exercise powers conferred on him/her under sub-section (4) of Section 13 of the said Act read with Rule 8 of Security Interest Enforcement Rules, 2002.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of Karvy Financial Services Ltd., for the amount mentioned in the demand notice and interest thereon as per loan agreement. The borrowers' attention is invited to provisions of Sub-section (8) of Section13 of the Act, in respect of time available, to redeem the secured assets.

Sr No	Loan Agreement No. Name of the Borrower/ Co Borrower	Demand Notice date & Amount	Date & Type of possession Taken	Description of the Immovable Properties
1.	**Loan Agreement No. 413886 & 534423** 1. Manish Gopi Chand Kukreja 2. Heena Gopi Chand Kukreja 3. Gopi Chand Kukreja	**18th August 2020 & Rs.85,43,704/-**	17th December, 2020 (Symbolic Possession)	**All That Piece And Parcel of the Property :** 1)Property Bearing No. 230, Land area measuring 25.90 Sq. Meters, in Block-G, Pocket-1, Sector-16, Situated in the Layout Plan of Rohini Residential Scheme, Delhi – 110089 and which is bounded as under: **North By** : Plot No. 229 **South By :** Plot No. 231 **East By :** Service Lane **West By :** Entry **2)** Property Bearing No. 231, Land area measuring 25.90 Sq. Meters, in Block-G, Pocket-1, Sector-16, Situated in the Layout Plan of Rohini Residential Scheme, Delhi – 110089 and which is bounded as under: **North By :** Plot No. 230 **South By :** Plot No. 232 **East By :** Service Lane **West By :** Entry
2.	**Loan Agreement No. 420370** 1. Pankaj Verma 2. Kanchan Verma 3. Arun Kumar Verma	**18th August 2020 & Rs.60,89,830/-**	17th December, 2020 (Symbolic Possession)	All That Piece And Parcel of Built up Property area measuring 50 SQ. YDS., bearing Property No. B-67, Consisting of according to the site, with the rights to construct upto the last storey, situated in the abadi of Gali No. 5, East Nathu Colony, in the Area of village Saboli, Illaqa Shahdara, Delhi-110093 and which is bounded as under: **North By:** Property of Others **South By :** Property of Others **East By :** Property of Others **West By :** Gali
3.	**Loan Agreement No. 503633** 1. Sunil Kumar 2. Kundan Singh, 3. Kali Charan, 4. Neeraj Kumar 5. Sumarti Singh	**18th August 2020 & Rs.60,14,712/-**	17th December, 2020 (Symbolic Possession)	All That Piece And Parcel of the Property Bearing No. 3, Land area measuring 80 Sq. yds. = 67 Sq. Mtrs., approx., consisting of Ground Floor & First Floor built therein, having its plinth area measuring 100 Sq. Mtrs., approx., situated in the area of village Karkardooma, out of Khasra No. 1396-97, abadi known as Gali No. 1, Arya Nagar, Delhi and same is bounded as under: **North By :** Gali **South By :** Property of Others **East By :** Property of Others **West By:** Property of Others
4.	**Loan Agreement No. 532396** 1. Mohan Deen Dayal Jaikab 2. Ruksana Mehmud Khan	**5th September 2020 & Rs. 1,17,37,493/-**	18th December, 2020 (Symbolic Possession)	All That Piece And Parcel of the Property Situated at House No.67/3, admeasuring area 100 sq.yds, Built-up area 2745 sq.ft, Out of Khasra No.455/37, Gagan Vihar Colony, Village Islampur, Sec-38, Near Medi City Hospital, Gurgoan-Haryana, Pin code – 122001 and which is bounded as under: **North By :** 66/3 **South By :** 68/3 **East By :** Other Property **West By :** Road
5.	**Loan Agreement No. 405649** 1. Anil Kumar Gupta 2. Shashi Gupta, 3. M/S Macman Tools Pvt Ltd 4. Desh Bandhu Gupta	**5th September 2020 & Rs.50,51,296/-**	18th December, 2020 (Symbolic Possession)	All That Piece And Parcel of the Property Bearing No. B-6, Block-B, area admeasuring 125 Sq. Yds. i.e. 104.52 Sq. mtrs, Out of Khasra No. 262/258/217/4, situated in the area of Village Bharola, Colony known as "Adarsh Nagar" EXTN., on Jai Prakash Road, Delhi – 110 033 and which is bounded as under: **North By :** Jai Prakash Road 20 FT **South By :** Gali 25 FT **East By :** Remaining Portion of Said Property **West By :** Remaining Portion of Said Property
6.	**Loan Agreement No. 414597** 1. Devender Yadram Gupta 2. Yadram Gupta	**11th September 2020 & Rs.1,08,60,991/-**	19th December, 2020 (Symbolic Possession)	All That Piece And Parcel of the Property Bearing Flat/Unit No. 302, on Third Floor, in Block-A, admeasuring 1808 sq. ft. situated in the Group Housing Society known as "The Maharaja Aggrasain CGHS Ltd" consisting of Four Bed Rooms, One Drawing Room, Three Bathroom, Five Balconies, One kitchen, One Pooja Room & Store, at Plot No.GH-9, Sector 21C, Part-III, Faridabad, Haryana, Pin Code – 122 001

Place : Delhi
Date : 22nd December, 2020

Sd/-
Authorized Officer
KARVY FINANCIAL SERVICES LIMITED