

Govt's Rs 25,000-cr realty fund may see some 'structural challenges'



The special fund announced by the finance minister could face some challenges due to its structuring, said private equity fund managers and consultants Chanakya spoke to.

Srini Srinivasan, managing director at Kotak Investment Advisors, said although the government has the right intentions, the devil is in the detail.

"The positive net-worth criteria are a non-starter. There is a risk of insolvency laws not recognising rescue-financing as senior debt in the waterfall. Further, unconventional interpretation by the court of law puts this fund at risk, too. Unless insolvency laws are amended, this will be a case of good money after bad," Srinivasan said.

In waterfall structures, senior debt providers get principal and interest first from

borrowers, and subordinate lenders afterwards.

Said Sharad Mittal, executive director and chief executive at Motilal Oswal Real Estate: "When an investor comes in last-mile financing, he wants preference in waterfall... If that project goes to the National Company Law Tribunal, the investor does not get any preference. That is a challenge with this fund."

A chief executive of PE fund who did not want to be quoted said it would take six to eight months to close the fund and start disbursing.

"Since the new fund would give senior debt, it would get first charge. After one or two years, money the earlier lender gets would be lesser than the principal and he has to take a haircut," said the executive.

Added Sunil Rohokale, chief executive and managing director at ASK Investment Managers: "The fund aims to hand over to projects to customers. It's for other stakeholders, not for developers," he said.

Kotak's Srinivasan added that most of the property projects are housed in special purpose vehicles (SPVs) and these SPVs tend to have very thin capital structures. "So it's easy for them to lose their net worth. Therefore, I am not sure whether that condition is a concurrent condition applicable on all projects or it is just one-off..." said Srinivasan.

He said there has to be sufficient cash flow available between the sold and unsold inventory for this money to go in and get its desired returns, he added.

Eveready profit before tax drops 35.65% to Rs 20.79 crore in Sept quarter



Eveready Industries India has recorded a 35.65 per cent drop in profit before tax (PBT) to Rs 20.79 crore for the quarter ended September 30, 2019, as compared to the same period last year. Net profit dropped 27 per cent to Rs 18.11 crore, as against the same period last year. The company is yet to move to a lower tax rate and is evaluating the same. Gross revenues were lower by 9 per cent to Rs 348.40 crore.

The company said the corresponding quarter of last year had a windfall credit of Rs 4.7 crore towards reversals for labour wage provisions of the closed Chennai manufacturing unit, which was not there in the current year. As a result, despite the superior performance in the battery and flashlights segments, the overall profitability of the company was inferior to that of the corresponding quarter of last year, Eveready said. Turnover

was impacted on weak consumption demand, especially in the segments of lighting and appliances as also discontinuance of the packet tea segment. However, the core categories of battery and flashlights did not see a decline in growth.

The battery segment is expected to show better volume growth from subsequent quarters once full effect of implementation of the BIS standards comes into force.

Eveready said a promoter group level restructuring was underway to monetise assets to meet up the various liabilities of the companies, including the outstanding advances and any potential liability related to the guarantees/ post-dated cheques, due to the company.

Good days for Britannia Industries

While Britannia Industries' September quarter (Q2) top line fell a tad short of analysts' expectations, its profit before tax (PBT) beat estimates, helped by a 55 per cent year-on-year (YoY) jump in other income.

However, a deeper look at the numbers suggest that the core business has put up a decent show amid a slowing consumption environment.

On a consolidated basis, the maker of popular biscuits and cookies such as Good Day, Marie Gold, and 50-50, among others, clocked 5.9 per cent YoY growth in net sales to Rs 3,023 crore and an 8.8 per cent rise in PBT to Rs 499 crore. Analysts, according to Bloomberg, had pegged these at Rs 3,041 crore and Rs 480 crore, respectively.

A sharp 33 per cent YoY growth in net profit is not comparable, given it was driven by lower corporation tax rates.

An estimated 3 per cent growth in volumes, price hikes, and better product mix contributed to growth in net sales in Q2. Though competitive pressure from local players and the rural slowdown restricted volume growth on a sequential basis, higher revenue share of premium products such as cookies (25-30 per cent of revenue), which continue to do well unlike low-end biscuits, augurs well for Britannia.

observed in the case of Nestlé, higher input costs, mainly of milk, impacted the company's gross profit margin, which remained flat at the year-ago level of 40 per cent. However, cost efficiency measures (other expenses as a percentage of operating income were down 47 basis points YoY) besides price hikes and a better product mix, aided a 31-basis-point YoY expansion in Britannia's Ebitda (earnings before interest, tax, depreciation and amortisation) margin to 16.1 per cent.

According to Vishal Gutka, vice-president of Philip Capital: "Demand challenges in the value segment and raw material inflationary headwinds are near-term worries for the company. However, Britannia is likely to see a revival from FY21 onwards, and has good long-term potential with its strong market position in premium segments and product innovations."

Vodafone CEO says India venture is at risk of collapse after AGR ruling

Vodafone Group Plc's Indian venture may be headed for liquidation unless the government eases off on demands for mobile spectrum fees, the phone company's chief executive officer said.

Tuesday. "If you're not a going concern, you're moving into a liquidation scenario — can't get any clearer than that."

Vodafone, which owns 45 per cent of Vodafone Idea, wants a two-year delay on

officials in September and set out the relief proposals, arguing that Vodafone was the largest foreign direct investor in the country. A government committee is considering the request and Read said he expected to hear more in the

The Supreme Court ordered Vodafone Idea to pay \$4 billion of fees linked to past frequency licences last month. With another airwave auction approaching, Vodafone Idea already has \$14 billion in debt and UK-based Vodafone has pledged not to put any more money into the business.

India's mobile phone industry has been convulsed by a price war since Asia's richest man, Mukesh Ambani, launched low-price rival Reliance Jio Infocomm in 2016. Ambani says the government should decline his rivals' requests for aid.

"If you don't get the remedies being suggested, the situation is critical," Vodafone CEO Nick Read said at a press round-table in London on



spectrum payments and lower licence fees and taxes. It's also calling for the spectrum payments demanded by the court to be spread over 10 years and is asking for a waiver on interest and penalties.

Read and Vodafone Chairman Gerard Kleisterlee met Indian government

coming weeks.

Vodafone wrote off the carrying value of its share in the loss-making joint venture in the half-year results after analysts flagged the possibility of further impairments.

AP gov't ends tie-up with Singapore consortium, scraps Amaravati project

The Andhra Pradesh government has terminated a commercial area development project in Amaravati, the state's new capital city in the making. It had been awarded to a consortium of Singaporean companies comprising Ascendas-Singbridge (now part of CapitaLand Group) and Sembcorp Development. The contract was awarded by the previous state government of Chandrababu Naidu.

The present government, led by the then leader of the Opposition in the Assembly,

came to power earlier this year. The termination order was issued on Monday.

In 2017, the AP government and the Singapore consortium had established a multi-layered partnership structure for the development of the Amaravati Capital City Start-Up Area Project in 6.84 sq km (1,691 acres of government land). The consortium had a 58 per cent stake and the state government 42 per cent in the project. The agency incorporated under this public-private partnership was supposed to develop and

market the available land in the start-up area for offices and other commercial activities to companies and institutions across the globe. Amaravati is located on the banks of the Krishna river, between Vijayawada and Guntur.

The government of Singapore said the closure was based on mutual consent between the AP government and the consortium. "We note that the newly elected government of Andhra Pradesh has decided not to proceed with the Start-Up Area, given its

other priorities for the state," stated its minister for trade relations, S Iswaran. Soon after coming to power in May, Chief Minister Y S Jagan Mohan Reddy's government put all the Amaravati capital city development activities in cold storage.

And, at a recent Cabinet meeting, he decided to terminate the Start-Up Area project. The state's municipal administration department issued orders on Monday, authorising the Capital Region Development Authority commissioner to wind up Amaravati Development Partners (ADP) as a voluntary liquidation on a mutual consent basis between the shareholders of ADP, besides initiating steps to terminate the earlier agreement.

Singapore minister Iswaran, who had played an active role in the capital city project on behalf of the Singaporean companies, said companies recognise such risks (of closure or termination of projects) when they venture into any overseas market and factor this into investment decisions.

Former CM Naidu, who formed the first government of truncated Andhra Pradesh in 2014, had unveiled a grand plan to develop a new capital city, Amaravati, by pooling 33,000 acres of land from farmers in addition to available government land in the area. In 2015, he got Singapore firms to prepare the master plans for the proposed capital city region, capital city and the seed capital area. He decided to hand over the start-up area development project to the Singapore consortium, along with a 58 per cent stake.

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EXTRACT FROM THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30.09.2019 (Rs. In Lacs)

Sr. no	PARTICULARS	Quarter Ended 30.09.19	For The Half Year ended 30.09.19	Quarter ended 30.09.18
1	Total income from operations	403.16	812.68	301.79
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	4.93	7.99	-5.78
3	Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	4.93	7.99	-5.78
4	Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	4.16	6.23	-4.89
5	Total Comprehensive Income for the period [Comprising Profit/ (loss) for the period (after tax) and other Comprehensive Income (after tax)]	4.16	6.23	-4.89
6	Equity Share Capital	557.03	557.03	557.03
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of Previous Year	-	-263.11	-
8	Earnings Per Share (of Rs. 10 / - each) (for continuing and discontinued operations)	0.07	0.11	-0.09
	Basic :	0.07	0.11	-0.09
	Diluted :			

Notes:
 1) The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full Format of the financial Results are available on the Stock Exchange website (www.bseindia.com) and on the Company website (www.pratikshachemicals.in)
 2) The result of the Quarter ended on 30th September, 2019 were reviewed by the Audit Committee and approved by the Board of Director at its meeting held on 14th November, 2019.

BY ORDER OF THE BOARD OF DIRECTORS FOR, PRATIKSHA CHEMICALS LIMITED
 SD/-
 MR. JAYESH PATEL
 DIRECTOR
 (DIN: 00401109)

Date : 14-11-2019
 Place : Ahmedabad

DYNAMIC INDUSTRIES LIMITED
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Extract of Unaudited Financial Results for the Quarter and Half year ended on 30th September, 2019 (Rs. In Lakhs except earning per share)

PARTICULARS	Quarter Ended on 30.09.2019	Corresponding quarter ended in the previous year 30.09.2018	Half Year Ended on 30.09.2019
Total Income from the operations	2008.47	1855.92	3496.73
Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	117.55	182.14	196.07
Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	117.55	182.14	196.07
Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	78.06	135.08	127.42
Total Comprehensive Income for the period [Comprising Profit/ (Loss) for the period (after tax) and other comprehensive Income (after tax)]	78.28	136.74	128.63
Equity Share Capital			302.85
Reserves (excluding Revaluation Reserve as shown in the Sheet of previous year)			
Earning per share (of '10 each) (for continuing and discontinued operations)			4.21
Basic:			4.21
Diluted:			

Notes to the Unaudited Financial Results for the Quarter:
 1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full format of the Quarterly/Yearly Financial Results are available on the Stock Exchange website (http://www.bseindia.com/corporates/ann.aspx?sc=1) and on the Company website (http://dynamind.com/investors_zone.html).
 2. The result of the Quarter ended on 30th September, 2019 were reviewed by the Audit Committee in its meeting held on November 13th, 2019 and approved by the Board of Directors in its meeting held on November 13th, 2019.
 3. The company has only one segment of activity named Pigments.
 4. Figures of the previous quarter/period have been regrouped, wherever necessary.

Date : 13th November 2019
 Place : Ahmedabad

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EXTRACT FROM THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30.09.2019 (Rs. in Lacs)

Sr. no	PARTICULARS	Quarter ended on 30th September, 2019	For the Half Year ended on 30th September, 2019	Corresponding 3 Months Ended on 30th September, 2018
1	Total income from operations	8.19	16.41	8.23
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	4.25	-1.61	1.02
3	Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary items)	4.25	-1.61	1.02
4	Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	4.29	-1.54	0.87
5	Total Comprehensive Income for the period [Comprising Profit/ (loss) for the period (after tax) and other Comprehensive Income (after tax)]	0	0	0
6	Equity Share Capital	672.12	672.12	672.12
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of Previous Year	162.9		
8	Earnings Per Share (of Rs. 10 / - each) (for continuing and discontinued operations)	0.06	-0.02	0.01
	Basic :	0.06	-0.02	0.01
	Diluted :			

Notes:
 1 The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The full Format of the financial Results are available on the Stock Exchange website (www.bseindia.com) and on the Company website www.redexprotech.com
 2 The result of the Quarter ended on 30th September, 2019 were reviewed by the Audit Committee and approved by the Board of Director at its meeting held on 12th November, 2019.

By Order of the Board of Directors For, Redex Protech Limited
 SD/-
 Mr. Gnanesh Bhagat
 Managing Director
 DIN - 00115076

Place : Ahmedabad
 Date : 13/11/2019