

Economy

Electric Vehicle Industry in India—Growth and Opportunities

Transport accounts for about a quarter of the global energy related carbon emissions, rising faster than any other energy end-use sector, and having considerable impact on changing climate worldwide.

India currently imports more than 84% of its crude requirements, which is a drain on budgetary resources and major cause of vehicular pollution.

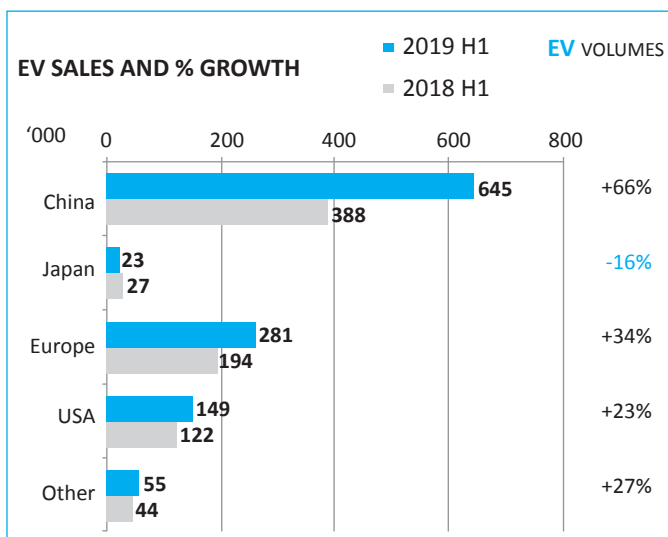
India has made commitments under the Paris Agreement to increase the share of non-fossil fuels to 40% of the total electricity generation capacity; reduce the emission intensity of the economy by 33 to 35% by 2030 from 2005 level, and create additional carbon sink of 2.5 -3 billion tonnes of CO2 equivalent through additional forest and tree cover.

Cleaner energy and EVs can reduce significantly India's dependence on fossil fuels and tackle pollution.

The Government is focusing on increasing India's share in electric vehicles to 30% by 2030.

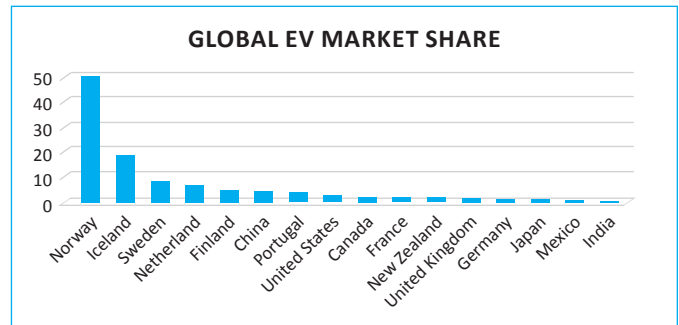
Global EV Market

The overall global EV sales in 2019 was 2.15 mn as compared to 2 mn in 2018. These sales were majorly driven by China being the largest growth contributor at 66%, followed by Europe and USA (as on 2019 H1).



Source: EV Volumes

Norway 49.10% is the global leader in terms of electric car market share, followed by Iceland 19% and Sweden 8.20%; China being 4.4%, US 2.1% and India 0.1%.



India's Market

The Indian Automobile Industry is currently ranked 4th largest in the world and is targeted to become 3rd largest by 2030. The industry manufactured a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in FY19 as against 29,094,447 in FY18, registering a growth of 6.26 percent over the same period last year.

In FY19, overall automobile exports grew by 14.50 percent to 46,29,054 units. While Passenger Vehicles exports declined by (-) 9.64 percent, Commercial Vehicles, Three Wheelers and Two Wheelers registered a growth of 3.17 percent, 49.00 percent and 16.55 percent respectively in FY19 over the same period last year.

Electric Vehicles

Even as the automobile sector faces a slowdown, EV sales have grown significantly across the country— total EV sales in FY19 was 7,59,600 units, in comparison to 56,000 in FY18. Electric two-wheelers have been leading the EV market; estimates suggest they account for 95% of the country's EV sales. Following is the share of various vehicle segments:

Segment	Sales FY19 (units)	
	Automotive sales	EV Sales
Two-Wheelers	21.18 million	1,26,000
Three-Wheelers	0.7 million	6,30,000
Passenger Vehicles	3.28 million	3,600
Commercial Vehicle	1.07 million	-

Source: SIAM

Out of the 26.2 mn units of domestic vehicle sales in India, EV comprises of a mere 2.8%. As per the target of the government to reach 30%, India needs to sell approximately 8 mn electric vehicles. **This reflects the potential growth of EV segment with tremendous investment opportunities.**

To increase the momentum of EV usage in India, three value chains are being targeted: production, infrastructure and services. There are 10 states and union territories (UTs) that are leading the way in building these value chains namely, Andhra

Pradesh, Bihar, Delhi, Karnataka, Kerala, Maharashtra, Tamil Nadu, Telangana, Uttarakhand and Uttar Pradesh.

- Out of these, most of the States emphasised on the production of EV value chain, aspiring to be manufacturing hubs for electric vehicles as well as their components.
- In the infrastructure value chain, provisions for installation of charging infrastructure in public and private places were made by most states to address range anxiety.
- Some other states laid emphasis on the services value chain by creating public awareness, skilling programmes, fiscal incentives such as pollution cess and non-fiscal incentives like retrofitment services, real-time information on charging infrastructure, and payment facilities.

Indian and global automotive players have taken the following initiatives:

- Manufacture Lithium-ion batteries: Bharat Heavy Electricals Ltd (BHEL), Reliance Industries, Indian Oil Corporation Ltd, Exicom Industries Ltd (manufacturer of Lithium ion batteries), JSW Group, Adani, Hero Electric, Mahindra, TATA Chemicals, Panasonic and Exide Batteries; and jointly by Suzuki, Toshiba and Denso.
- Set-up EV charging stations : National Thermal Power Corporation (NTPC), Tata Power, Mahindra and Ola, Lithium Urban (EV fleet firm)
- Setting up of battery swapping stations: Bharat Petroleum Corporation Limited (BPCL)

Corporate and private equity (PE) investors seem to be increasing their bets on start-ups working in this space as investment flows into such start-ups in 2019 (until the end of November) have grown nearly 170 per cent to \$397 million, compared with \$147 million in the first 11 months of last year.

For a price-sensitive market like India, developing incentives for electric (clean) kilometres run versus electric vehicles purchased makes economic sense and is suggested to be the guiding principle for the national strategy.

Government initiatives

- In Union Budget 2020-2021, Government has increased Basic Custom Duty on electric vehicles in commercial and passenger segment for CBUs, SKD, CKD form;
- GST Council approved exemption from GST on hiring of Electric Buses by local authorities;
- GST slashed on EVs to 5% from 12% and on EV Chargers from 18% to 5%;
- INR 1.5 lakh tax exemption on loans to buy electric vehicles;
- Various State Governments are separately providing incentives for adoption of EVs with waiver for road tax, registration charges; capital and direct subsidies;
- Union cabinet has proposed customs duty reduction on EV parts including electric drive assembly, onboard charger, e-compressor and charging guns, to cut down costs, to 10-15% from earlier 15-30%;
- A five-year phased manufacturing programme (PMP) has been announced for large-scale, export-competitive integrated batteries and cell-manufacturing Giga plants in India.

Way Forward

While the Centre and State Governments have already initiated a host of steps to increase EV production in India, we feel that the following additional measures will be helpful in achieving the targeted growth.

- Reduction of GST in Lithium-Ion Batteries from 18% to 5%;
- Business models such as leasing of batteries, swapping infrastructure, deploying fast chargers, and stable power supply and grid stability with renewable sources of energy, viz. solar, wind etc.;
- Establish an alliance between auto and battery manufacturers to research Indian climate and use conditions;
- Develop a rating system based on performance metrics and technology deployed to determine performance-based incentives
- Promote “Make in India” and localize manufacturing of the entire value system of EVs, including electronic component manufacturing and EV charging infrastructure;
- Conduct R&D to reduce, nullify or recycle the need for battery materials that are not readily available in India;
- Encourage private players invest in development projects with Tier I and II universities and campuses across the country; and
- An incentive-based vehicle scrappage policy should be finalized and introduced soon.

Investment opportunities for investors

The transition from Internal Combustion Engine (ICE) vehicles to EVs in India offers big opportunity for investors to enter the market as OEMs, financial investors into start-ups, technical tie-ups and joint ventures. The exemptions from tax in start-ups, 100% tax exemption for Sovereign Wealth Funds (SWFs) and one of the lowest Corporate rates in the world make India an attractive destination for foreign investors. The market for batteries alone is estimated to be US\$ 300 billion by 2030 and requires minimum of 10 GWh of cells by 2022 and 50 GWh by 2025. The market for recycling of Li-Ion batteries is estimated to be US\$ 1000 million. The auto component market of US\$ 56 billion in India is ready for transition from ICE to EV and is gearing for technological tie-ups and joint ventures.

Specifically, investors can explore segments including:

- EV Charging/Smart chargers;
- Shared mobility/rental/logistics for e-commerce players and new start-ups;
- Fleets and commercial high mileage vehicles can capitalize on EVs’ low operating costs;
- Building an ecosystem for localized Lithium Ion Cell manufacturing; and
- Focus can be on other segment of vehicles such as E-bikes and E-cycles.

An opportunity exists to encourage “Make in India” for battery cells and packs, develop EV models with India-specific conditions in mind and build a domestic manufacturing ecosystem for EVs and EV components.

Taxation Matters

Income Tax

- I. **SC held that unutilized credit under MODVAT scheme do not qualify for deduction under Section 43B of the Income Tax Act.**

The Apex Court observed that the proviso to Section 43B provides that nothing contained in the Section shall apply in relation to any sum which is actually paid by assessee on or before due date applicable in his case for furnishing the return in respect of the previous year in which the liability to pay such sum was incurred. The crucial words in the proviso

to Section 43B are “in respect of the previous year in which the liability to pay such sum was incurred”. The proviso takes care of the situation when liability to pay a sum has incurred but could not be paid in the year in question and has been paid in the next financial year before the date of submission of the Return.

In the present case, there was no liability to adjust the unutilized MODVAT credit in the year in question since had there been liability to pay Excise Duty by the appellant on manufacture of vehicles, the unutilized MODVAT credit could have been adjusted against the payment of such Excise Duty. In the present case, the liability to pay Excise Duty of the assessee is incurred on the removal of finished goods in the subsequent year i.e. year beginning from 01.04.1999 and what we are concerned with is unutilized MODVAT Credit as on 31.03.1999 on which date the assessee was not liable to pay any more Excise Duty. Hence, present is not a case where appellant can claim benefit of proviso to Section 43B.

[Maruti Suzuki India Ltd. vs CIT (Civil Appeal No(s). 1193/2018) Supreme Court dated 07.02.2020]

II. Delhi HC: Addition on account of financial impact due to change in accounting policy is to be deleted since there is no real income at the time of signing of loan agreement considering the fact that there is no certainty with regard to the collection

The Hon’ble Court observed that the tax authorities should have proceeded to determine and ascertain as to whether, the income has in reality accrued to the assessee, or not, notwithstanding the change in accounting policy. If the income had indeed accrued, the addition would have been permissible. However, to determine this the treatment given in the assessee’s books of account would not be necessary, but would be dependent on the answer to the question as to whether the income has indeed accrued. The question whether real income has materialized or not, has to be scrutinized, having regard to the commercial and business certainties and realities of the situation in which the assessee is positioned, and not with reference to system of accounting. The answer to such decision would then relate to the chargeable accounting year in which such profits actually arose and assessee would be liable to tax accordingly. Applying this yardstick, the court did not find that any income accrued at the point of mere execution of the agreement and, thus, the income did not accrue in the relevant AY. The financial impact has since been factored in the subsequent year. The court observed merits in the submissions of the appellant that the change in accounting policy is a result of the audit objection raised by CAG. The appellant has claimed deduction in profits in the computation of the total income, and added it as income in the subsequent assessment year, which has been accepted by the AO. The change is, thus, revenue neutral.

[Housing and Urban Development Corporation Ltd vs Addl. CIT in ITA 541/2019 dated 06.02.2020 Delhi High Court]

III. ITAT Bangalore held that in case of show cause notice for Penalty the limb not specified; section 292B cannot cure such defect

The Hon’ble ITAT held that the provisions of section 292BB would not come to the rescue of the revenue, when the notice was not in substance and effect in conformity with or according to the intent and purpose of the Act. The notice issued by the Assessing Officer was not in substance, and effect in conformity with or according to the intent and purpose of the Act. Since

the Assessing Officer did not specify the charge for which penalty proceedings were initiated and further there was non-application of mind on the part of the Assessing Officer.

[Shri. Kasimalli M. Sayyad vs ITO, ITA No. 1950/Bang/2017 dated 18.02.2020 (Bangalore - Trib.)]

International Taxation & Transfer Pricing

I. ITAT Pune upholds DRP’s action of not condoning one day delay in filing objection and thus, holds AO’s assessment order u/s. 144C(13) r.w.s. 143(3) as time barred and ex consequenti ‘null and void’

ITAT holds that DRP was justified in dismissing assessee’s objections (filed on 24.01.2019) in limine as time barred as they were filed one day after the period allowable for filing of objections u/s 144C(2). ITAT further states that “Once the objections filed by the assessee are time barred, the natural corollary is that no valid objections were filed by the assessee.

Thereafter, examining sub sections (3) and (4) of Section 144C, it infers that “If the objections are invalid as time barred, the AO will have to act in terms of Section 144C(3) (b)” (which provides that AO shall complete the assessment on the basis of draft assessment order if no objections are received within the period specified in sub-section (2).

Further, noting that the time limit prescribed for completing the assessment as aforesaid u/s. 144C(4)(b) is one month from the end of the month in which the period of filing of objections under sub-section (2) expires, holds the final assessment order dated 24.10.2019 as time barred and ‘ex consequenti null and void’. ITAT notes that the AO, instead of passing the final assessment order as mandated by Section 144C(3)/144C(4) as above, actually completed the assessment under section 144C(13). ITAT states that “Such a completion of assessment is not only under the wrong provision but also beyond the limitation period is ultra vires and hence cannot stand”

[TDK Electronics AG vs ACIT (ITA No. 1810/Pun/2019) dated 26.02.2020 – ITAT Pune]

Goods and Services Tax

I. Delhi High Court: Restriction on spreading refund claim across different financial years ‘arbitrary’, stays Circular

Delhi HC makes a prima facie observation that “the restriction pertaining to the spread of refund claim across different financial years is arbitrary”. It observed that the ITC earned by assessee was spread over two financial years i.e. 2017-18 and 2018-19 while the exports against the said purchases were made only in the financial year 2018-19. It finds no justification to deny refund of the ITC which was accumulated in the previous FYs while adding that “The entire concept of refund of ITC relating to zero rated supply would be obliterated in case the respondents are permitted to put any limitation and condition”. Further, it notes Petitioner’s plea that it is not able to claim refund as option of selecting tax period has been denied and while petitioner has been trying to file refund application for unutilised ITC claimed in respective months of production, circulars have denied the petitioner its statutory rights. The court remarks that, “businesses do not run according to the whims of the executive authorities”. While noting that “the petitioner has a strong prima facie case”, HC directs Revenue to either open the online portal so as to enable the assessee to file the tax refund electronically or to accept the same manually.

[Pitambra Books Pvt. Ltd. vs. Union of India & Ors]

II. Kerala High Court: Invoice and E-way bill showing different address, a clerical error, directs vehicle release

Kerala HC holds that in case the address shown in the invoice being different from the address shown in the E-way bill, "is only a clerical mistake and is not a serious mistake which should justify the detention and penalty proceedings". It directs the Respondent to immediately release the vehicle and goods to the petitioner upon furnishing bank guarantee. It observes that the petitioner had done everything in its capacity to ensure that the details of new branch were updated in the official site, however the same showed as 'processing'.

[M R Traders vs. Assistant State Tax Officer]

III. Bombay High Court: Quashes order cancelling registration passed without considering reply

Bombay HC sets aside order cancelling registration of the assessee. It notes that the assessee's reply to show-cause notice (SCN) dated December 24, 2019 was not considered while passing the order. The court also notes that the order states that assessee did not file reply to show cause notice. However, assessee's reply was duly endorsed by Revenue authorities as received prior to date of the cancellation order. The High Court thus, restores proceedings to SCN stage and directs assessee to appear before the State Tax Officers.

[Great Sands Consulting Private Limited vs. Union of India & Ors.]

News Roundup

Economy

[MCA adds provision for majority shareholders to buy out minority ones \(The Economic Times\)](#)

The Ministry of Corporate Affairs (MCA) has notified the process under which a shareholder of an unlisted company in liquidation seeking to take over operations of the company can offer to buy out the stake of minority shareholders.

[Govt okays proposal to infuse Rs 2,500 cr into 3 PSU general insurers for improving financial health \(The Economic Times\)](#)

The Union Cabinet on Wednesday, February 12 gave an in-principle approval to pump in Rs 2,500-crore capital into three public sector general insurance companies. These three insurers are Oriental Insurance Company Limited (OICL), National Insurance Company Limited (NICL) and United India Insurance Company Limited (UIICL).

[Nod for Direct Tax amnesty scheme to cover debt recovery tribunals \(The Economic Times\)](#)

The Direct Tax Vivaad se Vishwas Bill, 2020 will now cover pending litigation in debt recovery tribunals (DRTs) as well besides those in various courts and tribunals, the Union cabinet said while approving the change to the bill. "It has been decided to cover disputes pending in DRTs also," Union minister Prakash Javadekar said after the Cabinet meeting.

[S&P retains India's rating at 'BBB-' with stable outlook \(Mint\)](#)

Rating agency S&P Global Ratings on Thursday, February 13 affirmed India's long-term sovereign rating at 'BBB-' with stable outlook, saying the country's economic growth is likely to recover toward longer term trend rates in two to three years.

[DIPAM to list CPSEs with 51% govt ownership clause in pacts \(The Economic Times\)](#)

In a bid to prevent a possible roadblock to the government's disinvestment push, the department of investment and

public asset management (Dipam) has begun identifying central public sector enterprises (CPSEs) which may be facing issues with the clause of having their government shareholding at 51% in lending agreements.

[India becomes 5th largest economy, overtakes UK, France: Report \(The Economic Times\)](#)

India emerged as the world's fifth largest economy by overtaking the UK and France in 2019, says a report. A US-based think tank World Population Review in its report said that India is developing into an open-market economy from its previous autarkic policies.

[India FII's Favourite EM in Asia, Flows Likely to Remain Resilient: HSBC \(The Economic Times\)](#)

HSBC said India has been foreign investors' favourite emerging market in Asia in 2020 so far. Domestic stocks have received \$3.4 billion since January even as most other Asian emerging markets witnessed outflows.

[FDI is key source of capex funding \(The Economic Times\)](#)

Even as bank credit growth to fund projects has slowed down, FDI and private placement of debt have emerged as a major source to fund capex. In fact, FDI contribution in funding capex has doubled from Rs 1.47 lakh crore in FY14 to Rs 3 lakh crore in FY19. It continued to grow in first of FY20 as well, RBI study shows.

[Business Confidence Index rose by 7.8% in Nov-Jan \(Mint\)](#)

After hitting a six-year low in August-October, India Inc.'s business confidence picked up modestly in the November-January period, according to the latest survey released by Delhi-based think tank National Council of Applied Economic Research (NCAER) on Wednesday, February 26.

Sectoral

Agriculture

[India's 2019-20 foodgrain production to hit a record high of 291.95 million tonnes \(The Economic Times\)](#)

As per Second Advance Estimates for 2019-20, total foodgrain production in the country is estimated at record 291.95 million tonnes which is higher by 6.74 million tonnes than the production of foodgrain of 285.21 million tonnes achieved during 2018-19.

[Cabinet approves crop cover rejig, dairy sop schemes \(The Economic Times\)](#)

The Cabinet has approved revamping of the crop insurance scheme to help farmers manage risks better and cleared a proposal to create 10,000 farmer producer organisations (FPOs) to give cultivators economies of scale and better bargaining power in the market.

[Dairy sector hopes to attract Rs 60,000 cr, create 10 mn jobs over 5 years \(Business Standard\)](#)

The country's dairy sector hopes to see up to Rs 60,000 crore of new investment and creation of 10 million jobs in five years, in the wake of the Union Budget proposals.

Automobiles

[Policy to scrap old, polluting and fuel-guzzling vehicles in Cabinet soon \(Hindustan Times\)](#)

The Centre's long-delayed policy of scrapping old, polluting and fuel-guzzling vehicles in an attempt to reduce pollution and road congestion has at last been sent to the Cabinet Secretariat to be put up before the cabinet for its approval, two senior government officials said.

Aviation

[Indian airports now turn hot destinations for foreign investors \(Mint\)](#)

Global players are beginning to recognize India as a potential aviation hub, analysts and industry executives said on Friday, February 21, after Groupe ADP of France announced plans to buy a 49% stake in GMR Airports Ltd (GAL).

Banking & Finance

[Banks to get 5-year CRR relief for lending to auto, housing, MSMEs \(Business Standard\)](#)

The Reserve Bank of India (RBI) on Monday, February 10 said banks would not be required to maintain the cash reserve ratio (CRR) for five years on their deposits for an amount equivalent to loans given to the MSME (micro, small, and medium enterprises), housing and vehicles sectors between January 31 and July 31.

[Mauritius FPIs can register, but face more scrutiny: Sebi \(The Times of India\)](#)

Market regulator Sebi on Tuesday, February 25 said foreign investors from Mauritius will continue to be eligible for FPI registration with increased monitoring as per international norms.

Digitalization

[Govt increases digital India program fund by 23% to Rs 3,958 cr \(The Hindu Business Line\)](#)

The government has increased the outlay for digital India programme by 23 per cent to Rs 3,958 crore for 2020-21 compared to the actual allocation in the current fiscal.

Energy

[Ministry for New and Renewable Energy opens facilitation centre for investors \(The Economic Times\)](#)

The Ministry for New and Renewable Energy (MNRE) opened an "Industry and Investors' Facilitation Centre" as a new wing of the ministry, to resolve issues of investors in this sector.

Healthcare

['Online Pharmacies to lead eHealth market to touch \\$16 B in five years' \(The Economic Times\)](#)

India's eHealth market, led by the online pharmacy category, is pegged to touch \$16 billion over the next five years, from its current market size of \$1.2 billion, according to market watcher Red-Seer Consulting.

IBC

[NCLT cannot be escape route, refer only NPAs of over Rs.200 cr \(The Hindu Business Line\)](#)

To deal with the proclivity of banks, especially public sector banks, to routinely push bad loans to National Company Law Tribunals (NCLTs) for resolution, the Prime Minister's Office (PMO) has suggested that they should only refer cases to a tribunal where the loan amount is at least Rs.200 crore.

Insurance

[DPIIT notifies policy to allow 100% FDI in insurance intermediaries \(Business Standard\)](#)

The Department for Promotion of Industry and Internal Trade (DPIIT) on Tuesday, February 25, amended the Consolidated Foreign Direct Investment Policy 2017 (FDI Policy) to allow 100 per cent FDI in insurance intermediaries through the automatic route.

Infrastructure

[NHA to monetise 12 highway stretches of over 6,000 km before 2024 to raise more resources: Finance Minister \(The Economic Times\)](#)

The National Highways Authority of India (NHA) will monetise at least 12 highway stretches before 2024 to raise more resources, Finance Minister Nirmala Sitharaman said on Saturday, February 1. These stretches comprise of over 6,000 km of highways.

IT & Telecom

[IT industry grows at 8.4%, much faster than GDP \(The Times of India\)](#)

Nasscom expects the Indian IT and BPM industry to grow 8.4% in constant currency to \$191 billion in 2019-20, marginally lower than the rate in the previous fiscal.

[DoT to bar foreign telecom vendors that exclude purchase from Indian firms \(Business Standard\)](#)

The Department of Telecom will bar telecom vendors of those countries that would disallow or exclude Indian suppliers from providing network gears used for wifi, fixed line and cellular networks, including 5G services, in their respective local markets, according to an official order.

[In a major boost to electronic giants, SEZs clear local sourcing test \(Business Standard\)](#)

In a major boost to consumer electronic giants like Apple and Xiaomi, the government has relaxed the local sourcing norms.

Textiles

[Rs 1,480-cr Technical Textiles Mission gets Cabinet nod \(The Times of India\)](#)

The government on Wednesday, February 26 approved setting up of a National Technical Textiles Mission with a total outlay of Rs 1,480 crore. The mission will have a four-year implementation period from 2020-21 to 2023-24.

States

[UP govt clears investment projects of Rs 3,653 cr in past two months \(Business Standard\)](#)

[Maharashtra loses top slot as attractive investment destination to Andhra in FY'19: RBI study \(The Economic Times\)](#)

[Odisha govt approves over Rs 1,600-cr investment proposals \(The Economic Times\)](#)

[Despite swelling revenue deficit, Tamil Nadu presents a tax-free Budget \(The Hindu Business Line\)](#)

[Green energy parks of 50 GW planned in Rajasthan, Gujarat \(The Economic Times\)](#)

[Karnataka plans 3 three more ultra mega renewable energy parks \(The Hindu Business Line\)](#)

[UP announces state Niti Aayog, Rs 10K crore for new schemes in budget \(Hindustan Times\)](#)

[Jewar airport, RRTS & expressways: UP backs big infrastructure with budget funds \(The Times of India\)](#)

International News

[India out of US' developing nations list for trade benefits \(The Economic Times\)](#)

[India urges European Union to reduce non-tariff barriers on food \(The Economic Times\)](#)

[India, US ink pact on intellectual property rights \(The Economic Times\)](#)

[US surpasses China as India's biggest trading partner at \\$87.95 billion \(Business Standard\)](#)

[Coronavirus could cost world \\$1 trillion \(The Economic Times\)](#)

Companies up for acquisition under NCLT orders

The National Company Law Tribunal (NCLT) has ordered the commencement of insolvency proceedings of, inter alia, the following companies. The interested parties may participate and submit their resolution plan for acquisition of the companies. The companies have been admitted for insolvency resolution process as they have defaulted in their payment obligations to their lenders.

Ballarpur Industries Ltd.

The company belongs to Avantha group which is owned by Thapars and was one of its flagship companies. The company was incorporated in 1945 and is listed on NSE and BSE. The company operates in the paper industry. It is engaged primarily in the business of manufacturing of writing and printing (W&P) paper, pulp and paper products. Its writing and printing paper manufacturing operations has over four production units across India, including Ballarpur (Maharashtra), Bhigwan (Maharashtra), Sewa (Odisha) and Ashti (Maharashtra).

The operations of BILT has suffered during the recent years due to global excess capacities and increased imports in India.

The company has been defaulting in its payment obligations. The lenders are: Finquest Financial Solutions Pvt. Ltd (assigned from SBI), EXIM Bank, Phonix Arc Pvt. Ltd., and IDBI Bank, Suraksha Asset Reconstruction Pvt. Ltd-assigned from ICICI Bank.

As per the audited accounts of the company for the financial year 2018-19 the company has defaulted in the payment of principal and interest amounting to Rs.181.45 crores (principal –Rs.83.15 crores and interest- Rs.98.30 crores) as on 31.02.2019 for periods ranging from 1 to 943 days.

The Balance Sheet size of the company is Rs.~3569 crores. It had financial liabilities/borrowings of Rs. ~2420 crores as on 31st March 2019

The company is one of the oldest in the paper industry with physical assets of Rs. ~ 1772 crores at book value as at 31.03.2019. Similarly it has got investments of Rs. ~946 crores in subsidiaries and other companies as well. The net worth of the company is 66 crores.

The existing market cap of the company is ~ 75 crores.

SMS Paryavaran Limited

The company was incorporated on 28.01.1992 and is unlisted.

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The company is based out of India.

The Company is engaged in the execution of Works Contracts for construction of Water Supply System (WSS) and Sewerage System and also Operation and Maintenance thereof for Governmental Authorities/ State Board viz. Municipal Corporation, Public Health Department and other like Authorities of Central/State Governments serving public at large. Company offers services like Engineering, execution, operation and maintenance and consultancy.

As reported by the company, there are defaults made for payment of statutory dues and repayment of various credit facilities availed by the Company due to delay in recovery from receivables and liquidity constraints. The company has defaulted in debt repayments to the Banks and Financial Institutions. The default in the repayment of Principal and Interest was to the tune of Rs.76.02 crores during the FY 2016-17 with the period of delays ranging from 15 to 1460 days. The lenders are: ICICI Bank, SBI, HDFC Bank, Canara Bank, IDBI Bank, SIDBI, Bajaj Finance and L&T Finance.

The total assets of the company were Rs.212.28 crores as on 31.03.2017. The fixed assets were to the tune of Rs.67.22 crores as on 31.03.2017. The net worth was Rs.70.05 crores as on 31.03.2017.

The outstanding debt (including short term) of the company as on 31-03.2017 was Rs.109.66 crores

Raj Rayon Industries Ltd.

The company was promoted by Kanodias in the year 1993. The company is listed at NSE and BSE. The registered office of the company is at Distt. Silvassa, Dadra and Nagar Haveli (UT) and corporate office at Andheri, Mumbai, Maharashtra.

The Company is engaged in the manufacturing of Textured Yarn of polyesters and polyesters chips. The plant of the company is located in Dadra and Nagar Haveli.

The company has been defaulting in its debt payment obligations to various lenders since FY 2015-16. The loans were renewed and restructured from time to time. The lenders are State Bank of India and its erstwhile subsidiary banks and Phoenix ARC (P) Ltd. The outstanding borrowings/ financial liabilities of the company were Rs. ~765.38 crores as on 31.03.2019.

Based on the petition of SBI, NCLT has admitted the case for insolvency proceedings.

During the FY 2018-19 the company had earned a total revenue of Rs. 18.27 crores as against Rs. 76.68 crores during FY 2017-18. The company incurred a loss of Rs. 41.22 crores as against Rs. 52.69 crores in FY 2017-18.

The company has Properties, Plant and Machinery at book value of Rs. 198.28 crores as on 31.03.2019. It has a negative net worth of Rs. 536.90 crores as on 31.03.2019.

The market cap of the company is Rs. ~ 6 crores.



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