IL&FS FRAUD CASE

ED searches premises of 4 industrialists

SHRIMI CHOUDHARY
New Delhi, 16 July



ILLUSTRATION: AJAY MOHANTY

Continuing its crackdown on those involved in the Infrastructure Leasing & Financial Services (IL&FS) fiasco, the Enforcement Directorate (ED) has searched homes and business premises of at least four industrialists for alleged irregularities in loans taken by them from a financial subsidiary of the beleaguered company.

Rishi Agarwal, promoter of ABG conglomerate, C Sivasankaran of Siva Industries, Nikhil Gandhi, executive chairman of SKIL Infrastructure, and Viren Ahuja, promoter of Flemingo Geowork were searched by the ED.

The search operation was conducted at multiple locations, including Mumbai, Delhi and Chennai, at the residences and on the business premises of these four. The probe agency is learnt to have seized several properties, documents and papers in connection with the probe.

Sources said that the ED found that loans had been extended to the ABG group without following the due diligence. "We are probing around 10 loan accounts of this company which were used to service earlier debts, so that these don't turn non-performing assets," said an official privy to the development. According to him, this was part of the evergreening exercise by the company and some of these loans were used to pay the dues.

IL&FS Financial Services (IFIN) had extended credit facilities to the ABG group to the tune of over ₹1,000 crore since 2010. The amount was classified as NPA in September 2018.

In Ahuja's case, a loan of over ₹500 crore was given to Flemingo Geowork's infra project, of which about ₹9 crore had gone to Ahuja's account, according to the sources. The erstwhile promoter of SKIL is also among the borrowers who came under the agency's scanner.

Sivasankaran allegedly connived with the management of the IFIN and received wrongful gain in the form of loan with the intention to not repay the same. The Serious Fraud Investigation Office (SFIO) investigating the matter. "That connivance between Sivasankaran and IFIN officials is also proved from the mail on January 1, 2012, in which Sivasankaran asked Ravi Parthasarthy (chairman IL&FS group) to discuss the issue concerning Ackruti, Unitech and L&T, which establishes that companies of Siva groups were getting wrongful gains from IFIN and Sivasankaran with connivance of the top management injured the interest of IFIN," the SFIO chargesheet said.

Rishi Agarwal, promoter of ABG conglomerate, C Sivasankaran of Siva Industries, Nikhil Gandhi, executive chairman of SKIL Infra, and Viren Ahuja, promoter of Flemingo Geowork, were searched

The SFIO charegesheet includes several instances where the director of a borrower entity at some point was on the board of IL&FS. Such loans were later transferred to the account of these directors.

Meanwhile, the new board of IL&FS is learnt to have sent notices to all the former directors of the firm and had sought their response.

The ED is examining the charges against the audit firm in the SFIO prosecution complaint. "We are currently looking at all aspects that led to fraud in the company. The agency will examine the role of auditors in the proceeds of crime and the complex structure allegedly created so that a fund could be easily siphoned off," said an official.

Last month, enforcement sleuths had arrested two former executives of IL&FS group firms under the Prevention of Money Laundering Act.

The sources said the ED suspects proceeds of the crime, involving several overseas deals, to be over ₹13,000 crore. They added the ED is probing instances of end-utilisation of loans, including money lent to the borrowers of IFIN. There is evidence showing that advances were given to entities linked with senior executives of IL&FS and IFIN.

The ED is examining whether the falsification conducted by the auditors caused loss to the company and how much of it was being diverted. The ED's case is based on an FIR filed before the economic offences wing of the Delhi Police in December last year.

Lockheed looks for Indian partners to build F-21s locally



If India opts for the F-21, Lockheed Martin has announced it will transfer the F-16 production line from Texas to here

AJAI SHUKLA
New Delhi, 16 July

Signalling the resumption of the world's biggest international fighter aircraft procurement — the contest between seven international vendors and their Indian "strategic partners" to supply the Indian Air Force (IAF) with 114 fighters for $20-25 billion — US aerospace giant Lockheed Martin and its Indian partner, Tata Advanced Systems (TASL), brought together on Tuesday a range of defence companies to form partnerships to build the F-21 fighter in India.

If New Delhi opts for the F-21 (basically a rebranded F-16 Block 70 fighter), Lockheed Martin has announced it will transfer the F-16 production line from Fort Worth, Texas to India, where TASL will assemble fighters for the IAF.

However, F-21 assembly alone will not meet the 40-50 per cent indigenisation target that New Delhi is stipulating as a condition for this contract. To achieve this, the Lockheed Martin F-16 vendor chain will also have to transfer a significant amount of production to Indian partners.

To facilitate production partnerships, the three-day "Suppliers Conference" inaugurated in New Delhi by Lockheed Martin and TASL, brings together the F-16's current "Tier-1 vendors" (which build large F-16 systems) with potential Indian industry partners. In a process that a senior Lockheed Martin executive likens to "speed dating", the conference will host 540 "business-to-business" meetings for these vendors to select promising Indian partner companies.

Scouting for Indian partners are more than 20 F-16 vendors, including the world's foremost aerospace and defence firms: BAE Systems, Cobham, Collins Aerospace, Curtiss-Wright, Eaton, Elbit Systems, Elta, GE Aviation, Honeywell, L3Harris, Leonardo, Martin Baker, Meggitt, Moog, Northrop Grumman, Parker Hannifin, Pratt & Whitney, Rada, Rafael, Raytheon and Safran Electrical & Power.

Hoping to tie up with them are about 70 Indian suppliers. These include large public firms like Bharat Earth Movers, medium sized, high technology firms like Data Patterns and small electronics companies like Verdant.

Lall told *Business Standard* that, over the preceding year, a dedicated team of Lockheed Martin production experts has been visiting the facilities of potential Indian partner firms, carrying out on-site assessments of their capabilities. This followed two earlier supplier conferences held in Bengaluru.

More on business-standard.com

HC quashes green clearances for ₹14,000-cr Mumbai coastal road

PRESS TRUST OF INDIA
Mumbai, 16 July

The Bombay High Court on Tuesday quashed the coastal regulation zone (CRZ) clearances granted to the city civic body's ambitious ₹14,000-crore coastal road project, saying there was "serious lacuna" in the decision-making process and lack of proper scientific study.

A division Bench of Chief Justice Pradeep Nandrajog and Justice N M Jamdar in its ruling said the Brihanmumbai Municipal Corporation (BMC) cannot proceed with work on the 29.2-km project, proposed to connect Marine Drive area in south Mumbai to suburban Borivali in the north.

The court noted that the environmental clearance was required to be taken by the BMC under the environmental impact assessment (EIA) notification issued by the Centre.

"We declare that the civic body cannot proceed with the works without obtaining an environmental clearance under the EIA notification. Further, permission under the Wildlife (Protection) Act, 1972, should also be obtained," the high court said.

The ruling said the BMC cannot proceed with work on the 29.2-km project, proposed to connect Marine Drive area in south Mumbai to suburban Borivali in the north

The Bench quashed the CRZ clearances while allowing a bunch of petitions filed by activists, residents and fishermen from the city challenging the project. "It is obvious that a serious lacuna has occurred in the decision-making process. We hold that there is lack of proper scientific study and this has been overlooked by Maharashtra Coastal Zone Management Authority (MCZMA), the EIA and the Union Ministry of Environment and Forest (MoEF)," the court said.

The Bench quashed and set aside the approval granted by the MCZMA on January 4, 2017, the nod given by the EAC on March 17, 2017 and the final approval granted by the MoEF on May 11, 2017.

The BMC's counsel Darius Khambata sought a stay of the order to appeal in the Supreme Court.

The request was, however, refused by the high court.

Govt hopes for $1 bn from 2 rounds of oil block auction

PRESS TRUST OF INDIA
New Delhi, 16 July

State-owned ONGC and Oil India, along with private-sector entity Vedanta, on Tuesday walked away with almost all of the oil blocks auctioned in the latest licensing round as part of the government's effort to raise domestic production.

The winners of the Open Acreage Licensing Policy (OALP) Round II and III, which closed earlier this year, signed exploration and production contracts with the government at a function here.

Speaking on the occasion, Oil Minister Dharmendra Pradhan said more production of oil and gas is priority of the new Modi government as it looks to meet its rising energy demand.

"There is a possibility of $1 billion in the OALP-II and III," he said.

Oil India signed up for the 12 blocks (of the total 32 oil and gas exploration blocks) it won in the twin rounds that ran parallelly because the OALP-II was delayed. Vedanta walked away with 10 and ONGC got eight blocks.

Reliance Industries and its British partner BP signed a contract for the sole KG basin gas block they had bid for; Indian Oil, too, got one block.

Reliance-BP combine outbid ONGC in one Krishna Godavari basin block in the Bay of Bengal. This is an area that ONGC had previously relinquished and is said to hold natural gas prospects.

According to the Directorate General of Hydrocarbons, OIL won 6 of the 14 blocks on offer in OALP-II, while Vedanta walked away with five.

HDFC
ASSET MANAGEMENT COMPANY LIMITED

HDFC Asset Management Company Limited
A Joint Venture with Standard Life Investments
CIN: L65991MH1999PLC123027

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EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

₹ (in Crore)

Particulars	Quarter Ended June 30, 2019 (Reviewed)	Year Ended March 31, 2019 (Audited)	Quarter Ended June 30, 2018 (Reviewed)
Total income from operations	504.39	1,915.18	471.23
Net profit for the period (before tax, exceptional and/or extraordinary items)	429.92	1,374.70	294.64
Net profit for the period before tax (after exceptional and/or extraordinary items)	429.92	1,374.70	294.64
Net profit for the period after tax (after exceptional and/or extraordinary items)	291.79	930.60	205.26
Total comprehensive income for the period [comprising profit for the period (after tax) and Other Comprehensive Income (after tax)]	288.55	930.20	205.17
Equity share capital	106.30	106.29	105.99
Earnings per share (of ₹ 5 each)			
Basic (₹):	13.72	43.87	9.70
Diluted (₹):	13.69	43.78	9.68
Other Equity (excluding revaluation reserve) as at March 31, 2019		2,964.43	

Notes:

1. The above results of the Company have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on July 16, 2019. The results have been subjected to Limited review by the Statutory Auditors of the Company.
2. Effective April 01, 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.

   On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 114.93 Crore (including ₹ 2.96 Crore reclassified from other non-financial assets) and a lease liability of ₹ 125.23 Crore. The cumulative effect of applying the standard resulted in ₹ 8.63 Crore (net of taxes) being debited to retained earnings. The effect of this adoption is not material to the profit for the period and earnings per share.
3. The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the National Stock Exchange of India Limited and BSE Limited under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly / Annual Financial Results are available on www.bseindia.com, www.nseindia.com and www.hdfcfund.com.

Milind Barve | Managing Director
DIN Number: 00087839

Place: Mumbai | Date: July 16, 2019

MCXCCL

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

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EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

(₹ in Lakh)

PARTICULARS	Three months ended June 30, 2019 Unaudited	Three months ended March 31, 2019 Audited	Three months ended June 30, 2018 Unaudited	Year ended March 31, 2019 Audited
1. Total Income from Operations	1,500.89	1,462.43	-	3,393.58
2. Net Profit for the period (before Tax, Exceptional and/or Extraordinary items)	489.78	458.63	161.29	1,340.67
3. Net Profit for the period before tax (after Exceptional and / or Extraordinary items)	489.78	458.63	161.29	1,340.67
4. Net Profit for the period after tax (after Exceptional and /or Extraordinary items)	340.64	238.32	116.51	943.44
5. Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	340.17	272.30	116.51	959.66
6. Equity Share Capital (of ₹ 10/- per share)	23,998.50	23,998.50	14,999.00	23,998.50
7. Reserves (excluding Revaluation Reserves as shown in the Audited Balance Sheet of previous year)	-	-	-	(21,224.25)
8. Earnings Per Share (of ₹ 10/- each)*				
Basic (₹):	0.14	0.11	0.11	0.58
Diluted (₹):	0.14	0.11	0.11	0.58

** Earnings per share for the interim period is not annualised.*

Notes:

1. The above is an extract of the detailed format of Quarterly Financial Results. The full format of the Quarterly Financial Results are available on the Company's website at www.mcxccl.com.
2. The figures for corresponding quarter ended June 30, 2018 are not comparable as the Company had commenced it's Clearing Corporation operations w.e.f. September 01, 2018.
3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 16, 2019.

For **Multi Commodity Exchange Clearing Corporation Limited**
sd/-
Narendra Ahlawat
Managing Director & CEO

Place: Mumbai | Date: July 16, 2019