

M&A costs to go up as tax relief on goodwill junked

Amendment is to be effective from FY21 and also applies to earlier acquisitions

DEV CHATTERJEE
Mumbai, 3 February



Transactions on mergers and acquisitions (M&As) are set to become costlier because the Budget has proposed that goodwill, whether of a product or company, will not be eligible for tax depreciation.

The amendment is to be effective from FY21 and applies also to earlier acquisitions, and the consequent goodwill related to such transactions. Depreciation on any past goodwill, even if partly claimed, will not be available because the amendment takes effect from April 1, 1998, said tax experts.

This will affect also internal corporate restructuring where goodwill was claimed. "This may lead to more litigation," said a top tax expert.

Several M&A transactions signed in the past, including Hindustan Unilever's acquisition of Horlicks in December 2018 from GlaxoSmithKline Plc, had claimed high goodwill as depreciation and will now be affected by this amendment.

Hindustan Unilever had expected goodwill measured at around 1.3 billion euros to be deductible for tax purposes from the Horlicks deal.

"Depreciation is allowable on intangible assets such as goodwill, and there are judicial precedents on that, arising as a result of an acquisition and/or merger. The amendment seeks to do away with that, and will impact M&As, especially in relation to transactions where intangibles are the predominant chunk of the acquisition price. The ability of the seller to negotiate with the buyer to share the benefit of the tax break will be affected," said Ketan Dalal, managing partner of

ZERO GOODWILL

- M&A, internal restructuring included in amendment
- May lead to more litigations
- Amendment retrospective since 1998

tax advisory firm Katalyst.

"In that sense, the amendment is retroactive, and one wishes this was reconsidered and existing positions grandfathered," he said.

Tax experts said the proposed amendments would render ineffective the judgment of the Supreme Court and various other subsequent verdicts. Consequently, the sound principles of commercial prudence evolved in the past, and especially over the past nine years, in relation to depreciation on goodwill, specifically in cases of acquisition of businesses between third parties, and the valuation of which is at arm's length, would be neutralised by this amendment.

The axiom of "intended consequences" would squarely apply here since the benefit of tax breaks available to the acquirer on account of depreciation on goodwill

WHAT THE BUDGET PROPOSES...

Goodwill (including existing goodwill) to be non-eligible for tax depreciation

- Where goodwill forms part of an asset block on which tax depreciation has been claimed, the asset block's written down value and the short-term capital gains will be determined in a manner to be prescribed
- Acquisition cost of acquired goodwill will be the purchase price (as reduced by obtained tax depreciation); it will be nil for other cases

would not be available and, therefore, result in lower negotiating power to the seller while valuing the business.

"This will affect big-ticket transactions," said Mahindra Chhajed, partner of Chhajed & Doshi and a noted tax expert.

According to Katalyst, the extant provisions of the Income Tax Act provide for depreciation on tangible as well as intangible assets. Intangible assets include know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature. However, the goodwill of a business was not specifically included in the definition of intangible assets.

After long litigation on whether goodwill should be considered an intangible asset and eligible for depreciation, the Supreme Court had held goodwill was a depreciable asset under the Income Tax Act.

Adani's energy biz joins top 20 global club

Thanks to a massive thrust on renewable energy (RE) segment in the last two years, Adani Group's energy business has joined the top 20 global energy companies with its total valuation now touching \$31 billion (₹2.32 trillion) compared to \$6.5 billion two years ago. Nextera Energy of USA and Enel of Italy are topping the global list with \$151 billion and \$103 billion respectively, according to Bloomberg data.

The group is aiming to become world's largest RE company by 2030. The group's energy vertical includes Adani Green Energy, Adani Total Gas, Adani Transmission and Adani Power. Several global investors including Total and QIA have already invested in the group's companies.

Company officials said the transmission business is expected to see over \$50 billion (₹4 trillion) of investments in the next five years, and the government is expected to invest another \$40 billion (₹3 trillion) to revive the ailing utilities.

In order to cash in on the opportunities, the group has built strategic and applied research teams to continue staying ahead and continue its exploration of technologies and endorse the same for early investments. "The coverage of entire value chain augurs well for a sustainable model, and also focuses on capacity and human resources, while delivering on growth execution and operational excellence," said an official.

DEV CHATTERJEE

Leading the pack: Top companies by market capitalisation

Excludes oil & gas companies

Utility	Country	M-cap 2018 (\$ bn)	Rank in 2018	M-cap 2021 (\$ bn)	Rank in 2021	M-cap (%)	Change in rank
NextEra Energy	US	83	1	151	1	82.0	0
Enel	Italy	59	3	103	2	75.0	1
Iberdrola	Spain	50	5	87	3	74.0	2
Ørsted	Denmark	28	15	86	4	207.0	11
Duke Energy	US	63	2	67	5	7.0	-3
China Yangtze Power	China	53	4	65	6	22.0	-2
Southern Company	US	45	8	65	7	43.0	1
Dominion Resources	US	49	6	61	8	26.0	-2
EDF	France	47	7	49	9	4.0	-2
National Grid	UK	33	12	42	10	27.0	2
Exelon Corporation	US	44	9	41	11	-6.0	-2
AEP	US	37	10	41	12	11.0	-2
ENGIE	France	37	10	37	13	0	-3
Sempra Energy	US	30	13	37	14	24.0	-1
Xcel Energy	US	25	18	36	15	41.0	3
Adani energy vertical	India	6	33	31	16	384.0	17
Verbund	Austria	16	26	30	17	88.0	9
Eversource Energy	US	21	21	30	18	44.0	3
PSEG	US	26	16	29	19	12.0	-3
E.ON	Germany	23	20	29	19	26.0	1

Adani, GMR among others in race for rebuilding New Delhi railway station

TWESH MISHRA
New Delhi, 3 February



The station will be developed to ensure multimodal transport integration and development

Arabian Construction Company, Adani Railways Transport, Kalpataru Power Transmission, GMR Highways, and Omaze have expressed interest in redeveloping the New Delhi railway station.

A statement from the Rail Land Development Authority (RLDA) said that BIF IV India Infrastructure Holding (DIFC), ISQ Asia Infrastructure Investments, Anchorage Infrastructure Investments Holdings, and Elpis Ventures also participated in the Request for quotation (RFQ). "These companies will now undergo technical evaluation. In the next stage RLDA will float the Request for Proposal (RFP) for selected participants who get qualified in the technical process," the statement said.

"New Delhi Railway Station Redevelopment is a flagship project of the Rail Land Development Authority, and the first to be undertaken on the Transit-Oriented Development concept in Delhi-NCR. It will incur the capital expenditure

at \$680 million and will be developed on a Design-Build-Finance-Operate-Transfer model. The project offers multiple revenue streams to the developer, including revenue from real estate rights and is slated to be completed in around four years. The concession period is for 60 years," the statement added.

The New Delhi station will be redeveloped with dome-shaped terminal build-

ings, with 2-Arrival and 2-Departure at the concourse level, two multimodal transport hubs (MMTH) on its every side. In addition, there will be 40-floor high-rise twin towers (with hotels/offices and retail at podium) and pedestrian boulevard with high-street shopping among the salient features of the proposed development. Pedestrian movement, cycle tracks, green tracks, and non-motorised vehicles have been integrated into the proposed development plan.

The station will be developed to ensure multimodal transport integration and development. It is connected to the IGI Airport through the Airport Express Line Metro and with Delhi NCR via Yellow Line of Delhi Metro. DTC bus stops lie on both sides of the station.

The station has a master plan area of 120 hectares, of which 88 hectares are being planned in Phase 1 (of the project). RLDA is the approving authority for the master plan. To expedite the approvals and clearances, an apex committee under the chairmanship of lieutenant governor of Delhi has also been constituted.

Adani wins big in Andhra solar auction

SHREYA JAI
New Delhi, 3 February

Adani Green Energy (AGEL) won five mega solar power projects of 600 Megawatt (MW) each in the bidding held by Andhra Pradesh Green Energy Corporation (APGEC) for awarding 6.4 Gigawatt (GW) of ultra mega solar projects.

State-owned NTPC won 600 MW in the auction quoting the lowest tariff of ₹2.48 per kWh (unit).

The lowest tariff discovered in the whole auction process was ₹2.47 per unit by Torrent Power for a 300 MW solar project.

AGEL quoted tariff in the range of ₹2.49-2.58 per unit for the five projects, thereby winning half the capacity offered by the state.

The solar plants are planned to be built in the districts of Kurnool, Ananthapuramu, Prakasam and Kadapa. The final award of the projects is subject to the outcome of a writ petition filed in the High court of Andhra Pradesh.

In January, the High Court stopped the state from awarding the 6.4 GW tender. The case was filed by Tata Power Renewable Energy, to quash the requests for selection (RFS) and draft power purchase agreements (PPAs) issued by APGEC.

Bafna PHARMACEUTICALS LIMITED
CIN : L24294TN1995PLC030698
Regd. Office: No.299, Thambu Chetty Street, Chennai-600 001
Tel: 044 - 2526 7517 / 2527 0992; Fax: 044 - 2523 1264
E-mail: info@bafnapharma.com, Website: www.bafnapharma.com

NOTICE OF BOARD MEETING

Pursuant to Regulation 29 read with Regulation 47(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 notice is hereby given that a meeting of the Board of Directors of the Company will be held on Friday, 12th February, 2021 inter alia, to consider and approve Un-audited Financial Results for the Quarter & Nine Months Ending 31st Dec, 2020 and any other business with the permission of the Chair.

Thanking you,
Place : Chennai
Date : 03.02.2021

Yours faithfully,
For BAFNA PHARMACEUTICALS LIMITED
Jitendra Kumar Pal, Company Secretary

GRAPHITE INDIA LIMITED
Regd. Office: 31, Chowringhee Road, Kolkata 700 016
CIN: L10101WB1974PLC094602

NOTICE

Pursuant to provisions of Regulation 47 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we have to inform you that a meeting of the Board of Directors of Graphite India Limited would be held on Thursday, 11th February, 2021 to consider and approve un-audited financial results (standalone/consolidated) for the quarter and nine months ended 31st December, 2020.

Intimation in this regard is also available on –
1) Company website – www.graphiteindia.com 2) NSE website – www.nseindia.com (scrip code- GRAPHITE) 3) BSE website – www.bseindia.com (scrip code – 509488)

For Graphite India Limited
B. Shiva
Company Secretary

3rd February, 2021

EIH Limited
A MEMBER OF THE OBEROI GROUP
Registered Office: 4 Mangoe Lane, Kolkata – 700 001
Website: www.eihltd.com, CIN: L55101WB1949PLC017981
Phone: 91-33-22486751

PUBLIC ANNOUNCEMENT FOR DELISTING THE EQUITY SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED

Notice is hereby given that pursuant to Regulations 6 and 7 of the Securities and Exchange Board of India (Delisting of equity shares), Regulation, 2009 ("Delisting Regulations"), as amended from time to time, the Board of Directors if the Company as its meeting held on 29th January 2021, has approved, inter-alia, a proposal for voluntary delisting of the Company's equity shares from the Calcutta Stock Exchange Limited ("CSE") (Scrip Code: 05) as there has been no trading in the equity shares of the Company listed on the CSE for several years. The Company is in the process of making necessary application for voluntary delisting of its equity shares from the CSE. The equity shares of the Company shall continue to remain listed of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), having nationwide trading terminals.

NECESSITY AND OBJECT OF DELISTING

There has been no trading in the equity shares of the Company listed on the CSE for the past several years and CSE does not have a nationwide trading terminal. Therefore, the continued listing on the CSE is serving no useful purpose. We intend to delist the equity shares of the Company from the CSE but the equity shares will continue to be listed on the NSE and BSE, having nationwide trading terminals. The shareholders of the Company shall continue to avail the benefits of the listing and trading on the NSE and BSE.

for EIH Limited
S.N.Sridhar
Company Secretary

Place: Delhi
3rd February 2021

EDELWEISS ASSET RECONSTRUCTION CO. LTD.
CIN - U67100MH2007PLC174759
Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400 098.

APPENDIX- IIA
[Refer proviso to Rule 6 (2)]
AUCTION NOTICE FOR SALE OF MOVABLE PROPERTIES

Auction Sale Notice for Sale of Movable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 6(2) of the Security Interest (Enforcement) Rules, 2002.

Notice is hereby given to the public in general and in particular to the Borrower and Guarantor(s) that the below described movable properties hypothecated/pledged/charged to the Secured Creditor/s, the symbolic possession of which has been taken by Authorised Officer of Edelweiss Asset Reconstruction Company Limited, acting in its capacity as Trustee of EARC Trust SC 120, SC 128, SC 129, SC 132, SC 134, SC 176, SC 230 and SC 237 ("EARC") viz. the Secured Creditor, will be sold on "As is where is", "As is what is", and "Whatever there is" basis for Lot-I and Lot-II on 08.03.2021, for recovery of Rs.857,62,64,033 (Rupees Eight Hundred Fifty Seven Crores Sixty Two Lakhs Sixty Four Thousand Thirty Three Only) as on 30th September 2020 together with further interest and other cost / expenses being due to the Secured Creditor i.e. EARC from the Borrower i.e. Arshiya Rail Infrastructure Limited and the Guarantors i.e. 1) Arshiya Limited; 2) Mr. Ajay Mittal; and 3) Ms. Archana Mittal.

The reserve price and earnest money deposit shall be as follows :

Lot No.	Reserve Price (Rs.)	Earnest Money Deposit (EMD) (Rs.)
Lot I	108,26,00,000	27,06,50,000
Lot II	41,20,50,000	10,30,12,500

*Above prices does not include applicable taxes including GST & TCS, which is to the account of the buyer

Description of Secured Assets put for Auction

Lot I - 13 Rakes having 45 BLC Wagons along with 9 BVC Wagon
- 1750 numbers of 20ft Containers

Lot II - 5 Rakes in total out of which 4 Rakes having 45 BLC Wagons and 1 Rake having 40 BLC Wagons along with 4 BVC Wagon
- 700 numbers of 20ft Containers & 45 numbers of 40 ft containers.

For detailed terms and conditions of the sale, please refer to the link provided in EARC's website i.e. <https://www.edelweissarc.in/PropertySale.aspx>

Interested parties may contact through phone on Contact No. +91 9136987963 and/or through e-mail on vinay.agarwal@edelweissfin.com / vipul.gupta@edelweissfin.com

Dated : 04.02.2021 Sd/- Authorised Officer
Place : Mumbai Edelweiss Asset Reconstruction Company Limited

SOLARA
Active Pharma Sciences
SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032

CONDENSED CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020
(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Continuing operations:							
1	Total income from operations	434.98	403.68	349.76	1,191.66	1,040.37	1,349.27
2	Net Profit for the period before tax	65.79	56.77	41.33	164.88	97.01	114.91
3	Net Profit for the period after tax	65.78	56.69	41.33	164.74	96.71	114.52
4	Other Comprehensive Income for the period	0.05	(3.09)	(0.04)	(3.03)	(0.15)	(3.71)
5	Total Comprehensive Income for the period (3 + 4)	65.83	53.60	41.29	161.71	96.56	110.81
6	Equity Share Capital	35.90	35.81	26.04	35.90	26.04	26.85
7	Other Equity						1,059.09
8	Earnings Per Share (of Rs. 10/- each) (for continuing operations) -						
	Basic (Rs.)	18.47	19.21	16.00	53.43	37.51	44.29
	Diluted (Rs.)	17.29	17.25	15.24	49.28	36.61	42.82

Notes:

- 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) Regulations, 2015. The full format of the Quarter and Nine months Financial Results are available on the websites of the NSE Limited (www.nseindia.com), BSE Limited (www.bseindia.com) and at the Company's website (www.solara.co.in)
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 3, 2021. The above results for the quarter ended and nine months ended December 31, 2020 have been reviewed by Deloitte Haskins & Sells LLP, the statutory auditor of the Company, on which they have given an unmodified report.
- Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of board
Bharath R Sessa
Managing Director & CEO

Place : Bengaluru
Date : February 03, 2021

V-GUARD INDUSTRIES LTD.
Registered Office: 42/962, Vennala High School Road, Vennala, Ernakulam-682 028, Kerala.
Tel : 0484-4335000, Email : mail@vguard.in CIN: L31200KL1996PLC010010

Extract of Unaudited Standalone Financial Results for the Quarter and Nine months ended 31.12.2020
(₹ in Lakhs)

Sl. No.	Particulars	For the three months ended			For the nine months ended		For the year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1.	Total income from operations (net)	82,741.43	61,665.93	62,664.12	1,84,990.53	1,94,533.71	2,48,196.29
2.	Net Profit / (Loss) from ordinary activities after tax	7,701.54	5,000.92	4,288.30	13,064.72	15,265.18	18,516.34
3.	Net Profit / (Loss) for the period after tax (after Extraordinary items)	7,701.54	5,000.92	4,288.30	13,064.72	15,265.18	18,516.34
4.	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other Comprehensive income) after tax.	7,701.54	5,000.92	4,288.30	13,064.72	15,265.18	18,290.36
5.	Equity Share Capital	4,294.88	4,289.14	4,276.79	4,294.88	4,276.79	4,282.88
6.	Earnings per share of ₹ 1/- each (before extra ordinary items)						
	(a) Basic:	1.80	1.17	1.00	3.05	3.57	4.33
	(b) Diluted:	1.78	1.16	0.99	3.02	3.53	4.28
7.	Earnings per share of ₹ 1/- each (after extra ordinary items)						
	(a) Basic:	1.80	1.17	1.00	3.05	3.57	4.33
	(b) Diluted:	1.78	1.16	0.99	3.02	3.53	4.28

Extract of Unaudited Consolidated Financial Results for the Quarter and Nine months ended 31.12.2020
(₹ in Lakhs)

Sl. No.	Particulars	For the three months ended			For the nine months ended		For the year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Audited
1.	Total income from operations (net)	83,503.51	62,300.64	63,188.79	1,86,604.48	1,96,180.51	2,50,294.25
2.	Net Profit / (Loss) from ordinary activities after tax	7,824.81	5,161.72	4,424.07	13,350.47	15,602.09	18,825.36
3.	Net Profit / (Loss) for the period after tax (after Extraordinary items)	7,824.81	5,161.72	4,424.07	13,350.47	15,602.09	18,825.36
4.	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other Comprehensive income) after tax.	7,824.81	5,161.72	4,424.07	13,350.47	15,602.09	18,596.81
5.	Equity Share Capital	4,294.88	4,289.14	4,276.79	4,294.88	4,276.79	4,282.88
6.	Earnings per share of ₹ 1/- each (before extra ordinary items)						
	(a) Basic:	1.82	1.20	1.03	3.10	3.63	4.38
	(b) Diluted:	1.80	1.19	1.01	3.08	3.58	4.32
7.	Earnings per share of ₹ 1/- each (after extra ordinary items)						
	(a) Basic:	1.82	1.20	1.03	3.10	3.63	4.38
	(b) Diluted:	1.80	1.19	1.01	3.08	3.58	4.32

