232 APPS BLOCKED ON MeitY ORDER

Digital lending apps say no official word from govt on ban

JATIN GROVER
New Delhi, February 7

THE DIGITAL LENDERS' Association of India (DLAI), which represents over 90 digital lending apps, on Tuesday said it has not received any communication from the ministry of electronics and information technology (MeitY) with regard to restriction on any digital lending app or warning on any fraudulent practices.

The statement from the association comes after the government on February 5 banned close to 232 apps involved in betting, gambling, money laundering, and unauthorised lending with alleged links to China. The banned apps also included 94 loan-lending apps even with non-chinese links. Some of the apps blocked as per MeitY's order include Kissht, PayU-owned LazyPay, Ola Avail Finance, Indiabulls Home Loans, payrupik, Quick Finance, among others.

"Our 90+ members follow a mandatory code of conduct and follow the guidelines specified by various regulatory authorities. We are in the process of collating information from our members and other industry associates about the details. We will approach MeitY and other relevant authorities to understand the matter in detail and implement requisite action points if required," DLAI said.

Meanwhile, digital lending app Kissht said on Tuesday, "The app is currently operating smoothly for our customers across India. While we haven't received any formal notification on the status of our app, we are aware of the development and are seeking clarity from the concerned authorities".

Customers of these digital lending apps like Lazypay also took to Twitter to complain about the not being able to access the app and clear the dues.

KreditBee, another personal loan app, whose proxy app link name also features in the list of blocked apps, said, "Aptoid is a third-party App Store, with which we have no formal or informal partnership. We are speculating that it's a proxy app on Aptoide, and investigating this further. Blocking of the Aptoid link is a favourable outcome for us".

Under Section 69A of the Information Technology Act, the government has the powers to restrict access to any content to protect the sovereignty and integrity of the country, security of the state, friendly relations with foreign states or for public order.

The Reserve Bank of India has also asked MeitY to allow only regulated digital lending apps on the app stores. "The Reserve Bank of India (RBI) has furnished the list of Digital Lending Apps (DLAs) being used by Regulated Entities (REs) of RBI to the Ministry of Electronics & Information Technology (MeitY), which in turn, has shared the list with respective intermediary (App Stores) and requested them to ensure that only the apps figuring in the list are hosted on their app stores," Minister of State for Finance Bhagwat Kisanrao Karad said in a written reply to a question in Rajya Sabha on Tuesday.

With regard to quick loan apps also, there have been multiple complaints of hefty interest rates and threats from the owners of these apps on delay in payment of loans. Further, the Enforcement Directorate has seized Rs 859.15 crore under Prevention of Money Laundering Act. As part of the investigation, the proceeds for the crime have been generated and acquired by accused persons/entities through illegal loan apps, the minister said.

In the last two years, the government has banned about 400 apps related to gaming, video editing, video conferencing, music and entertainment, among others. Lately, the government has also been very vocal about prohibiting games which have wagering as an outcome. In a bid to put a blanket ban on betting in online gaming, MeitY on January 2 notified draft amendments to the IT rules that once enacted will enable self regulatory framework and additional due diligence by online gaming companies.

UNDER LENS

- On February 5, around 232 apps were banned by govt
- These include 94 lending apps even with non-Chinese links
- Some blocked apps include Kissht, LazyPay, Ola Avail Finance, Indiabulls Home Loans

Hero MotoCorp Q3 profit net up 3.6%

FE BUREAU
Mumbai, February 7

HERO MOTOCORP, THE country's biggest two-wheeler maker, on Tuesday reported a 3.6% year-on year rise in standalone net profit for the December quarter, missing Street estimates as sluggish demand and other expenses restricted margin improvement. The company posted a net profit of ₹711 crore in the December quarter, slightly below the Bloomberg estimate of ₹715 crore.

While absolute volumes declined 4% to 1.24 million units in the December quarter, the company's average selling price improved 6% to ₹64,765. This was possible due to the hike in prices for many of its models. The ASP stood at ₹63,545 in the September quarter.

Its total standalone revenue from operations was higher by 2% at ₹8,031 crore year-on-year, which was slightly below the Bloomberg estimate of ₹8,063 crore. The company's Ebitda margin was 11.5% for the quarter, which was on par with the September quarter.

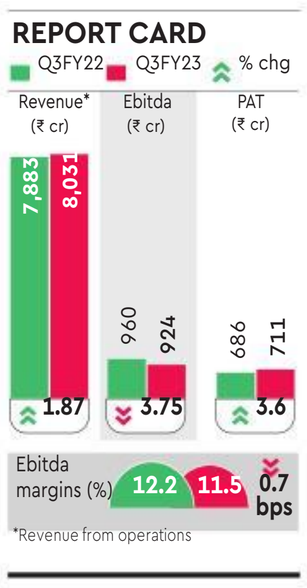
"Hero's revenues are largely in line, with some miss in Ebitda margin caused by higher other expenses, likely on higher discounting and investment in the EV segment. As per our dealer checks, discounting is still ongoing, but the quantum has come down compared to last quarter levels," said Himanshu Singh, research analyst, Prabhudas Lilladher.

Hero MotoCorp's stock closed 1.52% lower on the BSE on Tuesday at ₹2,653.65 compared to its previous day's close. The results were announced after trading hours.

Niranjan Gupta, chief financial officer, Hero MotoCorp, said "We have some exciting launches lined up over the next few quarters, especially in the premium segment. This, coupled with our renewed focus on savings programmes, should also help in improving our margin profile going forward."

Domestic volumes, especially in the motorcycle segment, have fared poorly for the market leader especially in the festive month of October. Motorcycles volumes had slid by 16% for Hero MotoCorp during the festive month and 3% in December. The company's market share has been challenged by its former partner Honda.

Hero MotoCorp is counting on its entry into the electric two-wheeler segment through its brand Vida, under which it has launched two models priced at more than double its ASP. "We are excited about our EV programme, with Vida being established as a premium and aspirational brand. We are planning to roll this out across multiple cities in FY24. Our R&D teams are working on accelerated portfolio expansion as well in the EV space," Gupta added.



IN THE NEWS

AirAsia India to run 3 AI routes

AIR INDIA SAID three of its domestic destinations will now be operated by AirAsia India under the route network rationalisation plan. PTI

Thermax net profit rises 59% y-o-y

THERMAX POSTED A 59% y-o-y growth in consolidated net profit to ₹126 crore for the December quarter. FE BUREAU

Varroc net profit up ₹22 cr in Dec quarter

VARROC ENGINEERING SAW a profit of ₹22 crore in the December quarter against a loss of ₹28 crore a year ago. FE BUREAU

● **ANUJ KATHURIA,** PRESIDENT, JK TYRE AND INDUSTRIES

'We expect 35% reduction in debt by FY25'

JK Tyre's net profit in the December quarter went up by 24% following the growth in demand for truck radials, which are considered to be high-margin products. Anuj Kathuria, president, JK Tyre and Industries, told FE's **Swaraj Baggonkar** *that the company is operating its plants at 90% utilisation levels and is in the process to add further capacity that will come on stream next year. Edited excerpts.*

What were the reasons behind the strong December quarter growth?

Revenues going up by 17% was the main factor. Besides, we have been steadily increasing our prices. We also gained from the softening of raw material prices and finally we have improved our overall operating efficiency where we reduced our operating costs.

What was the price hike taken so far and what has been its impact on demand?

During the quarter, we took a price hike of 1% but more importantly the hikes taken during the year so far has been 11%. This is keeping in mind the overall market forces. There is demand in replacement and demand from vehicle makers.

Which segment witnessed growth in Q3?

Overall volume grew by 13% and topline grew much higher. Truck radials have grown at 11% and total commercial vehicles tyres by 10% while passenger car radials (PCRs) grew by 15%. The revenues coming from truck and bus tyres make up 60% of the total turnover whereas passenger cars contribute 22-23%.

At what levels are the plants operating and do you have any expansion plans?

For the nine months ended December 2022, we operated our plants at 88%, but for the December quarter itself, the capacity utilisation stood at close to 90%. We have announced a capex of ₹1,100 crore out of which ₹300 crore was for debottlenecking and another ₹790 crore was for PCR expansion in Gwalior. The third part of the expansion was in Haridwar which was for ₹260 crore. Both these projects will get implemented in phases starting in H2 of the next financial year.

The company is raising ₹240 crore through securities. Where and how will that be used?

This is part of the expansion plans which are under implementation and also for future expansion. A part of that amount will go for the general corporate purposes including working capital.

JK Tyre has been on an intense debt reduction plan. What is your total net debt now and can you provide some guidance on further reduction?

The total debt as of today is ₹4,900 crore, including the working capital. At the consolidated level, ₹2,900 crore is the long-term debt as of December 31. We are expecting a 35% reduction in the next two years till FY25.

How do you expect demand to shape up in the next two quarters?

Traditionally, Q4 has been a robust quarter for the auto and tyre industry. This year, we don't see it panning out any differently. First quarter is generally a very good quarter. The auto industry is going to see a positive rate of growth this year.

> **Traditionally, Q4 has been a robust quarter for the auto and tyre industry. This year, we don't see it panning out any differently. The auto industry is going to see a positive rate of growth this year.**

BSE LIMITED

25th Floor, P. J. Towers, Dalal Street, Mumbai – 400 001

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PUBLIC NOTICE

In terms of Regulation 32(3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations"), the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 and the Rules, Bye-Laws and Regulations of BSE Limited ("the Exchange"), NOTICE is hereby given that the Exchange proposes to delist the undermentioned **04** companies from the Exchange as the said companies have, inter alia, made out grounds for compulsory delisting of their securities.

The Exchange has issued a notice to the below mentioned companies at their last known address as per the Exchange's as well as Ministry of Corporate Affairs records (where different), advising the said companies to SHOW CAUSE as to why the Exchange should not proceed with the compulsory delisting of the companies.

The list of these companies along with their last known addresses as per records is given below:

Sr. No.	Scrip Code	Company Name	Address (as per Exchange records)
1	531486	Filmcity Media Ltd.	2 / 19, Om Heera Panna Mall, Oshiwara, Andheri (West), Mumbai – 400 053.
2	511682	IFL Promoters Ltd.	A – 66, Second Floor, Guru Nanak Pura, Vikas Marg, Laxmi Nagar, New Delhi, Delhi – 110 092.
3	530519	Interface Financial Services Ltd.	3rd Floor, Chinubhai House, 7 – B, Amrutbaug Colony, Opp. Sardar Patel Stadium, Near Hindu Colony, Navrangpura, Ahmedabad, Gujarat – 380 014.
4	502465	Speciality Papers Ltd.	105, 1st Floor, Shree Jalaram Complex Co. Op. Soc., Near DCB Bank, Silvassa Road, Vapi, Gujarat – 396 191.

Notes:

The details of the promoters, directors and management personnel of the abovementioned companies are available on the Exchange website www.bseindia.com under the tab "Corporate Information" under 'Management' on the individual company's webpage. In case of any change in the said details, the same should be communicated immediately to the Exchange but not later than 15 working days from the date of this notice, in the manner specified herein below.

All concerned, including the promoters of the aforementioned companies, are advised to note that the Exchange proposes to compulsorily delist the securities of the aforementioned companies and the consequences of compulsory delisting provided in the Delisting Regulations are as follows:

1. These companies would cease to be listed on the stock exchange and would be moved to the Dissemination Board of the Exchange.
2. **The relevant provisions of Delisting Regulations, 2021 are as follows:**
   - **Rights of public shareholders in case of compulsory delisting**

     Regulation 33:

     "..... (4) The promoter(s) of the company shall acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer, within three months of the date of delisting from the recognized stock exchange, subject to the option of the public shareholders to retain their shares...."

     "(5) The promoter shall be liable to pay interest at the rate of ten percent per annum to all the shareholders, who offer their shares under the compulsory delisting offer, if the price payable in terms of sub-regulation (3) is not paid to all the shareholders within the time specified under sub-regulation (4):"

   - **Consequences of compulsory delisting**

     Regulation 34:

     " (1) Where a company has been compulsorily delisted under this Chapter, the company, its whole-time directors, person(s) responsible for ensuring compliance with the securities laws, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares or act as an intermediary in the securities market for a period of ten years from the date of such delisting.

     (2) In case of such companies whose fair value is positive -

     (a) such a company and the depositories shall not effect transfer, by way of sale, pledge, etc., of any of the equity shares held by the promoters / promoter group and the corporate benefits like dividend, rights, bonus shares, split, etc. shall be frozen for all the equity shares held by the promoters/ promoter group, till the promoters of such company provide an exit option to the public shareholders in compliance with sub regulation (4) of regulation 33 of these regulations, as certified by the relevant recognized stock exchange;

     (b) the promoters, whole-time directors and person(s) responsible for ensuring compliance with the securities laws, of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as mentioned in clause (a) is provided."
3. As per directions received from SEBI, the consequences of compulsory delisting as provided for in Regulation 34(1) of the SEBI Delisting Regulations, 2021 would not apply to such companies, its promoters and whole time directors, if the date of the appointment of provisional liquidator or the order of winding up is prior to the date of compulsory delisting of the securities of the company.

In case, any person concerned is desirous of making any representation to the Exchange in relation to the proposed compulsory delisting of securities of above companies, they may do so in writing with all supporting documents, **within 15 working days of the date of this Notice.** Scanned copy of the signed representation containing complete contact details (email id, address and phone number) of the person/s making the representation/s should be **mandatorily emailed to the specified email id i.e., bse.delistscn@bseindia.com.** Any anonymous representation(s) would not be considered valid.

Kindly note that representations sent through any mode of communication other than to the designated email id would not be construed as valid representation and thus, will not be considered by the Exchange.

For and on behalf of BSE Ltd.
February 08, 2023