

RENU KOHLI

Panic reforms could flop since timing as critical as content

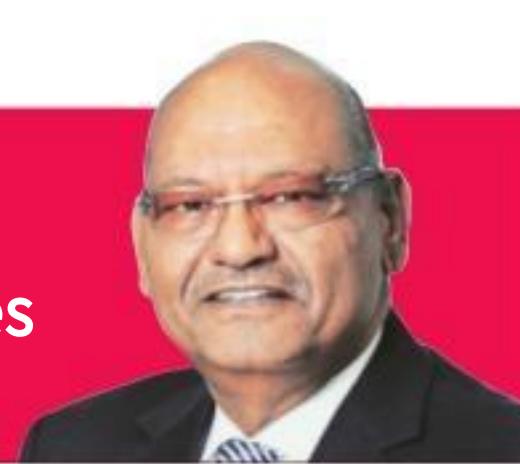
EDITORIAL

All the reforms happening now were much needed, but convincing industry not easy, given past U-turns

MUMBAI, WEDNESDAY, MAY 13, 2020

GOING PRIVATE

Agarwal to buy
Vedanta's public shares
for ₹16,200 crore

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CORONA ANGER

Trump cuts off savings
fund's investment
in Chinese stocks



FINANCIAL EXPRESS

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MODI'S VISION 2020

A ₹20-lakh-cr package, sweeping reforms

PM says 'we will wear masks but our lives can't just be about corona'

SUNIL JAIN
New Delhi, May 12

EVEN BY THE standards of the stimulus package in developed nations like the US, Prime Minister Narendra Modi's ₹20-lakh-crore package — this includes the ₹4-4.5 lakh crore of liquidity boost by RBI — is not just massive, it signals a sea-change in the way the country is to be governed. There are, as yet, no details of the package, but Modi promised sweeping reforms to ensure, as he said, the 21st century belongs to India. "We will be careful about corona," he said, "we will wear masks, we will observe 'do gaz ki doori', but our lives can't just be about corona".

The half-hour speech was, in characteristic Modi style, peppered with examples that fired the imagination. The 20th century, he said, began with the Y2K problem that had the world in panic, and it was India that solved the problem. Though India has not found a corona solution, he said, the world is looking at India for medicines — witness President Trump trying to arm-twist Modi to get HCQ supplies — and from a country that never produced a single N-95 mask or PPE, he said, "we are producing 2 lakh of each every day". His recalling the devastation of the Kutch earthquake — 'it looked as if the entire earth had worn a grey blanket' — would have reassured citizens since it



was Modi that oversaw that reconstruction.

The final package, when it is announced by finance minister Nirmala Sitharaman later today will likely be much smaller than what the PM announced — apart from the RBI's stimulus, some part will probably be guaranteeing bank loans to producers — but a good way to judge its size is to juxtapose this with the expected collapse in the econ-

omy. The most pessimistic estimate is a 5% real contraction in growth; Modi's package, then, seeks to overcome that and ensure there is a small positive growth in the year. As expert after expert has said, it is critical that the economy doesn't stall/contract as reviving businesses — and livelihoods — after they have shut is very difficult.

Continued on Page 2

Biggies manage, smaller firms hit permit hurdles

SHUBHRA TANDON
Mumbai, May 12

ON TUESDAY, MARUTI SUZUKI India restarted production — on a low scale though — at its Manesar plant in Haryana. The company has also reopened around 600 of its dealerships. Other auto players like Hyundai, Hero MotoCorp, Bajaj Auto, and Mahindra and Mahindra, have also taken similar baby steps after the government allowed operations in non-containment areas with a set of SoPs and social distancing.

However, even as such rebooting is happening, the experience is not uniform and all that pleasant across the country. The bigger and well-networked companies have managed to move ahead in a slow but steady manner but for smaller players the pain is greater. Reason: Covid-19 has in a way brought back some form of licence-permit raj and the district magistrate has become the new all-powerful officer holding unlimited discretionary powers. The smaller players, who also happen to be vendors to bigger players in several cases, are finding the going tough in such an environment.

Companies need to seek permission from the local administration — the office of the district magistrate — by submitting a host of informa-



Passengers walk to board a train to Delhi at the Howrah station following resumption of passenger train services connecting the country's major cities, in Kolkata on Tuesday

COVID-19 UPDATE

74,219
TOTAL CASES
2,415
DEATHS SO FAR **3,468** NEW CASES

Centre plans to take states' views in categorising zones

ABANTIKA GHOSH
New Delhi, May 12

AFTER SEVERAL CHIEF ministers demanded more authority in classifying zones in their jurisdiction during the video conference with Prime Minister Narendra Modi on Monday, the Centre now plans to involve states and seek their views in drawing up the list of green, orange and red zones.

"We have asked states to share their inputs and views with us. These will be factored in the next list," a senior government functionary who was present in the Monday meeting told *The Indian Express*. Some states are still pushing for full freedom in zoning districts in their jurisdiction, with the Centre only deciding the broad principles.

Continued on Page 2

E-way bills on GST portal double from April level

SUMIT JHA
New Delhi, May 12

THE AVERAGE NUMBER of e-way bills generated by businesses on the GST Network portal was 6 lakh/day in the week to May 11, twice the level in April, in what indicated a pick-up in economic activities and demand after the lockdown restrictions were relaxed on May 4 (see chart). In February, an average of 19.7 lakh e-way bills were issued by the portal on a daily basis.

Continued on Page 2

E-way bills generation

February: Pre-lockdown regular month

19.7

March: Lockdown for one week

13.1

April 1-May 3: Total lockdown

2.9

May 4-May 11: Relaxed lockdown

6

Daily average, (in lakh)



Some states to quarantine Rajdhani travellers on arrival

SOME STATES, including Tamil Nadu, Kerala, West Bengal and Karnataka, have decided to insist on strict quarantine periods for those arriving by the special Rajdhani trains. During their video conference with PM Narendra Modi, several states had expressed concerns over the resumption of regular trains. ■ P2

Rebound fears: Wuhan to test entire 11 m of its population

WUHAN, THE Chinese city where the deadly novel coronavirus emerged in December last year, has decided to test the city's entire 11 million population after new cases were reported for the first time in weeks, sparking fears of the second wave of the virus attack.

CLSA REPORT

Tata Motors business has no value without JLR

NUPUR ACHARYA
Mumbai, May 12

WITH THE CORONAVIRUS pandemic crippling demand for automobiles worldwide, Tata Motors is worth nothing without its luxury unit Jaguar Land Rover, according to CLSA.

The \$3.7-billion auto company faces a significant increase in debt due to the crisis, and its plan to deleverage may be delayed by four to six quarters, CLSA said.

It has already received a lifeline from parent Tata Sons in the form of a preferential equity allotment, and the brokerage thinks further aid could be required.

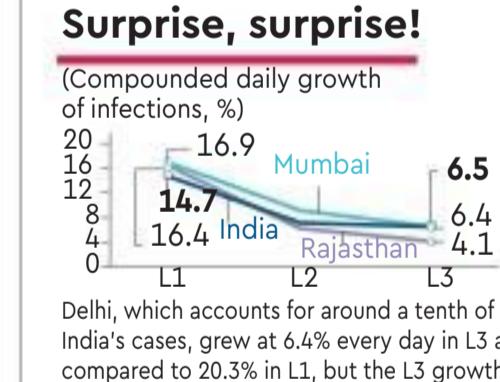
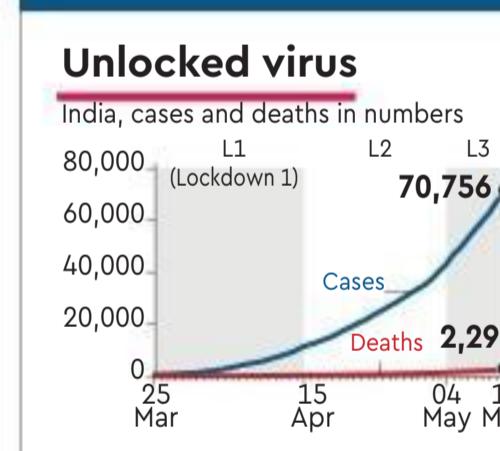
"JLR is the only driver of its valuation," analyst Amyn Pirani wrote in a report, downgrading Tata Motors to underperform from buy. "We believe future equity infusions are also likely to be utilised for loss funding and hence we do not attribute any equity value to its India business."

Indian demand for passenger vehicles was slumping even before the virus outbreak. With the pandemic forcing a strict lockdown, the nation's top carmakers couldn't ship a single vehicle to dealers in April. Tata Motors has been the worst performer on the S&P BSE Auto Index this year with a decline of over 53%.

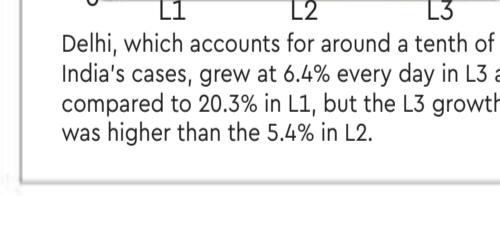
The virus has also been a setback for JLR, which was beginning to show signs of a turnaround late last year from the combined negative impact of a slowdown in China, Brexit and European emissions rules.

Continued on Page 2

Corona case files



Surprise, surprise!



Delhi, which accounts for around a tenth of India's cases, grew at 6.4% every day in L3 as compared to 20.3% in L1, but the L3 growth was higher than the 5.4% in L2.

Chennai cases grew at 14.9% every day in L3 vs 10% in L2, Odisha by 11.1% in L3 vs 5.8% in L2, and Punjab at 10.4% in L3 vs 8.1% in L2. West Bengal grew at 9.4% in L3 as compared to 8.7% in L2, but the data may not be accurate.

Believe it or not!

Death rate*

Unusually high

6.6

Ahmedabad

Unusually low

0.8

Bihar

India

3.2

Kerala

India

31.7

Punjab

9

*Total deaths as a percentage of total infections

Recovery rate*

94.2

Indicates new cases rising very fast

Ishaan Gera

Death rate*

Unusually high

12.9

Ahmedabad

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0.8

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*Total recoveries as a percentage of total infections

Recovery rate*

94.2

Indicates new cases

Economy

WEDNESDAY, MAY 13, 2020



CORONA IMPACT

Abhijit Banerjee, Nobel laureate

China is being blamed now for the coronavirus outbreak. Even people are saying that India stands to benefit as businesses will shift from China and come to India. But that may not be true

Quick View



AI to fly 149 repatriation flights

AIR INDIA IS planning to operate 149 repatriation flights to 31 countries between May 16 and May 22 during the second phase of the Vande Bharat mission to bring back home Indians stranded abroad amid the coronavirus-triggered lockdown, officials said. During the first phase of the Vande Bharat mission, Air India and its subsidiary Air India Express are scheduled to operate total 64 flights between May 7 and May 14 to bring approximately 15,000 Indians from 12 countries on a payment basis.

No pre-arrest bail for Wadhawans

THE BOMBAY HIGH court on Tuesday refused to grant pre-arrest bail to DHFL promoters Dheeraj Wadhawan and Kapil Wadhawan in a money laundering case of Yes Bank being probed by the Enforcement Directorate (ED), noting their custodial interrogation was required to unearth the conspiracy and modus operandi in the multi-crore scam. The Wadhawans are presently in jail after being earlier arrested by the CBI in a separate case related to the Yes Bank scam.

\$3.6-m grant for India's Covid fight

THE US' CENTRES for Disease Control and Prevention (CDC) has committed \$3.6 million to assist India's response to the Covid-19 pandemic and the aid will support prevention, preparedness and response activities. The funds will also be used to support the development of Infection Prevention and Control (IPC) centres of excellence that can improve the ability of hospital networks to detect Covid-19 and strengthen local health systems through enhanced surveillance and monitoring systems, a US Embassy statement said.

Delhi, Hyderabad airports' ratings

FITCH RATINGS HAS affirmed the Long-Term Issuer Default Rating (IDR) and bond issue ratings of GMR-led Delhi Airport and Hyderabad Airports at 'BB+' with a Negative Outlook. The Negative Outlook reflects the ongoing uncertainty relating to the timing and duration of the traffic shock and recovery caused by the coronavirus pandemic, the rating agency said on Tuesday.

Plaint against WB lottery body, stockist

FAIR TRADE REGULATOR Competition Commission has closed a complaint alleging unfair business practices by the Directorate of State Lotteries, West Bengal, and West Bengal Lottery Stockists Syndicate. The complainant had alleged that an agreement between the Directorate of State Lotteries and West Bengal Lottery Stockists Syndicate allowed the latter to purchase paper lotteries at credit and discount, to the exclusion of the general public and stockists, among others.

LOCKDOWN EFFECT

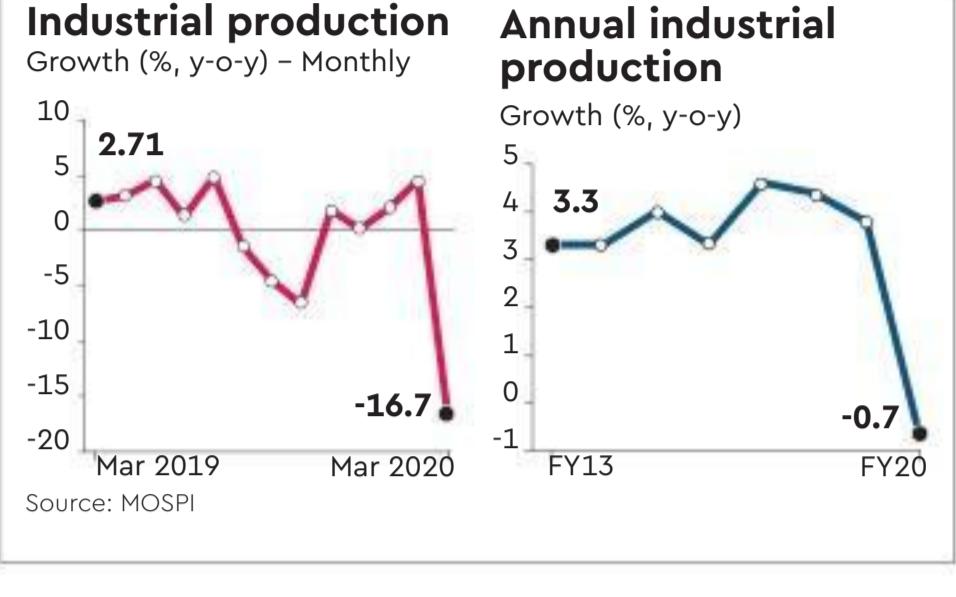
Industrial output shrinks 16.7% in Mar

This is the sharpest monthly contraction since the inception of the 2011-12 IIP base series

FE BUREAU
New Delhi, May 12

IN WHAT SHOWED the enormity of the blow the Covid-19 pandemic and resultant lockdown has dealt to the economy, the country's industrial production contracted a steep 16.7% in March, 2020 versus 2.7% growth in the year-ago month, and 4.5% expansion in the previous month. Though most analysts expected a significant contraction of industrial output in March, as the last week of the month saw imposition of lockdown, the extent of the fall was far more pronounced than the expectations.

This is the sharpest



monthly contraction since the inception of the 2011-12 index of industrial production (IIP) base series. Obviously, the contraction would likely be far worse in April, the month that witnessed lockdown throughout; May is unlikely to be far better either, even though there are early signs of some 20% of the businesses being recovered.

The contraction in the industrial output is in line

with reduction in eight core sector growth (-6.5%) in March 2020. Decline in the industrial output has been broadbased across sectors as well as in the use-based categories," CARE Ratings wrote. Capital goods segment, that has proved to be very volatile but still seen as a proxy of investment momentum, registered a sharp and unprecedented contraction of 35.6% in March, while consumer goods output fell by 33.1%.

In terms of annual growth in the industrial output, IIP has contracted by -0.7% in FY20, again an annual fall for the first time since the introduction of current series in FY12.

According to National Statistical Office (NSO) data, manufacturing sector output plunged by 20.6% in March as compared to a growth of 3.1% in the year ago month. Electricity generation declined by 6.8% as against a growth of 2.2% in March 2019. Mining sector output remained flat compared to a growth of 0.8% earlier.

As FE reported, merchandise exports crashed by almost 35% year-on-year in March to \$21.4 billion, the sharpest monthly decline in at least two decades, and imports plunged by 28.7%, as the Covid-19 outbreak and a consequent lockdown spelled havoc for external trade. Exporters warn of a much steeper decline in both outbound and inbound ship-

ments in April. "While the (FY20 industrial output) growth has been lower across sectors than a year ago, the manufacturing sector has registered contraction in the output during the year. Within the used based classification, compared with the previous year, all segments indicated lower growth with capital goods, infrastructure and consumer durables slipping into contraction with an exception being intermediate goods, whose growth rate has been highest in the last eight years," CARE Ratings observed.

The slump in economic activities has already reflected on government revenues. While the Centre is yet to release then GST receipts data, several state governments have said that their own tax revenue (which includes S-GST) for the month was only 10-20% of the normal.

Govt does not release April inflation figures as lockdown prevents data collection

PRESS TRUST OF INDIA
New Delhi, May 12

THE GOVERNMENT DID not release the April CPI inflation data on Tuesday as the nationwide lockdown prevented officials from collecting price data at various centres.

However, the Consumer Price Index (CPI) data that could be collected telephonically has been released, the National Statistical Office (NSO) said in a release. Usually, price data is collected from selected 1,114 urban markets and 1,181 villages through personal visits by field staff of Field Operations Division of NSO on a weekly roaster.

The data collected telephonically did show increase in prices of certain important commodities like milk products, fruits and vegetables in April over March.

However, the press release said, 'the General CPI and indices at State/UT level are not being released for the month of April, 2020.'

In view of the preventive

measures and announcement of nationwide lockdown by the government to contain the spread of Covid-19, the collection of data on prices for CPI through personal visits of price collectors was suspended with effect from March 19, 2020.

In April 2020, price data was largely collected by telephonic enquiry from the designated outlets. This was supplemented by information collected during the personal purchase of field staff for the items being transacted from neighbourhood outlets keeping in view the travel advisories, the release said.

NSO said the price movements for the sub-groups 'meat and fish' and 'prepared meals, snacks, sweets etc' under 'food & beverages' group as well as the 'pan, tobacco and intoxicants' group, 'clothing and footwear' group were not compiled.

Meanwhile, the retail inflation for March has been revised marginally lower to 5.84% compared to 5.91% estimated earlier, it added.

The data collected telephonically did show increase in prices of certain important commodities like milk products, fruits and vegetables in April over March.

The ministry has proposed that passengers should reach the airport at least two hours before a flight and do away with passenger identity checks at airport entry gates to minimise rush at the entry points.

Passengers can do web check-in and carrying cabin baggage should not be allowed in the initial phase of operations, as per the document.

Further, the ministry has suggested that passengers denied travel due to high temperature or age should be permitted to change their date of travel without penalty and airlines would have to maintain their records.

Airports should have an isolation zone in the terminal building as well as the airside for passengers showing symptoms and state governments should provide requisite help with medical infrastructure in case an airport does not have an APHO (Airport Health Organisation) set up, it noted.

Civil aviation ministry suggests no cabin baggage for passengers in initial phase

PRESS TRUST OF INDIA
Mumbai, May 12



from Defence, the telecom operators have also expressed their unwillingness to buy 5G spectrum at such high reserve price. The telcos desired that 5G spectrum should be deferred as currently the ecosystem is not in place.

It must be mentioned that DCC, the apex policy-making, inter-ministerial body of the DoT, in December had cleared the auction for all the bands, including that of 5G. The plan was to put 8300 MHz spectrum across several bands, worth ₹5.22 lakh crore, for sale. However, as no decision has been arrived at regarding the quantum of 5G spectrum that can be auctioned, the DCC in its meeting on May 11 decided to delink 5G from the upcoming auction.

Apart from the demand

FILING UP OF a detailed questionnaire related to Covid-19, carrying no cabin baggage, using Aarogya Setu app and reaching airport at least two hours before a flight departure are among the suggested requirements for air passengers during the initial phase after resumption of commercial flights.

The civil aviation ministry has come out with a draft Standard Operating Procedure (SOP) for restarting commercial air passenger services in the country, which remain suspended since March 25 in the wake of the lockdown to curb spreading of coronavirus infections.

"It is clarified that suggestions were sought on a draft discussion paper from airlines and airports. The suggestions have now been received. The final SOP is yet to be issued," the ministry said in a statement.

Not just for passengers, the draft SOP has suggested measures that could be followed by security agencies as well as airport operators, including doing away with identity card checks at airport entry gates



and ensuring social distancing requirements.

Another suggestion is to keep three rows of an aircraft vacant for isolating any passenger who has a medical emergency onboard.

The draft SOP was prepared after discussions with stakeholders, including airlines and airport operators. Comments have been sought from the stakeholders on it, according to sources.

Notably, the draft document is silent on leaving the middle seat of the aircraft vacant for maintaining social distancing. Aviation regulator

DGCA had made a suggestion about leaving middle seat vacant, prior to suspension of commercial flight services in March.

"A questionnaire to be circulated to the passenger and filled up by them in advance about their past history related to Covid-19 and quarantine, if any, in last one month.

"Any passenger who has undergone quarantine in the last one month to be sent for security at the isolated security check unit only," as per the document.

According to the document, passengers should be advised to familiarise themselves about the new procedures at the airport, especially about social distancing norms and ensuring minimum touch of various surfaces.

They should also be familiar with baggage limitations, Covid-19 questionnaire, need to register on Aarogya Setu app, possibly slower processes at airports and use of authorised taxis to reach airport, it said.

Rlys makes Aarogya Setu mobile app 'mandatory' to travel on special trains

PRESS TRUST OF INDIA
New Delhi, May 12



screened and if tested positive will be quarantined.

Similarly, according to the revised guidelines issued on Tuesday by the Kerala government, people seeking to travel to the state from other parts of the country at entry points and if they are found Covid-19 positive, they will be taken to hospitals. However, in the case of persons coming in from hotspots - Delhi, Gujarat, Maharashtra - even if the test results are negative, they will be sent to institutional quarantine for seven days.

After seven days, if a person displays no symptom, he or she will be sent home for another seven days of home quarantine or be kept in government quarantine if there are no quarantine facilities at home.

West Bengal has said that passengers arriving at Howrah railway station would have to carry a Covid pass from the state's Covid-19 portal. They will then be

Vehicles will be made available for people arriving by these trains to go to their homes, maintaining social distancing norms, during the journey and the drivers of these vehicles will also be put under home quarantine.

Karnataka chief minister B S Yediyurappa has approved a list of protocols for people returning to states from other parts of the country and from abroad, as per which each applicant is required to register in designated portal giving details of his or her place of arrival in the state and date. The applications, including those who wish to board the special Rajdhani trains, will be cleared only on the basis of availability of quarantine facilities. The travellers will have to initially pay for the train tickets but the state government will later refund the fares.

As it restarted passenger

only asymptomatic passengers holding confirmed e-tickets will be allowed to travel. To start with, 15 pairs of special air-conditioned Rajdhani trains (30 return journeys) will run from New Delhi station, connecting fifteen stations across the country.

The railways will keep ticket booking counters at the stations closed, prohibiting the issuing of counter tickets, including platform tickets as well as booking of tickets through agents. However, a railway official told FE that each coach will be filled to capacity and that seats will be fully booked, casting doubts about the standards of social distancing.

The special Rajdhani

trains will run to Dibrugarh, Agartala, Howrah, Patna, Bilaspur, Secunderabad, Bengaluru, Chennai, Thiruvananthapuram, Madgaon, Mumbai Central, Ahmedabad, and Jammu Tawi.

"Indian Railways is going to start few passenger train services. It is mandatory for passengers to download Aarogya Setu app on their mobile phones, before commencing their journey," the tweet said.

Sources said while many among the nearly 8,000 passengers, who travelled on the eight special trains that operated on Tuesday, did not have the Aarogya Setu app, no one was denied travel rights because they had not downloaded it.

"They were allowed to travel provided they were asymptomatic," an official said. Sources said many senior officials were not aware till Tuesday morning that the app had been made mandatory.

Railways

"We did not make this app compulsory on the special trains for migrants," Bajpai said. Sources said installing the app was made mandatory after a Union ministry of home affairs (MHA) missive, following Prime Minister Narendra Modi's meeting with chief ministers on Monday.

Passengers who do not

have the app installed on their mobile phones might be asked to do so after their arrival at the station, they added.

The government last month launched its own contact-tracing app, Aarogya Setu, developed by the ministry of electronics and information technology. The aim of the app is to prevent the spread of the novel coronavirus.

Until recently, only smartphone users were able to use the app to get updates on whether they had unknowingly come in contact with a Covid-19 positive person and could contract the virus. Subsequently, to cover feature phones and landline connections, the government launched the Aarogya Setu Interactive Voice Response System (IVRS).

The IVRS is available across the country as a toll-free service, where a feature phone and landline user will need to give a missed call to the number 1921 and will get a return call, requesting for inputs regarding their health.

The questions asked are aligned with the Aarogya Setu app and based on the responses given by the caller. The caller will get a text message indicating her/his health status and alerts for her/his health moving forward.

The government has said the inputs provided by the citizens will be made part of the Aarogya Setu app database. The information provided will be processed to send alerts on the actions needed to be taken to ensure user safety.

financialexpress.in

Crude oil prices to stabilise over next 4-6 quarters: Icra

PRESS TRUST OF INDIA
Mumbai, May 12

CRUDE OIL CRASH is creating several headwinds for both upstream and downstream companies, a report said expecting prices to stabilise over the next four to six quarters given the shape of the global economy.

While the global economy is projected to contract 3% this year, the domestic economy is forecast to stall completely, though may stave off contraction, according to many analysts.

India, the third largest fuel consumer and importer, is under a seven-week Covid-19 lockdown ending on May 17, has seen demand almost halving during the national shuttering, while the global demand crimped by 30% in April.

According to an analysis by domestic rating agency Icra, Brent crude is likely to trade in the range of \$20 to \$40 a barrel in the medium term or till the Covid-19 infections abate, as the world is fearing a second wave of the pandemic from next winter.

"Brent may trade in a band of \$20 to \$40 a barrel until the Covid-19 fears abate, with intermittent volatility depending on news flow," Icra told a webinar on Tuesday.

The plunge in global crude prices – down from \$77 a barrel early January to mid-\$20s now – is highly credit negative

for domestic upstream players, while refining and marketing companies and gas utilities also face several headwinds.

Profitability of the downstream sector will also be impacted by lower gross refining margins (GRMs) as the pandemic has eroded demand for refined fuel thereby weighing on crack spreads with gasoline and ATF spreads being the worst hit.

While ATF demand fell 94% in April, petrol intake plunged 64%, forcing refineries to run at around 40% of their capacity as the lockdown has stopped all traffic.

According to K Ravichandran, a senior vice-president at Icra, the sharp drop in crude prices is credit negative for the upstream sector as their realisations and cash accruals will decline meaningfully. Additionally, gas prices at various international gas hubs have declined, which will lead to lower domestic gas prices in FY21.

Despite the government's permission, it would take at least a couple of months to start all the units normally as nearly 50% of migrant labourers have moved back to their home states.

The cluster had suddenly plummeted from as high as 6.5-7.0 million standard cubic metre a day (mscmd) to almost zero.

However, with recommendation of work at Morbi, demand has again gone up to around 0.7 mscmd.

Apart from the ceramic cluster in Morbi, GGL is supplying gas to household and industrial consumers in South Gujarat.

The company continued supply to household during entire lockdown period. Relaxation in lockdown has increased gas demand from industrial customers also, said an official of GGL.

According to him overall natural gas sales for Gujarat Gas had doubled from nearly 1.0 mscmd in the beginning of May to over 2.0 mscmd at present.

Gujarat Gas has a network of over 24,000 km of gas pipeline, 395 CNG stations, connections to 15 lakh households and 4,390 industrial and commercial establishments as its consumers. It distributes about 9.3 mscmd of natural gas, of which 80% is consumed by Morbi ceramic cluster.

The ceramic association has record of only those workers who are directly employed with the units, he said. If those indirectly employed are counted, the number of labourers who have returned to their native places could be much higher.

With Morbi ceramic industry gradually restarting to function, Gujarat Gas (GGL) has also started witnessing surge in natural gas demand. The Gujarat government-owned company is selling nearly 80% of natural gas to Morbi ceramic cluster.

Since March 25, demand from

enough supply for India as local processors implemented production cuts. They issued tenders to buy at least 7,37,000 tonne of LPG for delivery in April, May and June, normally the leanest months for consumption of the gas, but ended up purchasing just over half that amount as prices skyrocketed. —BLOOMBERG

that it would supply LPG free to 83 million poor households may also have skewed the refiners' buying decisions.

"Panic buying in India last month somewhat boosted demand and thus imports of LPG," said Jeslyn Chua, an analyst at industry consultant FGE.

"Despite India extending the lockdown until May 17, it's not going to boost LPG demand as Indians have already covered their needs for May and June."

The five LPG shipments of around 45,000 tonne each bought by Indian Oil, Bharat Petroleum and Hindustan Petroleum have been cancelled through mutual agreements with the suppliers, according to the traders and officials who didn't want to be named due to internal company policy.

The processors were left with too much LPG after over-estimating demand and ramping up purchases in late March and early April.

Consumption of transport and industrial fuels plunged after India imposed the world's biggest national lockdown on March 25, but LPG

was resilient as it's mainly used for cooking at home. Demand for the gas, the only processed fuel that India imports large quantities of, was estimated to have jumped 40% in the first week of April as people rushed to stock up.

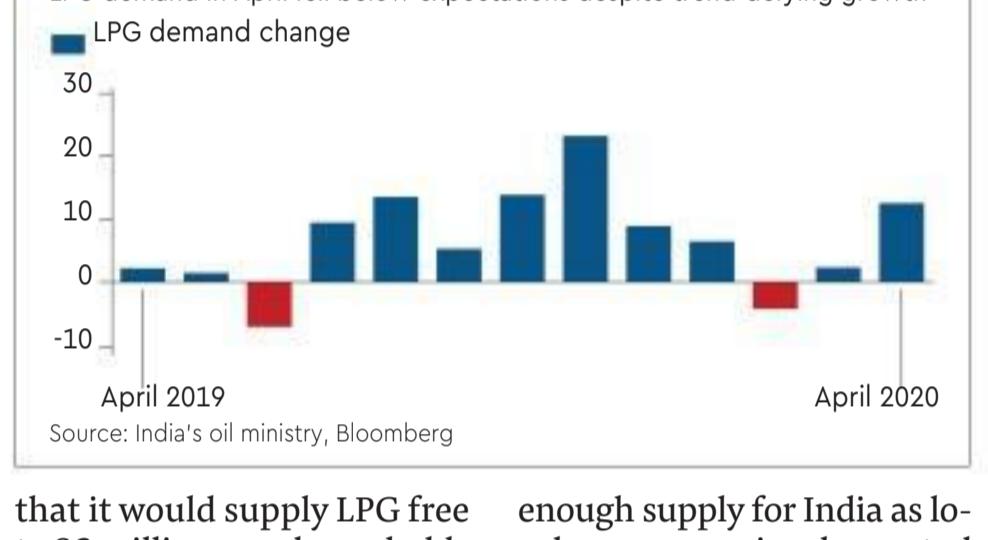
The buying tempo wasn't sustained, however, with consumption increasing only 12% over the full month.

The Indian refiners' predicament shows how difficult it is to assess demand in the midst of a fast-evolving pandemic. The country's initial three-week stay-home order has already been extended twice but has also been relaxed with factories, offices and transportation restarting gradually. The government's announcement in late March

Spokespeople at the three refiners didn't respond to emails seeking comment.

The processors went on a buying spree just after the lockdown was announced, with oil minister Dharmendra Pradhan even asking the Saudis to ensure there was

Mixed signal
LPG demand in April fell below expectations despite trend-defying growth



India's largest ceramic cluster resumes ops

FE BUREAU
Ahmedabad, May 12

INDIA'S LARGEST CLUSTER of ceramics industry in Morbi is gradually recommencing production activities following the Gujarat government's permission to resume business activities in the green zones since the beginning of May.

Over the past one week, 70-80 of the 1,000-odd units have recommended production works, said Niles Jetpariya,

president of Morbi Ceramic Association, adding that right

from the implementation of

the nationwide lockdown,

Morbi and surrounding areas

had remained in green zone.

Despite the government's permission, it would take at least a couple of months to start all the units normally as nearly 50% of migrant labourers have moved back to their home states.

With dipping prices of clean

energy, a shift in the country's

energy mix is already emerging.

India's coal-fired generation

fleet had an average utilisation of

56% in the 12 months through

March, the lowest in at least 15

years, power ministry data show.

"Any return of India's poor air

quality and smog can be expect

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in the report. —BLOOMBERG

halt the spread of the corona

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world's third-largest emitter of

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nomic growth. Weeks of lock

down have eased India's chronic

air pollution, raising hopes of a

more sustainable solution.

India's carbon emissions fall for first time in four decades

RAJESH KUMAR SINGH
New Delhi, May 12

INDIA'S CARBON DIOXIDE emissions fell for the first time in four decades as a combination of economic weakness and competition from renewable power limited consumption of fossil fuels.

Emissions likely dropped by 1.4% in the year ended March, thanks to slowing demand for coal and oil over the previous 12 months, Centre for Research on Energy and Clean Air analysts Lauri Myllyvirta and Sunil Dahiya said in a report on Tues

day. Carbon dioxide releases

plumbed 15% in March and 30% in April from a year earlier, as a countrywide lockdown to

halt the spread of the corona

virus further eroded fuel demand, the report said.

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normal temperatures in core

heat wave zones this summer.

However, the temperature has

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Companies

WEDNESDAY, MAY 13, 2020



STEEL SECTOR
Seshagiri Rao, joint MD & group CFO, JSW Steel
Government handholding is required either by monetary measures or fiscal measures to support it (steel sector)... as the recovery will take a much longer time in India

Quick View



Covid: Glenmark starts Phase 3 clinical trials on Favipiravir

GLENMARK PHARMACEUTICALS on Tuesday said it has initiated Phase 3 clinical trials on antiviral drug Favipiravir to check its efficacy on Covid-19 patients in India. The Mumbai-based company had received approval from Drug Controller General of India last month to conduct clinical trials of Favipiravir antiviral tablets for the treatment of Covid-19 patients.

Renault India opens office, dealerships

RENAULT INDIA announced that it has opened more than 194 showrooms and workshops in line with the new safety protocols and the remaining touchpoints will be opened in a phase-wise manner, based on permissions from the local authorities. Renault dealerships have taken care to sanitise their facilities and test-drive cars.

Toyota Kirloskar resumes retail, after-sales ops

AFTER WEEKS of nationwide lockdown leading to complete shutdown of manufacturing and retail units, Toyota Kirloskar Motor on Tuesday announced the partial resumption of dealer and after-sales operations. The company announced the partial reopening of 171 dealership outlets, which are now functional.

Honda Cars India reopens 155 dealerships

HONDA CARS India on Tuesday said 155 dealerships have reopened after getting necessary approvals from local authorities to restart operations. This includes 118 showrooms and 155 service outlets cumulatively.

JK Paper Q4 net profit decreases 17.9%

JK PAPER on Tuesday reported a 17.91% decline in consolidated net profit at ₹92.72 crore for the quarter ended March 2020 due to Covid-19 and subsequent disruptions. It had posted a net profit of ₹112.96 crore in January-March quarter a year ago, JK Paper said in a regulatory filing.

Revenue from operations fell 6.54% to ₹806.66 crore during the period under review as against ₹863.18 crore a year ago, the company said.

T-Works, Micromax tie up for ventilators

T-WORKS, A Telangana government start-up incubator for hardware industry, has entered into an agreement with Bhagwati Products, part of the Micromax group, for manufacturing mechanical ventilator for Covid-19 patients. As part of the agreement, Micromax would be taking up production of the device at its manufacturing facility in E-City, Maheshwaram in Ranga Reddy district.

ICAI earmarks corpus fund of ₹100 crore for students

THE INSTITUTE of Chartered Accountants of India (ICAI) is taking various initiatives for the overall development of its students by helping them to strengthen their knowledge. In this context, ICAI has created and earmarked a corpus fund of ₹100 crore to provide scholarships for students who are pursuing a chartered accountancy course; beneficiaries will gradually be increased.

NFL's fertiliser sale increases 71% in April

NATIONAL FERTILIZERS (NFL) has recorded 71% growth in fertiliser sale in April compared to the year-ago period. It recorded fertiliser sale of 3.62 lakh mt in April 2020 compared to 2.12 Lakh mt in April 2019.

CWC organises webinar on Covid-19 challenges

CENTRAL WAREHOUSING Corp (CWC) held a live webinar on April 27. Its aim was to deliberate on the requirements for a comprehensive agri-logistics framework and highlight key trends, among others. A strategy to overcome the barriers posed to the supply chain ecosystem by Covid-19 was discussed.

RIL raises over ₹10,000 cr via short-term bonds in single day

FE BUREAU
Mumbai, May 12

RELIANCE INDUSTRIES (RIL) on Tuesday raised over ₹10,000 crore via short-term bonds that saw its yields drop by about 25 basis points compared to last month, according to information provided by dealers.

Dealers told FE that RIL raised ₹4,235 crore at 7.05% via 3-year and 4-month papers, while it raised ₹825 crore at 6.95% via 3-year paper. The firm also raised about ₹5,000 crore at 6.95% via papers having a tenor of about 2 years and 10 months.

In April, the firm had raised close to ₹8,510 crore via a two-part bond issue having a tenor of three years. Of the two-part issue, the one with a fixed rate had commanded a yield of 7.20% at the time. As a result, the firm has seen about 25 bps drop in the yield on its short-term papers.

Ajay Manglunia, MD and head of institutional fixed income at JM Financial, said that the market is slowly getting adjusted to the additional borrowing and although the impact of the announcement was seen on long-tenor bonds, short-term yields are



Dealers said that RIL raised ₹4,235 crore at 7.05% via 3-year and 4-month papers, while it raised ₹825 crore at 6.95% via 3-year paper

more or less intact. "The RIL bond issue on Tuesday saw good demand. The firm has properly structured the tenors as per the investor appetite and that could be one of the contributing factors to such a strong response that allowed it to raise such a large quantum in a single day," Manglunia said.

Meanwhile, IREDA is believed to have withdrawn its bond issue that included 3-

year and 5-year papers as bids were higher than the issuer's expectations, according to dealers. "There is always some difference between the yield on a PSU paper and a private sector paper. Although PSU papers usually get lower yields, I think the bid yields on IREDA were a bit higher on Tuesday than what they would have liked them to be," a dealer said.

Market participants say that although some firms can choose to hit the market at an appropriate time, there are entire sectors that are starved of cash and though some of these firms may be ready to raise funds at higher rates, they are facing continuous credit risk aversion by investors.

Mihir Vora, director and CIO, Max Life Insurance, said sectors like NBFCs, real estate, hotels, airlines, etc are facing credit risk aversion from investors as the Covid impact is elongated. "Unless the government comes out with some sort of credit underwriting and industry support to mitigate credit risks, I think the market will continue with risk aversion and we will see polarisation towards highly safe and liquid papers," Vora said.

ReNew in talks with GIC, CPPIB, others to sell 300 MW of solar assets

VIKAS SRIVASTAVA
Mumbai, May 12

RENEW POWER, INDIA'S largest renewable energy IPP, is in talks with more than half a dozen domestic and international investors to sell its 300-MW solar assets in Karnataka, as the company faces the heat of tariff renegotiation in Andhra Pradesh and issues of pending receivables from loss-making discoms.

According to people in the know, "ReNew is in talks with GIC and CPPIB among various other investors to sell their 300 MW solar assets in Karnataka, where 30% of their assets are located. The company is looking for cash to deploy in its under construction and upcoming projects of around 3,000 MW capacity."

The company is likely to raise ₹1,500 crore through the sale at a valuation of ₹5 crore per megawatt, the people said.

Emails sent to ReNew Power and GIC did not elicit any response till the time of going to press, while CPPIB spokesperson in a mailed response said, "We do not comment on market speculation or rumours."

ReNew's 71.7-MW wind and 70-MW solar projects were put on hold by the YS Jagan Mohan Reddy-led government in Andhra Pradesh, which refused to recognise all high-cost renewable PPAs signed under the previous regime at tariffs above ₹2.44/kWh. The majority of ReNew projects in Andhra Pradesh have tariffs above ₹5/kWh. The matter is before the Andhra Pradesh High Court pending final judgement. However, the company is getting paid now after the high court mandated discoms to pay at the suggested tariffs till the matter gets resolved.

Also, ReNew along with other developers has long pending receivables of over six months from Tamil Nadu, Andhra Pradesh and Telangana discoms, which is likely to



further aggravate liquidity position if the lockdown continues further.

ReNew has a total of 4.9-GW operational wind and solar assets across eight states. In Andhra Pradesh, the portfolio comprises of 71.7-MW wind project and around 70-MW solar projects.

In Karnataka, where the company is selling 300 MW of solar assets, 640 MW wind while 650-MW capacity is solar. Most of these solar projects have a tariff between ₹4.5/kWh and ₹5/kWh.

Around 3,200-MW projects are in the pipeline, according to their website.

Fitch Ratings has cut ReNew's plant load factor (PLF) expectations by 5% due to lower power demand during the lockdown, and has also forecast an increase in pending receivable days by 90 days to 201 days for FY21, to factor in payment delays from off-takers, including discoms and direct-sold customers.

The rating agency believes that ReNew has readily available cash and cash equivalent of ₹4,100 crore as of March 31, 2020 against the current debt maturities of ₹2,700 crore, but "the significantly higher PLF reduction or increase in receivables could lower the liquidity buffer, as we expect the company to generate negative free cash flow in the near-to medium-term due to ongoing capacity additions".

Nestle India Q1 net grows 13.5% to ₹525.43 cr

PRESS TRUST OF INDIA
New Delhi, May 12

FMCG MAJOR NESTLE India on Tuesday reported a 13.54% rise in its net profit at ₹525.43 crore for the first quarter ended March 2020.

The company, which follows January-December as its financial year, had posted a net profit of ₹462.74 crore in the same period a year ago.

Its net sales went up 10.84% to ₹3,305.78 crore during the quarter under review, from ₹2,982.39 crore in the

corresponding three months of the last fiscal.

"Our company remained resilient in the first quarter, as the numbers indicate, and delivered volume and mixed growth. MAGGI, KITKAT and Nestlé MUNCH delivered strong performances," said Nestlé India chairman and managing director Suresh Narayanan.

Contribution from e-commerce went up significantly and commodity prices for mills and its derivatives continued to be on the rise during the quarter, he added.

Nestle India's domestic sales were up

10.72% at ₹3,124.23 crore as against ₹2,821.55 crore in January-March 2019.

Its exports rose 12.87% to ₹181.55 crore from ₹160.84 crore in the corresponding quarter a year earlier.

Total expenses during the quarter grew 12.15% to ₹2,664.27 crore as against ₹2,375.53 crore a year ago.

"As Nestle India, we have successfully overcome many challenges and are confident that, together with all those who are fighting against this pandemic and its consequences — we shall overcome this time again," said Narayanan.

Intensive healthcare: TVS group, IIT-M develop affordable respiratory device

FE BUREAU
Chennai, May 12

THE TVS GROUP and IIT Madras (IIT-M) have jointly developed a low-cost, automated respiratory assistance device, 'Sundaram Ventago', to provide breathing support to patients through controlled and automated squeezing of a self-inflating or Ambu bag. It includes functionalities to control respiratory rate (breaths per minute), tidal volume, pressure parameters and I:E ratios.

Sundaram Ventago provides physicians a simple and cost-effective option to treat patients with respiratory difficulty in case of shortage of ventilators, and is especially useful in remote areas where ventilator facilities are not available.

According to IDC, India was the only country among the top 3 to see any growth, as both the China and US markets declined y-o-y (-20.3%) and (-16%), respectively, in Q1 2020.

Inventories in the Indian market remained high throughout distribution channels due to seasonally low demand in the first quarter, clubbed with the Covid-19 impact from mid-March 2020 onwards, as the nationwide lockdown was announced, the market research agency added.

The device works with or without compressed/hospital air and oxygen and requires only a standard power connection to operate (easy to use in non-ICU wards, ambulances, remote/rural areas). It can also be used in conjunction with a standard UPS or can be mounted on a crash cart, wheelchair, bed, in an ambulance to support patient mobility. Developed in association with local hospitals, Sundaram Foundation, with guidance from global educational institutions like MIT-Boston, Sundaram Ventago is designed to internationally accepted medical standards with an objective to give every patient quality medical support at an affordable cost, stated the company press release on Tuesday.

Its design was evolved over multiple stages using a rapid product development model where a cross functional team worked with top anaesthetologists, pulmonologists and intensivists from leading hospitals to integrate clinical inputs into the design.

Online channel grew by 9% y-o-y in Q1 2020.

RISHI RANJAN KALA
New Delhi, May 12

INDIA'S SMARTPHONE SHIPMENTS rose, albeit marginally, by 1.5% year-on-year (y-o-y) to 32.5 million units during January-March of calendar year (CY) 2020 even as the novel coronavirus (Covid-19) jolted markets globally. India is the only market among the top 3, which includes China and the US, to have posted a growth during the quarter.

However, the pandemic's impact on the domestic market has become more pronounced, with IDC forecasting that during 2020 (CY), India will experience a slower-than-expected consumer demand and supply chain disruptions.

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"Online channel grew by 9% y-o-y in Q1 2020.

GANESH NAGARAJAN
Chennai, May 12

MAHINDRA HOLIDAYS & Resorts India, a unit of the nation's biggest utility-vehicle maker, is looking to buy distressed assets as the worst economic slowdown in recent history presents opportunities.

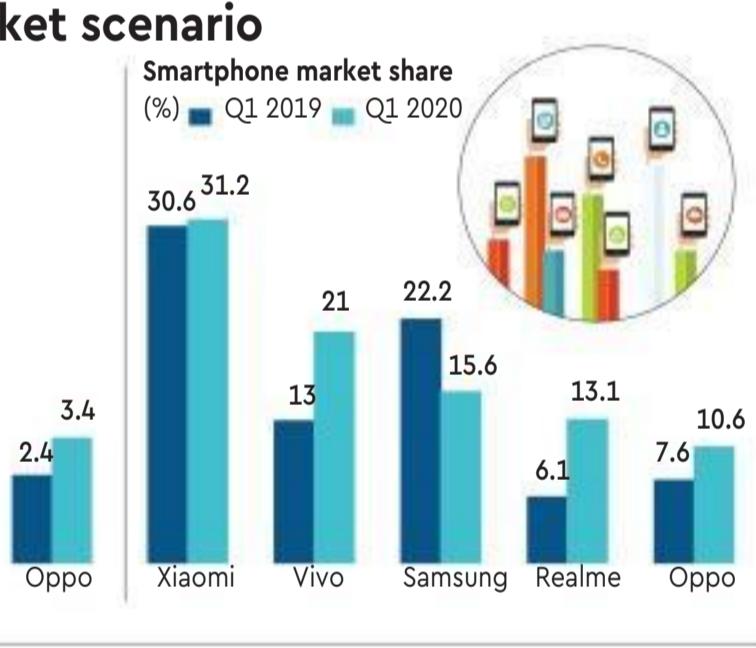
India smartphone market scenario

Smartphone shipments (million units)

Source: IDC India

Smartphone market share (%)

Source: IDC India



2020 due to multiple new launches, attractive discounts, cashback offers and affordability schemes registering a share of 43.1%. While offline channel shipments declined 3.5% y-o-y, owing to fewer consumer offers, fewer retail walk-ins and a more aggressive portfolio available on e-tailer platforms across leading brands," IDC India associate research manager (client devices) Upasana Joshi said.

With a 5.5% y-o-y growth, the average selling price (ASP) for the smartphone market stood at ₹171 (around ₹12,500). The

sub-₹200 (₹15,000) segment continued to dominate, accounting for 76.2% of the total market.

The mid-range segment of ₹200-300 (₹15,000-22,000) grew 87.4% with its share doubling to 18.2% (of the total market) in Q1 2020, mainly due to Samsung the Galaxy A5 1, the Vivo S1 pro/S1, and the Redmi Note 8 Pro.

The mid-premium segment of ₹300-500 (₹22,000-35,000), with a share of 3.8%, declined on an annual basis by 33.8%. In this space, Samsung shipments still

"There are opportunities coming to us and we are going to prioritize drivable-distance resorts versus resorts which are further away from the city," said chief executive officer Kavinder Singh in an analyst call on Monday.

Mahindra Holidays' shares surged 18% on Monday, paring this year's decline to 35%. The company, whose operations were

building one resort each in the states of Goa and Kerala.

It has restarted construction work in Goa, while it's waiting to restart work in Kerala, Singh said. The company had cash reserves of ₹7.81 billion at the end of March.

Once people learn to live with masks and maintain distance, they would still want to go to drivable destinations, he added.

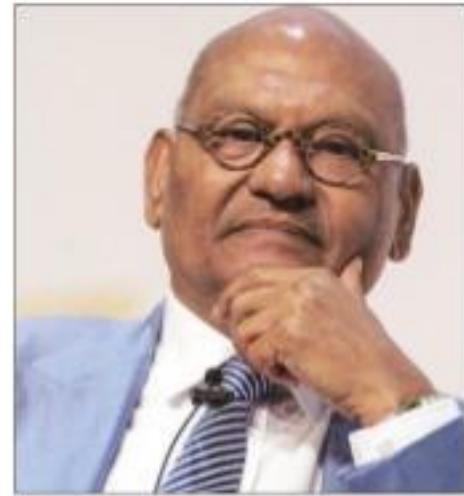
BLOOMBERG

Digital ad rates drop as advertisers put marketing on hold, shows report

VENKATA SUSMITA BISWAS
Mumbai, May 12

Anil Agarwal to take Vedanta private

PRESS TRUST OF INDIA
New Delhi, May 12



Anil Agarwal will buy out public shareholding for ₹16,200 crore

BILLIONAIRE ANIL AGARWAL on Tuesday announced plans to delist his Indian flagship Vedanta by buying out nearly 49% of public shareholding at ₹87.5 apiece. Vedanta, whose shares have fallen more than 40% this year, houses commodity as well as oil and gas business.

The company had a market value of under ₹33,200 crore going by Tuesday's closing price of ₹89.30 on the BSE.

At the offer price of ₹87.5, Agarwal's Vedanta Resources will have to shell out ₹16,218 crore to acquire all of the public shareholding. In a regulatory filing, Vedanta said it has received a letter dated May 12, 2020, from Vedanta Resources (VRL) expressing intention to acquire all fully paid-up equity shares of the company that are held by the public shareholders.

Agarwal's Vulcan Invest-

accelerated the strategy in this challenging environment to ensure support for meaningful deleveraging and to enable us to continue to invest in the growth of the business." VRL along with the other members of the promoter group presently holds 51.06% of the shareholding, excluding American Depository Shares issued by the company.

As on date, the public shareholders hold 48.94% of the paid-up equity share capital. In addition, the company has issued 6.54 crore American Depository Shares against 26.17 crore number of underlying equity shares.

"VRL has informed us of their willingness to accept the equity shares of the company tendered by the public shareholders in the delisting offer at a price of ₹87.5 per equity share which represents a premium of 9.9% over the closing market price of ₹79.6 as on May 11, 2020," the filing said.

ments has in the past taken his London-listed Vedanta Resources as part of the drive to simplify the corporate structure. "Vedanta Group continues its efforts to simplify the group structure. This proposed transaction is fully aligned to the robust strategy which has been pursued over the years," Agarwal told PTI. "Due to the impact of Covid-19 pandemic, we have

SAMASTA MICROFINANCE LIMITED

CIN: U65191KA1995PLC057884
Registered Office: No.110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore - 560027.
Website: www.samasta.co.in, Tel: 080 4291 3500

Sl. No.	Particulars	Year Ended	
		March 31, 2020 Audited	March 31, 2019 Audited
1.	Total Income from Operations	5,74,82,46,402	3,33,65,21,901
2.	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	1,43,43,18,913	72,43,06,068
3.	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	1,40,32,97,205	72,43,06,068
4.	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	1,07,30,35,324	53,20,91,679
5.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	1,06,80,24,587	52,77,33,291
6.	Paid up Equity Share Capital	2,64,24,51,400	1,78,03,91,130
7.	Reserves (excluding Revaluation Reserve)	2,44,91,02,494	88,53,91,371
8.	Net worth	5,09,15,53,894	2,66,57,82,501
9.	Paid up Debt Capital / Outstanding Debt	28.75%	37.74%
10.	Outstanding Redeemable Preference Shares	-	-
11.	Debt Equity Ratio	3.95	6.20
12.	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations)	-	-
13.	1. Basic:	5.47	3.86
14.	2. Diluted:	-	-
15.	Capital Redemption Reserve	-	-
16.	Debt Service Coverage Ratio	NA	NA
17.	Interest Service Coverage Ratio	NA	NA

By order of the Board
For Samasta Microfinance Limited

Sd/-
Venkatesh.N
Managing Director
DIN: 01018821

DATE : May 11, 2020
PLACE : Bangalore



ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

Registered Office: 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001.
Corporate Office: One BKC, 13th Floor, Bandra Kurla Complex, Mumbai - 400 051.
Tel: +91 22 2652 5000, Fax: +91 22 2652 8100, Website: www.iciciprumpf.com,
Email id: enquiry@iciciprumpf.com

Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (E), Mumbai - 400 063. Tel: 022 2685 2000 Fax: 022 26868313

Notice to the Investors/Unit holders of ICICI Prudential Fixed Maturity Plan - Series 81 - 1101 Days Plan E (the Scheme)

Notice is hereby given that ICICI Prudential Trust Limited, Trustee to ICICI Prudential Mutual Fund has approved declaration of the following dividend under the dividend option of the Scheme, subject to availability of distributable surplus on the record date i.e. on May 18, 2020*:

Name of the Scheme/Plans	Dividend (₹ per unit) (Face value of ₹ 10/- each) [#]	NAV as on May 11, 2020 (₹ per unit)
ICICI Prudential Fixed Maturity Plan - Series 81 - 1101 Days Plan E		
Dividend	0.0500	12.4415
Direct Plan - Dividend	0.0500	12.6590

\$ The dividend payout will be subject to the availability of distributable surplus and may be lower depending upon the extent of distributable surplus available on the record date under the dividend option of the Scheme.

Subject to deduction of applicable statutory levy.

* or the immediately following Business Day, if that day is a Non - Business Day.

Dividend will be paid to all the unit holders/beneficial owners whose names appear in the register of unit holders/Statement of beneficial owners maintained by the Depositories, as applicable under the dividend option of the Scheme, at the close of business hours on the record date.

It should be noted that pursuant to payment of dividend, the NAV of the dividend option of the Scheme would fall to the extent of dividend payout and statutory levy (if applicable).

Suspension of trading of units of the Scheme:

The units of the Scheme are listed on BSE. The trading of units of the Scheme will be suspended on BSE with effect from closing hours of trading of May 13, 2020.

For the purposes of redemption proceeds, the record date shall be May 18, 2020.

For ICICI Prudential Asset Management Company Limited

Sd/-

Authorised Signatory

Date : May 12, 2020

No. 008/05/2020

To know more, call 1800 222 999/1800 200 6666 or visit www.iciciprumpf.com

BSE Disclaimer: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Scheme Information Document (SID) has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the SID. The investors are advised to refer to the SID for the full text of the Disclaimer clause of the BSE Limited.

As part of the Go Green Initiative, investors are encouraged to register/update their e-mail id and mobile number to support paper-less communications.

To increase awareness about Mutual Funds, we regularly conduct Investor Awareness Programs across the country. To know more about it, please visit <https://www.iciciprumpf.com> or visit AMFI's website <https://www.amfiindia.com>

Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.

Maruti resumes ops at Manesar plant

PRESSTRUST OF INDIA
New Delhi, May 12

Brezza, Ignis etc.

When contacted, MSI Chairman RC Bhargava told PTI, "The production has commenced at the Manesar plant and the first car would roll out today."

When asked by when would the plant become fully operational, Bhargava said it would depend on government regulations. "It will depend when the government allows double shifts. It would also depend when the authorities would allow increase in manpower, when will supply chain resume fully, so there are many variables involved."

However, he didn't give a clear answer on restarting manufacturing activities at Gurugram facility. "It will start but not yet," Bhargava noted.

The Manesar plant of MSI has an installed capacity of 8.8 lakh units per annum on double shift basis, and lost around 40 working days during the lockdown. MSI suspended work at both its plants in Haryana — Manesar and Gurugram — on March 22 to fight coronavirus pandemic. The company is yet to start operations at its Gurugram facility which rolls out models like S-Cross, Vitara

NOTICE

Mutual Fund

Principal Asset Management Pvt. Ltd.
(Formerly known as Principal Pnb Asset Management Company Private Limited)

(CIN : U25000MH1991PTC064092)
Regd. Off: Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051. • Toll Free: 1800 425 5600 • Fax: (022) 6772 0512

E-mail: customer@principalindia.com • Visit us at: www.principalindia.com

NOTICE-CUM-ADDENDUM TO THE STATEMENT OF ADDITIONAL INFORMATION (SAI) OF PRINCIPAL MUTUAL FUND [NO. 23/2020]

Resignation of Alternate Director:

NOTICE IS HEREBY GIVEN THAT, effective May 08, 2020, Mr. Kim Thean Soo has resigned as an Alternate Director to Mr. Pedro Borda, from the Board of the Principal Asset Management Private Limited and hence ceased to be a Director on the Board of the company.

Consequently, all reference pertaining to Mr. Kim Thean Soo as an Alternate Director in the SAI of Principal Mutual Fund stand deleted effective above date.

Contents hereof shall respectively form an integral part of the SAI of Principal Mutual Fund as amended from time to time and all other features / terms and conditions as mentioned therein shall remain unchanged.

For further information/assistance, do visit us at www.principalindia.com or e-mail us at customer@principalindia.com or call on our Toll Free: 1800 425 5600.

For Principal Asset Management Pvt. Ltd.

(Formerly known as Principal Pnb Asset Management Company Private Limited)

Sd/-
Place : Mumbai
Date : May 12, 2020

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.



PGIM India Asset Management Private Limited

(Erstwhile DHFL Pramerica Asset Managers Private Limited)

2nd Floor, Nirlon House, Dr. A.B. Road, Worli, Mumbai - 400 030.

Tel.: +91 22 6159 3000. Fax: +91 22 6159 3100

CIN: U74900MH2008FTC187029 Toll Free No.: 1800 266 7446

Website: www.pgimindiamf.com

NOTICE [No. 07 of 2020-21]

Notice is hereby given that PGIM India Trustees Private Limited (erstwhile DHFL Pramerica Trustees Private Limited), Trustee to PGIM India Mutual Fund, has approved declaration of dividend under the following schemes of PGIM India Mutual Fund with May 18, 2020 as the record date:-

Scheme Names	Plans / Options	Quantum of dividend per unit (Gross of Statutory Levy, if any)* (₹)	Face Value (₹ per unit)	NAV of Dividend Option as on May 11, 2020 (₹ per unit)##
PGIM India Arbitrage Fund	Regular Plan - Monthly Dividend Option	0.045	10	10.5146
	Direct Plan - Monthly Dividend Option	0.050	10	10.6792
PGIM India Hybrid Equity Fund	Regular Plan - Monthly Dividend Option	0.100	10	16.39
	Direct Plan - Monthly Dividend Option	0.115	10	17.12

#Pursuant to payment of dividend, the NAV of the Dividend Option of the above-mentioned Schemes would fall to the extent of payout and statutory levy, if any.

Dividend will be paid to those unit holders whose names appear in the records of the Registrar as at the close of business on the record date.

Opinion

WEDNESDAY, MAY 13, 2020



FALSE ALARM?

Union minority affairs minister Mukhtar A Naqvi

Misinformation against such a gracious and tolerant country and its effective leadership is nothing but the height of ignorance... My country will defeat and demolish the fake and fabricated Islamophobia

Just change in labour laws or tax rates won't help

All the changes were needed, but given frequent U-turns in govt policies, convincing India Inc isn't going to be easy

IN SEPTEMBER LAST year, the government slashed the corporate tax rate to 22% from 30% for existing companies, and to 15% from 25% for new manufacturers in a bid to coax industry to start investing. Lately, state governments, too, have been trying to woo industry. Karnataka, for instance, has allowed businessmen to sell agricultural land converted for industrial purposes after seven years, provided the same enterprise is in operation. And, the Gujarat, UP, and MP governments have virtually scrapped labour laws, making it easier for enterprises to hire and fire workers, eliminating inspector *raj*, and marginalising the trade unions. A *Bloomberg* report says the trade ministry is mulling a strategy whereby units would be given a 10-year tax holiday for a minimum investment of \$500 million, or a four-year tax holiday for an investment of \$100 million. Even before this, there has been talk of the government having reached out to 1,000 global corporations to convince them to move out of China and set up shop in India. Indeed, there is much talk about the big opportunity that has come India's way post the pandemic. The fact is, the opportunity was always there, we failed to capitalise on it because our regulations are unreliable, even unfriendly, our wages uncompetitive, labour laws outdated, and infrastructure insufficient.

Let's face it, no corporation is so enamoured of our big market that it will set up shop here simply because the tax rate is now comparable with those of peer nations. By now, MNCs—and even locals—must be disgusted at the manner in which tax laws are interpreted and applied. A few years back, Nokia shut down its plant and moved out of Chennai after the local government slapped a ₹2,400 crore sales tax bill. That cost us some 10,000 jobs. For all the talk of eliminating tax terrorism, both MNCs and local industrialists have found themselves harassed by taxmen. The point is that the government—and this includes the states—needs to roll out industry-friendly policies that are not overtuned at the first signs of protest from local industry, or to favour local businessmen. In e-commerce, for example, the rules are being constantly revised because local traders feel they are not on a level playing field; again, telecom regulations have favoured one company to the extent of nearly bankrupting others. Indeed, India's reputation for honouring contracts has taken a severe beating after a clutch of renewable energy PPAs having been dishonoured by states like Andhra Pradesh, Gujarat, Madhya Pradesh, and Uttar Pradesh may believe they have rolled out the red carpet, but few businessmen are likely to invest because there is no guaranteeing these rules won't be changed after a few years.

Few businessmen are likely to be inspired by a government so high-handed that it asks companies not to cut salaries and wages during the lockdown, even those that have been able to hammer out an agreement with the unions. Such interference is unwarranted, even in the prevailing situation. It is true that industrialists often bend the rules and wilfully default on loans, but the way to address these breaches is by using the law in the right manner, not by arm-twisting them. To be sure, FDI flows, averaging \$60 billion in the past four years, have been robust. Much of the investments, though, flowed into the services—especially, e-commerce—rather than manufacturing. But, in the last six years, exports have topped the FY14 earnings of \$314.4 billion just once.

Seeds of reform

Use labour crisis to wean Punjab, Haryana off paddy for good

FARMERS IN PUNJAB and Haryana are shifting away from paddy cultivation, as per news reports, choosing instead to grow cotton, due to a shortage of nearly 1 million migrant labourers. The transplantation of paddy seedlings from nursery beds to fields being a highly labour-intensive process and requiring specialised knowledge, the farmers depend on labourers from Uttar Pradesh and Bihar. While mechanised transplantation is possible, equipment for this largely needs to be imported. The labour shortage might just be a blessing in disguise for the Punjab and Haryana governments, which have long failed in encouraging farmers to diversify their crops. Many farmers in both states, as per a report in *The Indian Express*, are sowing cotton on at least half of their farm area. The Punjab agriculture department has spoken of targeting an increase in the acreage under cotton in this kharif season to 5.5 lakh hectares (lh) from 3.92 lh last year, and a reduction of 3 lh in the total area under paddy in the state.

The singular focus on rice cultivation in the kharif season is largely because of the Centre's policy of minimum support price-based procurement of rice, and the states supplying free power for groundwater irrigation during the cropping season. The practices these policies have encouraged have led to recurring, systemic environmental problems—increased air pollution due to burning of paddy stubble, and depletion of groundwater level. Regions of Punjab and Haryana used to be the cotton belt of India before these policies incentivised a shift to paddy. This newspaper has long argued for replacing the power subsidy with direct cash transfers to farmers, as well as for scrapping price support for farmers in favour of a per-acre cost support that is directly transferred to their accounts. This model has successfully provided relief to farmers when price support schemes and loan waivers have failed. While the Punjab and Haryana farmers' spontaneous move away from paddy due to the labour crisis is certainly to be cashed in on, the turn to cotton, which itself requires significant quantities of water, must not lead to complacency on the government's part. Using this window to wean farmers off rice production means restructuring agri-policies. MSP and power subsidies must be the first policies to go, but more profitable and less water-intensive crops like corn must also be incentivised. Icier professor Ashok Gulati has repeatedly pointed out corn's multiple benefits for farmers, included additional income from selling the ethanol extracted from it, and usage of the extract as cattle feed. While the government has a significant window to implement this overhaul of its agri-policies, it must, in the immediate run, given the shift to cotton, revise its anti-GMO stance and allow farmers to cultivate the more profitable HTBT variety.

NEET Knots

Why force NEET on all medical colleges when NEXT serves as the touchstone of competence as a medical-school graduate?

THE SUPREME COURT'S recent ruling that the National Eligibility cum Entrance Test (NEET) is the only test that is to be used for admission to undergraduate medical programmes across the country could indeed ensure standardisation of medical entrance. But, India also needs to be producing many more doctors than it does now, and an entrance test that posts a very high qualification mark could be a hurdle. It may seem to help maintain a high standard of competence amongst medical professionals, but can't really be considered to be upholding merit, since reservations and the accompanying lower entry barriers apply in this system. Against such a backdrop, debarring minority medical colleges and private medical colleges from having their own entrance exams is a blunder. Private college entrances could allow for entry barriers that are not so high as to block out candidates who can join the medical profession with reasonable competence, or who missed out in the NEET process even though they posted better scores than the threshold for the reserved categories.

Besides, the exit exam (NEXT)—those hoping to practice in the country now need to clear the exam to get a licence—is already a benchmark for standards. The government could let private colleges have their own entrance exams and still control the quality of those who get into medical specialities/super-specialities. Say, 60% of the graduates from a medical college don't clear NEXT, its licence/affiliation could be revoked. Once a system of reporting NEXT performance is fully implemented, students will likely not join the institutions that have a poor performance record relative to others. What the medical education regulator must ensure is that medical colleges adhere to the standards, and that inspections are more rigorous.

IN ITS URGENCY TO BRING IN FOREIGN INVESTMENTS TO ENCOURAGE FUTURE GROWTH AND EMPLOYMENT, GOVT MUST REMEMBER THAT TIMING IS AS CRITICAL AS THE CONTENT OF REFORMS

Panic reforms can be counterproductive

AMIDST THE RAGING Covid-19 pandemic, structural policy changes to the labour market were announced last week. Four state governments—Uttar Pradesh, Madhya Pradesh, Gujarat, and Assam—set aside many legal regulations for a temporary period. Both, the proposed removal of many legal restrictions and the period of pause, vary across the states. The context, too, is set by the virus outbreak: To attract investments, notably foreign companies looking to relocate elsewhere from China in the aftermath of Covid-19. Such fundamental changes for a more flexible labour market are important, necessary steps to attract such investments, and build a large-scale manufacturing base for creation of mass employment. The reforms are welcome. However, in the desperation not to 'miss the manufacturing bus' this time at least, the reforms are more a 'caricature'. They lack uniformity, permanence, and good timing. The government should think more deeply and carefully about these issues. Panic reforms that are poorly timed and differentiated can be counterproductive, as recent structural reform experiences show. They run the risk of being reversed.

The determined effort to woo companies to shift to India over past favourites such as Vietnam, amongst others, is creditable. India has long struggled to achieve a strong large-scale manufacturing foundation for want of such fundamental changes to its labour markets that have now suddenly come about. These have long eluded India, no matter the colour of successive governments. The long-standing deficit in mass-job creation potential has withheld absorption of surplus labour that disengages from agriculture, which reduces one percentage point share in aggregate output every year. As a result, livelihood dependence upon agriculture has increased; a relatively small proportion of the labour force shifts to low productivity services. So, if there is an opportunity, especially when Covid-19 has wrought serious output losses that threaten India's medium-term potential, the government is rightfully trying to provide fresh economic impulse through structural policies, which

should yield long-term benefits to employment and growth.

But, there are serious drawbacks regarding consistency and permanence. The restrictions lifted temporarily are different in each state, with some distinctions in new and existing businesses. For instance, UP scrapped all labour laws except four (preserving laws for accident compensation, construction employment, bonded labour, timely wage payments, children and women). Gujarat said no labour law will apply to all new firms that wish to, and existing firms that operate there; it retains minimum wages, safety, and accident compensation laws. MP plans massive exemptions to new manufacturing units from most provisions of the Factories Act, 1948, freeing safety and health norms, and the design of service conditions. Assam proposed to bring in fixed-term employment, and take more firms out of legal coverage of factories and contract workers.

So, for example, a company hypothetically sets up a manufacturing unit in UP but has a subsidiary in another state, it will face a different legal environment! How would an investor view this? It is unthought-of that labour market reforms, coming after so long, become a deliberated creation of different legal regimes across the country. It is more ludicrous that this differentiation is being planned when a completely reverse objective—an integrated national market—drove the indirect tax system reform for its harmonisation three years ago!

Two, the period for which these restrictions are relaxed also varies from three years (UP) to 1,200 days (Gujarat) and 1,000 days (MP). How does a prospective investor-entrepreneur view this when the set-up and construction phase of a new manufacturing plant itself is that long? The manufacturers require flexibility precisely when the plant commences, i.e.,

in the operational phase, to safeguard against business cycle fluctuations when they might need to prune down or exit altogether! This is basic economics. What is needed to convince investors, and of course for improving efficiency, is permanent change that fundamentally alters deep-rooted patterns in the functioning of the Indian labour market. This does not happen if restrictions are quickly set aside for 2-3 years! How do you convince an outside investor about continuity, knowing full well that India is a democracy? And, with a rich history of retrospective policy and regulatory changes that were well described by Swami-nathan Aiyar in a recent article!

These reforms are a non-starter. Structural reform policies endeavour to change the working of an economy in a more fundamental way, which India requires. Even pre-Covid growth had slid to lower levels and was languishing there; now, there is further threat the pandemic will cause structural damage to potential output and productivity in the medium-term. Increasing the long-run growth potential with structural breakthroughs is important. But, such structural reforms require careful thinking and proper design, and cannot be carried out in desperation and anxiety to catch the manufacturing bus. Otherwise, they can be counterproductive.

The reforms are also not well timed: They come amidst a serious humanitarian crisis—a large-scale, prolonged exodus of migrant workers from their cities of work to their permanent homes in the worst of circumstances. Time will tell if their experience has permanently, or to some extent, destroyed or eroded

The states' reforms come in the midst of the migrant labour crisis and given they remove established norms and practices, there is a risk of reversal

trust and confidence in the state. Because the reforms remove established norms and practices, there is a risk of reversal. Just as the arguments for wide-spread economic benefits are very powerful, so may be the opposition at such a time.

Recent experiences establish how counterproductive structural reforms can be if not carefully designed and well-timed. For example, the goods and services taxation reform has failed to deliver the expected efficiency and revenue gains, precisely because of these reasons. GST reform was instituted in July 2017, barely six months after the adverse demonetisation shock, i.e., wrong timing. Since then, there have been constant revisions and changes to its design, formats, fulfilment requirements, rates, and so on. Two years later, this has still not stabilised, commonly regarded a failure, and more seriously, is perceived to have hurt the MSME segment.

The Insolvency and Bankruptcy Code (IBC) was expected to be the answer to all plagues of bad assets' resolution, restore banks' and corporates' health, and enable a fresh start to the private investment cycle. However, IBC is all but dead in spirit from constant changes, legal tangles and battles, the accompanying responses of all concerned parties to step outside the framework and get on with life by getting back to business-as-usual! Bad asset resolution is still an unaccomplished task five years after the first step towards it—asset quality review—was taken. The economic fallout of this is insignificant.

The government's urgency to bring in foreign investments to encourage future growth and employment is entirely understandable. But, in the desperation and nervousness about the enormous devastation caused by Covid-19, it must not reform in a panic. For it runs the risk of losing sight of the larger, long-run picture of lasting reforms that are productive and irreversible. It should guard against the risks of these becoming counterproductive, and dangers of reversal.

RENU KOHLI

New Delhi-based macroeconomist

Views are personal

The pandemic and the power sector

With the lockdown having the distribution and generation sectors of an already-tottering power sector, there is an immediate need for financial relief

FOR A SECTOR that was already tottering, Covid-19, and the subsequent total lockdown, could well be the last nail in the coffin. The power sector, whose problems with distribution are well known, had been going through a severe crisis even before Covid-19, due to the state of the economy. Power consumption (measured in billion units) has been falling since the second last quarter of FY20. While January 2020 figures show an increase on a year-to-year basis by about 2.6%, the corresponding figures for October to December 2019 are -12.4%, -5.7%, and -1.6% respectively. Figures beyond January 2020 are yet to be released by the Central Electricity Authority. Low demand for power in the economy is having a ripple effect, both in the upstream and downstream sectors. This has resulted in coal piling up in the generating stations and the generators showing an unwillingness to buy the contracted amount of coal, passing on part of the cost to the coal sector.

With the total lockdown in place since March 25, the preexisting problems in the power sector have got further amplified, and it would be useful to see the effect of this separately for the generation and distribution sectors. POSOCO's figures indicate that the average demand on the grid (measured in GW) in April 2020 was 125 GW, as compared to 160 GW in April 2019, meaning a fall in demand of more than 20%. It is the coal-based plants that have been shut down since the renewable plants are treated as

"must run". About 70% of the load on the grid is met by coal-based plants, which means that about 88 GW is being met from coal whereas the installed capacity of coal-based plants is about 200 GW. This only goes to show the extent of poor utilisation of capacity, which also leads to poor efficiency and enhanced wear and tear of the machines. With such a huge reduction in demand, the coal stocks available in the power stations today has gone up substantially and are around 50 MT, which translates to about 30 days' supply. Such a large stock of coal available with generators is almost unheard of in the recent past. The power stations are not in a position to stock any more coal since they have fully exhausted their storage capacity. Diverting this coal to other generating stations that are currently importing coal is also not possible as they too have adequate stock as of now. Besides, these plants are not designed to handle Indian coal parameters. The immediate solution, therefore, is to decrease domestic production of coal, which is now being resorted to.

In the distribution sector, the situation is no better. The lockdown has severely impacted revenue collection, and meter reading has come to a halt. Whatever is being billed is being done on a provisional basis, and payment from several consumers is not forthcoming. Though no confirmed figures are available, pan-India, it is estimated that revenue collection may have dipped by 20-30%. The fact that demand has nosedived from the

industrial and commercial consumers is absolutely ruinous for the discoms since these are the consumers who pay a tariff substantially higher than the cost of supply. The states are keen to invoke the force majeure clause in their power purchase agreements and not pay fixed charge for the units that are shut down. This, however, is no panacea since not paying fixed charge will merely transfer the stress from the discoms to the generators.

It is learnt that some kind of relief package is under consideration for funding by the Power Finance Corporation and the Rural Electrification Corporation. This money will be used to pay for the past dues owed to the generators, amounting to more than ₹80,000 crore. It does not provide any relief to the discoms for the current problems they are facing on account of the pandemic. The government actually needs to give some thought to how it can help the discoms at this juncture by providing some kind of transitional finance. Even if the lockdown is lifted in the near future, industrial and commercial activity are not likely to resume in full swing anytime soon due to physical distancing norms and movement of labour and raw materials being in complete disarray. Other relief measures can also be debated, such as lowering the return on equity of the generators so as to somewhat reduce the cost of power. Whatever be the case, the time to act is now and any procrastination on relief to be provided to the distribution sector may prove to be very expensive.

SOMIT DASGUPTA

Former member (Economic & Commercial), Central Electricity Authority. Views are personal

LETTERS TO THE EDITOR

Preparing for worse

Apropos of "By Aug, we need 47 Cr test kit, 4 mn beds..." (May 12), it is clear that economic activity cannot be put on the back burner any more. A strong collaborative approach between the Centre and states will be the key in the fight against this pandemic. All states could learn a

thing or two from the Kerala government's efforts to turn things around in a span of two months. And, since economy activity will gain pace across the country, there will be a spike in the number of cases as well as the mortality rate. Many experts have categorically stated that this disease will peak in June and July, so we must strengthen our healthcare system while simultaneously trying to come up with a vaccine for the disease. Supply of testing kits will also gain pace in the coming days, but we cannot compromise on quality. Close monitoring of supply and usage, with timely

implementation of testing, is the need of the hour.

— Bal Govind, Noida

An ill-conceived plan

Would allowing students and migrants not been allowed to go home at a time when the country had only a few hundred cases not have been better than to allow movement now? It seems as though our prime minister is completely unaware of people's circumstances. The number of shocking incidents in which migrant labourers are victims has grown exponentially of late. If the countrywide lockdown had been properly preplanned, such horrifying incidents could have been avoided.

— Ible Giasuddin, Mumbai

● Write to us at feletters@expressindia.com



ILLUSTRATION: ROHITPHORE

**NANDINI
VIJAYARGAHAVAN**

Head of Research at Korea Development Bank.
Views are personal



Optimising PSU payouts for fighting Covid-19

GoI must adopt a fiscally sound strategy to finance relief measures. For GoI to successfully monetise PSUs' stock dividends and borrow against PSU shares, engaging with fundamentally sound banks and institutional investors on a war footing is an essential prerequisite

THE ADAGE "WHEN it rains, it pours" aptly describes the government of India's current situation. The Indian government, like governments across the globe, faces the unenviable task of protecting lives and livelihoods while tax and non-tax revenues have plummeted, thanks to the Covid-19 outbreak. Dividend receipts from the RBI, public sector banks, financial institutions and public sector undertakings (PSUs) accounted for a tenth of GoI's revenue receipts in FY2020 (revised estimate).

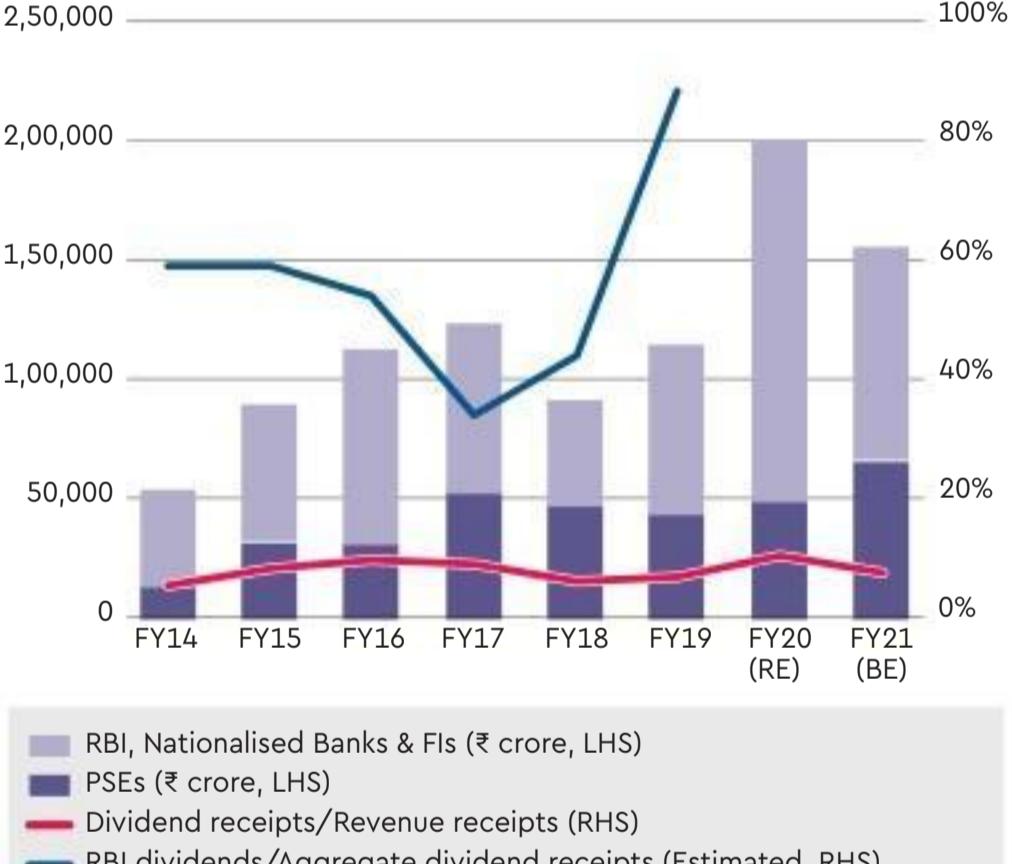
Historically, RBI has been the single largest contributor to GoI's dividend receipts. During the five years ended June 30, 2019, RBI transferred 100% of its net disposable income to GoI, with its FY2019 dividends more than trebling to ₹1.76 lakh crore from ₹50,000 crore in FY18. With RBI actively engaged in providing banks liquidity support, the likelihood of RBI maintaining its FY20 and FY21 dividend payments at FY19 levels is low.

In the February 2020 Union Budget, the government had projected a 36% increase in dividend payments from PSUs to ₹65,747 crore in FY21. This target is unlikely to be achieved if PSUs continue to pay the government cash dividends.

Fifteen non-financial constituents of the Bharat-22 ETF (Exchange Traded Fund) accounted for almost 66% of PSUs' dividend payments to the government. The government must require all profitable PSUs to pay stock dividends for FY20 and FY21. PSUs conserve cash in an environment of uncertainty and declining profits by paying stock dividends.

Monetising stock dividends
The Indian government may adopt

Composition of GoI's dividend receipts



Source: Union Budget documents & RBI Annual Reports

GoI's dividends from Non-FI constituents of Bharat-22 ETF

	₹ crore	FYE March 2019 dividends	GoI stake	GoI's dividend receipts*
Coal India	9,946.75	71.0%	7,058.21	
IOC	11,679.03	52.2%	6,094.12	
NTPC	5,927.15	56.1%	3,324.54	
PGCIL	5,455.37	53.4%	2,914.80	
BPCL	4,903.28	53.3%	2,612.96	
NHPC	1,526.74	73.3%	1,119.56	
GAIL (India)	2,088.56	52.2%	1,090.02	
ONGC	1,497.50	64.3%	962.15	
NLC India	807.01	81.9%	661.02	
NALCO	1,245.12	52.0%	647.46	
ITC	7,732.83	7.9%	613.99	
SJVN	805.29	63.9%	514.82	
Bharat Electronics	566.24	58.8%	333.06	
Engineers India	361.86	52.0%	188.17	
NBCC (India)	144.47	68.2%	98.50	
Aggregate	54,687.20	NA	28,233.38	

Source: PSUs' 2019 Annual Reports

*(estimated)

Some economists advocating this abolition blame the maze of labour laws for the existence of a gigantic informal sector. They point out that most firms try to circumvent the labour laws by either hiring more contract labour or going for capital-intensive manufacturing. The increasing incidence of contract labour has been a salient feature of the post-liberalisation era. Critics of the current system opine that existing labour laws are restrictive and encourage exploitation. The extant labour laws have benefitted the labour unions which comprise a small section of the organised sector labourers, government labour officials, and intermediary contractors. The laws are such that the firms require permissions for hiring, firing, closures, changing the job task of an employee,

and insists on paying wages, overtime perks and bonuses far above market-clearing wage. However, over time, firms have benefitted by hiring contract labour. Wages/salaries of contract workers are much less than permanent employees, and the former lack adequate job benefits and rights.

Critics are not entirely wrong. There is a

plethora of restrictive labour regulations in India that define and regulate every aspect of the employer-employee relationship. The three well-known and most restrictive ones are the Industrial Employment (Standing Orders) Act (IESOA), the Industrial Disputes Act (IDA), and the Trade Union Act (TUA). As per the IESOA, firms employing 100 or more workers (50 or more in some states) are required to seek government permission for

multiple methods to monetise stock dividends. First, it may raise (say) 5-year loans by pledging the shares received as dividends. Share prices of most PSUs are off their highs. The money raised through pledging shares at the current juncture will be lower than in a bull market. However, share prices are bound to appreciate when the economy recovers, thereby requiring the central government to sell fewer shares than it had pledged to repay its debt.

Second, GoI may inject the shares it has received as stock dividends in the Bharat-22 ETF. Third, GoI could sell the shares received as dividends to private-sector institutional investors and blue-chip companies that maintain sizable investment portfolios such as Reliance Industries, Infosys and TCS. GoI must negotiate with private sector institutional investors and high net worth retail investors with moderate to high-risk appetites to subscribe to the Bharat-22 ETF and effect bilateral share sales. Increasing Bharat-22 ETF's corpus and selling shares in a bear market requires considerable investor engagement on GoI's part; it is, however, not an impossible task.

Averting fire sales

GoI's decision to sell its 7.94% in ITC and 4.69% in Axis Bank held through the Specified Undertaking of the Unit Trust of India (SUUTI) to raise ₹22,000 crore is sub-optimal. ITC's and Axis Bank's closing share prices on May 6 were ₹164.65 and ₹386.35, respectively, less than half their 5-year peak prices.

Timing the market is challenging even for professional investors. However, GoI selling its ITC stake, which generated an estimated ₹614 crore of dividend income in FY19 and is currently valued at around ₹16,000 crore, during a cyclical downturn is shortsighted. This move diminishes the capital gains GoI could potentially earn and results in a loss of recurring dividend income.

As of March 31, 2019, the market value of SUUTI's quoted and unquoted investments was ₹40,726.68 crore and ₹1,439.44 crore, respectively. While SUUTI's quoted investments would have depreciated since March 2019, SUUTI may raise a loan by pledging its investments and upstream the proceeds to GoI as dividends.

The full-float market capitalisation of the S&P BSE PSU index excluding the Bharat-22 ETF constituents on May 6 was approximately ₹2,10,000 crores. GoI may transfer some of its non-Bharat-22 ETF constituents shares to a special purpose vehicle, which can pledge these shares and pay GoI dividends.

Overcoming the Covid-19 pandemic and ensuring the economy gets back on track is more important at the current juncture than addressing the macroeconomic weaknesses of high government indebtedness and fiscal deficit. GoI's initial ₹1.7 lakh crore relief measures, equivalent to 0.8% of GDP, was minuscule in comparison to those announced by similar-sized countries; now, the PM has announced that the relief measures will be expanded to total ₹20 lakh crore.

GoI must not lose the upside potential in its PSU divestments and compromise on future dividend income while fighting the current crisis.

Raising loans against its PSU stakes is a more prudent financing tool than outright share sales during a cyclical downturn. While GoI's interest expense will increase, maintaining ownership stakes in PSUs at current levels will enable GoI to capitalise on the economic recovery to repay debt and earn higher capital gains.

The Indian government must adopt a fiscally sound strategy to finance relief measures.

For GoI to successfully monetise PSUs' stock dividends and borrow against PSU shares, engaging with fundamentally sound banks and institutional investors on a war footing is an essential prerequisite.

Valuing valuers

**AKASH C
JAUHARI**

Research Fellow, Vidhi Centre for Legal Policy. Views are personal

A new law will help standardise and develop a market for valuation professionals

DEVELOPMENT OF ORGANISED professions is a necessary pre-condition for smooth functioning of market economies. India has seen the institutionalisation of several market-linked professions in the past, such as chartered accountants, insolvency professionals, etc. They are all subject to separate regulatory frameworks. Just like these professionals, valuers also perform a very useful function in market-based economies. Their services are crucial for ascertaining the value of different classes of assets, as may be required under different contexts. For instance, valuation is required for several transactions under company law, insolvency law, and tax law, among others. However, unlike other professions, the valuation profession is not institutionalised or regulated properly. This creates several arbitrage opportunities for malpractices, affects quality-control and also inhibits the development of the profession.

An unsuccessful attempt to provide a holistic framework for the regulation of the valuation profession was made through the Valuation Professionals Bill, 2008, which never saw the light of the day. Today, valuers are only required to meet basic legal requirements for services rendered for specific enactments. Nevertheless, there is no comprehensive institutional and regulatory framework. In recent times, the Companies (Registered Valuers & Valuation) Rules, 2017 attempted to provide a more robust regulatory framework for a category of valuers. However, this new regime is primarily limited to the valuation services required under the Companies Act, 2013 and insolvency laws, and does not provide a comprehensive institutional framework to address the market failures.

With this background, the government recently constituted a committee of experts to examine the need for a comprehensive framework for regulation and development of valuation professionals in India. The Committee submitted its recommendations last month and proposed the Draft Valuers Bill, 2020 ("Bill"). The primary objectives of the proposed framework are the development and regulation of the valuation profession and a market for valuation services, and protection of interest of users of valuation services.

An unsuccessful attempt to provide a holistic framework was made through the Valuation Professionals Bill, 2008

Regulatory Architecture: The Committee recommended a two-tier model for governance of the profession, similar to the model used for insolvency professionals. At the primary level, it recommended the establishment of National Institute of Valuers, as the principal regulatory body with a governing council, comprising a chairperson, whole-time members, part-time

members and ex-officio members. At the secondary level, Valuer Professional Organisations shall act as frontline regulators, responsible for the development of the profession.

Development: For the long-term development of the profession, the Committee recommended specialised educational courses along with a mandatory internship for entry into the profession. These courses will be delivered by Valuers Institutes, registered with the NIV. NIV will conduct the examinations for these courses. As an interim measure, transitory training programs and an entrance examination are recommended for persons with prior experience in providing valuation services or those with stipulated qualifications and experience.

Regulation: Regulating a profession appropriately is necessary for ensuring minimum professional standards. This is typically achieved by (a) robust entry requirements and (b) prescribing standards of conduct and monitoring its compliance. A person, to render valuation services under the Bill, is required to obtain specialised certificates for registration and practise depending on the nature of assets to be valued. Once registered, a valuer will also be required to abide by multiple codes of conduct, non-compliance with which will attract penalties.

Regulating the market for valuation services: The Committee envisioned a unified regime for the rendition of valuation services, so that only valuers registered under the proposed framework are permitted to render valuation services (albeit, this is proposed to be implemented in phases, prioritising transactions under some statutes over others).

Once implemented, the proposed Bill will go a long way in standardising valuation practices for transactions across different enactments and help in developing the market for valuation services. Such standardisation will also generate many spillover benefits for the Indian economy in the long run.

The author advised the committee talked about in the

article on designing the proposed framework.

THE COVID PANDEMIC and the consequent national lockdown have exacerbated the economic slowdown. As a result, both central and state governments are coming up with innovative economic policies to alleviate the economic misery across sectors. Some states have begun carrying out sweeping policy changes, for instance, in the labour market. The Uttar Pradesh government's suspension of the labour laws for three years through an ordinance is a case in point. This has effectively revived the debate over the relevance of the labour laws.

In a bid to spur investments boosting employment, the Yogi Adityanath government has exempted industries in the state from all labour laws except Building and Other Construction Workers Act 1996, Section 5 of Payment of Wages Act 1936 (the right to receive timely wages), Workmen Compensation Act 1923 and Bonded Labour System (Abolition) Act 1976, Maternity Benefit Act of 1961, Equal Remuneration Act of 1976, Child Labour (Prohibition and Regulation) Act of 1986, etc. Since labour is part of the 'concurrent list', the ordinance is subject to the approval of the central government. The Uttar Pradesh Temporary Exemption from Certain Labour Laws Ordinance, 2020 which will apply to both the existing businesses and the new factories being set up in the state has proposed to suspend the important labour laws. It is worth mentioning here that Madhya Pradesh government is also reportedly

Belabouring labour

While the inflexible labour law regime has been criticised for leading to increasing contractualisation that hurts workers, won't the new reforms do the same?

**SITAKANTA
PANDA**

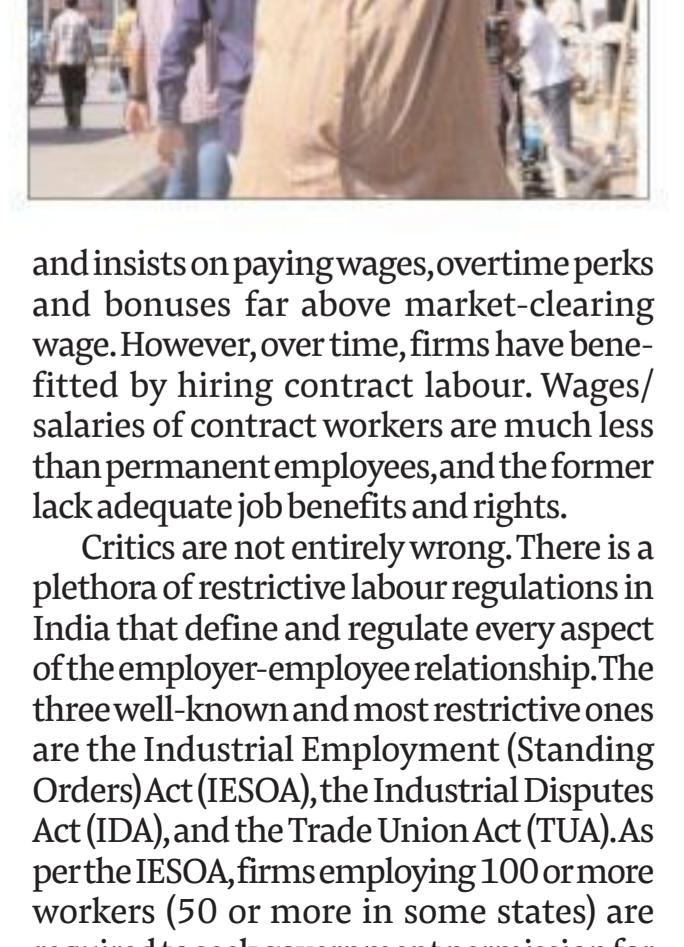
Assistant professor, economics IIT, Bhilai. Views are personal

mulling over policies exempting new manufacturing units from all, but some provisions, in the Factories Act, 1948 for the next 1,000 days. MP's labour law changes will allow more factories to operate without following safety and health norms and give a free hand to new companies to "keep labourers in service as per their convenience".

At the outset, this policy move of making defunct the laws of settling industrial disputes, occupational safety, health and working conditions of workers and those related to trade unions, contract workers and migrant workers will accentuate worker distress and place protection of worker rights at the mercy of industrialists. This is a clear violation of the norms, which may lead to slave-like conditions in workplaces.

changing the job description in the labour contract. As per the IDA, firms employing 100 or more workers are required to seek government permission to retrench or lay-off any worker. Firms very rarely get government permission in this regard. TUA allows any seven employees in a company to form a labour union. As the unions have the right to strike and represent workers in legal disputes, they have been subject to political interference and mafia nexus.

States with flexible labour regulation show faster employment growth than others. An early study by Timothy Besley and Robin Burgess (2004) found restrictive labour laws to be detrimental to firm output and employment outcomes in states. A study by Rana Hasan, Poonam Gupta and Utsav Kumar (2009) showed output and employment growth in labour-intensive industries to be slower in states with more rigid labour laws vis-a-vis others. Sean Dougherty, Veronica Frisancho-Robles and Kala Krishna (2011) found that compared to other lacking flexible labour laws, states with easier labour laws have about 11%-14% higher firm-level productivity in labour-intensive industries, and in those facing unstable input demand. Another important study by Philippe Aghion, Robin Burgess, Stephen Redding, and Fabrizio Zilibotti (2008) showed that after dismantling of the license raj, during liberalisation, industries located in states with pro-employer market regulations grew more quickly than the pro-worker labour



law states. Since pro-worker regulations are, on average, associated with weaker industrial performance, their study shows that dropping barriers to investment and entry via delicensing magnified the disadvantage of states with pro-worker institutions. Now when the labour laws are abolished or frozen temporarily, there is a legitimate apprehension that firms used to paying much less wages and salaries to contract labour may still continue to hire more contract labour. Since there are no labour laws in effect, the workers will be left at the mercy of the employers. Some basic labour-regulation defining standard, fixed tenure labour contracts and ensuring occupational safety and health, protects worker rights and ensures a balance between employer and employees would be despicable and wicked. No regulation is certainly not better than a maze of bad laws. Laws can be reformed and revamped. If only the state governments could show the political willpower to reform the nuisance creating aspects in the existing labour laws, the present situation would not have occurred. At a time when unemployment rate has increased, and market wages have declined drastically, this

International

WEDNESDAY, MAY 13, 2020



CRUDE CALCULATION

Donald Trump, US president

Crude oil prices going up as Saudi Arabia cuts production levels. Our great energy companies, with millions of JOBS, are starting to look very good again. At the same time, gasoline prices at record lows (like a big tax cut)

● TRADE IN THE TIME OF PANDEMIC

China announces new list of tariff waivers for US imports

Beijing steps up US soybean buying with million-ton purchase to assuage Trump's doubts on the Phase One trade deal

AGENCIES
Beijing, May 12

CHINA ANNOUNCED ON Tuesday a new list of 79 US products eligible for waivers from retaliatory tariffs imposed at the height of the bilateral trade war, amid continued pressure on Beijing to boost imports from the United States.

China's finance ministry said in a statement the new waivers will take effect on May 19 and expire on May 18, 2021. The latest list waives tariffs on products including ores of rare earth metals, gold ores, silver ores and concentrates.

The ministry did not disclose the imports value of the products. Beijing in February said it would grant exemptions for 696 US goods including key products such as soybeans and pork based on applications from companies.

Meanwhile, China is stepping up purchases of soybeans from the US as Brazilian sales start to wane and the Asian nation seeks to meet its pledges under the trade deal with Washington, Bloomberg reported.

State-run buyers have purchased more than 20 cargoes, or over 1 million metric tons, of American soybeans in the past two weeks, said the people, who asked not to be identified because the information is private. The beans were bought using tariff waivers previously issued, the people said.

Purchases of 136,000 tons reported by the US government Tuesday were probably made Monday.

Beijing and Washington's top trade negotiators held a call last week and discussed implementation of the Phase 1 deal

MAPPING THE VIRUS

Global cases pass 4.2 million
Deaths exceed 286,900
Recoveries 1,443,584

■ Putin's spokesman gets virus as Russia rises to No. 2 in infections
■ Wuhan to Test as many as 11 million
■ Infections near US meat plants rise at twice the national rate
■ China will exempt some foreign executives from travel ban
■ Millions of European workers go home, some forever
■ Qatari, UAE report highest daily jump in cases

Dr Anthony Fauci, the top infectious disease expert of US, is warning Congress that if the country reopens too soon it will result in needless suffering and death

Federal Reserve Bank of St. Louis President James Bullard said keeping the economy in lockdown for longer than 90 or 120 days risks triggering bankruptcies and a Great Depression-scale recession

A key measure of US consumer prices declined in April by the most on record as travel and apparel spending collapsed during the pandemic. The core consumer-price index, which excludes volatile food and fuel costs, fell 0.4% from the prior month after a 0.1% decrease in March, Labor Department figures showed Tuesday.

Singapore rejected "herd immunity" as a strategy in the fight against the pandemic and signaled it will instead continue to contain transmission until a viable vaccine is ready.

Spain reported small increases in the number of new coronavirus cases and deaths, as activity continues a gradual revival after more than eight weeks of confinement. The number of fatalities rose by 176 to 26,920 in the 24 hours through Tuesday, compared with an increase of 123 on Monday, according to Health Ministry data.

LabiCorp said its at-home collection test kit is now being offered nationwide to people who have symptoms consistent with Covid-19 infection and to those without symptoms who may have been exposed to the virus.

signed in January.

Under the deal, China agreed to increase its purchases of US goods from a 2017 baseline by \$200 billion over two years, with about \$77 billion in increased purchases in the first year and \$123 billion in the second year.

Renewed tensions between the two countries, sparked by the Covid-19 pandemic that began in China late last year, are also raising questions about the trade deal.

US President Donald Trump has threatened to terminate the deal if China fails to meet its purchase commitments.

China's *Global Times*, published by the official newspaper of the ruling Communist Party, also reported on Monday that

some government advisers were urging Beijing to invalidate the trade deal and negotiate one more favourable to China.

The Chinese foreign ministry adopted a measured stance on trade on Tuesday despite the heightened tensions between the two countries, saying the existing Phase 1 deal is a good thing for both China and the United States.

"China and America reaching the Phase 1 trade deal benefits China, benefits the US and the whole world," Zhao Lijian, spokesman at the foreign ministry, said at a regular media briefing in Beijing.

"Both sides should carry out the agreement while sticking to the principles of equality and mutual respect."

Aramco plans \$75 billion dividend as net drops 25%

AGENCIES
Dubai, May 12

SAUDI ARABIAN STATE oil giant Aramco on Tuesday reported a 25% fall in first-quarter net profit, missing analyst estimates, but its quarterly dividend was in line with a plan for a \$75 billion base payout to shareholders for the year.

Brent crude prices fell 65.6% in the first quarter, before OPEC+ producers agreed to cut oil supply by a record 9.7 million barrel per day starting from May to help shore up plunging prices and curb oversupply.

Net profit fell to 6.24 billion riyals (\$16.64 billion) after zakat and tax for the quarter to March 31 from 83.29 billion a year earlier.

Dividends of \$18.75 billion for the first quarter of 2020 "are the highest of any listed company worldwide" and will be paid in the second quarter, Aramco said. It gave no more details.

The payout is crucial for the kingdom, which holds about 98% of Aramco and is facing its worst financial turmoil in decades as revenue falls. On Monday, the government tripled value-added tax and cut bureaucrats' allowances as it looks to rein in a fiscal deficit that could reach 13% of gross domestic product this year.

Aramco said it continues to expect capital spending for 2020 to be between \$25 billion and \$30 billion.

Capital expenditures for 2021 and beyond remain under review.

Capital expenditures in the first quarter were \$7.4 billion, compared to \$7.2 billion for the same period in 2019, "due to continued project development and upgrades at various facilities," Aramco said.

Aramco plans to acquire a stake in

OIL NOT WELL



■ Brent crude prices fell 65.6% in the first quarter

■ Dividends of \$18.75 billion for the first quarter of 2020 are the highest of any listed company

■ Net profit fell to \$16.64 billion after zakat and tax for Q1

■ Aramco expects capex for 2020 to be between \$25 billion and \$30 billion

■ Aramco plans to acquire a stake in Saudi petrochemical maker SABIC for around \$70 billion

Saudi petrochemical maker SABIC for around \$70 billion, though sources told Reuters this week that the deal was likely to be restructured with the slump in oil prices due to the coronavirus.

It said earlier on Tuesday that its planned acquisition of a 70% equity stake in petrochemical maker SABIC is on track to close in the second quarter.

At the time of Aramco's record initial public offering in December, the dividend was a huge part of its appeal.

Hope rears its head, but more information is needed

Trump bars savings fund's investment in China stocks

BLOOMBERG
May 12

THE TRUMP ADMINISTRATION moved on Monday night to block investments in Chinese stocks by a government retirement savings fund. National Economic Council Director Larry Kudlow and National Security Adviser Robert O'Brien made the administration's wishes known in a letter to Labor Secretary Eugene Scalia, according to a person familiar with the matter.

The move was made as Trump recently faulted China over the spread of the coronavirus, and as questions have arisen over how faithfully the Beijing government will adhere to a recent trade agreement between the two countries.

Scalia then sent a letter to Michael Kennedy, the chairman of the Federal Retirement Thrift Investment Board, telling him to "halt all steps" associated with putting government employees' money in a fund that included stakes in Chinese companies.

The Thrift Savings Plan—the federal government's retirement savings fund—was scheduled to transfer roughly \$50 billion of its international fund to mirror an MSCI All Country World Index, which captures emerging markets, including China.

Toyota expects 80% profit drop in FY21 as virus wipes \$14 billion off car sales

REUTERS
Tokyo, May 12

TOYOTA SAID ON Tuesday it expects profit to drop by 80% to its lowest in nine years, as Japan's biggest automaker grapples with the impact of the novel coronavirus which has sapped global demand for vehicles.

Toyota, one of the world's most profitable automakers, expects to take a whopping 1.5 trillion yen (\$13.95 billion) hit from a fall in global vehicle sales this year due largely to the virus, yet it still expects to eke out an operating profit of 500 billion yen in the year to March.

"The coronavirus has dealt us a bigger shock than the 2008 global financial crisis," Toyota President Akio Toyoda said at a live-streamed media briefing.

"We anticipate a big drop in sales volumes, but despite that we are expecting to remain in the black. We hope to become a leader of the country's economic recovery."

Arcelor offers \$2 bn of shares, convertibles at deep discount

REUTERS
Brussels, May 12

ARCELORMITTAL, THE world's largest steelmaker, is issuing \$2 billion of shares and convertible notes at a deep discount to accelerate debt reduction plans that have been slowed by the pandemic.

The company said on Tuesday it will sell \$750 million of shares at a price of \$9.27, equivalent to 8.57 euros. That is near to their value at Monday's close, when ArcelorMittal had said it would issue new shares, but some 17% down from Friday.

On Tuesday, the shares were trading 4.6% lower on the day at 8.23 euros at 0800 GMT, making them the worst performers in the FTSEurofirst300 index.

ArcelorMittal will also issue \$1.25 billion of mandatory convertible notes with a maturity of three years and paying an annual coupon on 5.5%.

Musk dares arrest as he reopens Tesla's California plant despite shutdown

BLOOMBERG
May 12

ELON MUSK RESTARTED production at Tesla's only US car plant, flouting county officials who ordered the company to stay closed and openly acknowledging he was risking arrest for himself and his employees.

"I will be on the line with everyone else," the chief executive officer said in a tweet Monday. "If anyone is arrested, I ask that it only be me."

Musk, 48, said Monday that Tesla was restarting production at its plant in Fremont, California, flouting county officials who ordered the company to stay closed. When asked on Twitter how the day went at the factory, Musk replied Tuesday: "Great." "Just wanted to send you a note of appreciation for working hard to make Tesla successful," Musk wrote in an email to employees seen by Bloomberg News. "It is so cool seeing the factory come back to life and you are making it happen!"

To follow through on his tweets claiming Tesla would move its headquarters and future programs to Nevada or Texas, the CEO would have to uproot many of the roughly 20,000 employees the electric-car maker has in the San Francisco Bay area. About half of the company's headcount is at the factory. Musk wrote Saturday that Tesla would decide whether to keep manufacturing in Fremont based on how Tesla is waging another legal battle.

is treated in the future.

Tesla shares rose as much as 3.2% shortly after the open of regular trading. The stock has surged more than 90% this year.

After prevailing in a defamation suit and emerging mostly unscathed from a court fight with the Securities and Exchange Commission last year, Musk is waging another legal battle.

since the 2011/12 financial year.

The automaker forecast global sales of 8.9 million vehicles — a nine-year low — versus 10.46 million in the year just ended. It expects sales to recover to 2019 levels next year.

Toyota's outlook came as rivals including Honda and General Motors have refrained from issuing forecasts, citing uncertainty about the coronavirus.

On Tuesday, Honda posted its weakest annual profit in four years, after a 28% drop in fourth-quarter vehicle sales plunged the automaker into an operating loss of 5.2 billion yen, its first quarterly loss since the March 2016 quarter.

Japanese automakers are bracing for a year of falling car sales as economists anticipate a slow and patchy recovery from the pandemic.

As a result, some analysts see a cut in annual global vehicle sales by around a third, compared with an 11% fall in 2009-10 after the global financial crisis.

Vodafone keeps dividend as pandemic hits roaming

REUTERS
London, May 12

VODAFONE MAINTAINED ITS dividend on Tuesday, bucking a corporate trend to cut or scrap payouts due to the coronavirus crisis, as the world's second-biggest mobile operator met expectations with a 2.6% rise in full-year core earnings.

The British company said a drop in international travel due to the virus pandemic hit revenues from roaming calls and it expected customer spending to suffer from the economic downturn.

But it said data usage was surging and it was retaining more customers thanks to the speed and reliability of its networks.

Chief Executive Nick Read said the company had delivered a "rapid, comprehensive and coordinated" response to the crisis.

Core earnings reached 14.9 billion euros (\$16.1 billion) in the year ended March 31, with group revenue up 3% to 45.0 billion euros, driven by business in Europe. Shares in the group, which have fallen 19% in the last 12 months, were up 8.2% to 122.22 pence at 1000 GMT.

Read cut Vodafone's dividend a year ago, relieving immediate pressure on its balance sheet.

This time, the group kept its full-year payout at 9.00 euro cents a share. Rival BT Group suspended its dividend.

The Vodafone CEO said free cash flow grew 12.2% to 4.9 billion euros, enabling Vodafone to invest in its network and pay the dividend that many of its shareholders relied upon.



Vodafone CEO Nick Read

covid-19 are killed by an overreaction of their immune system, called a cytokine storm, that leads to massive inflammation of the lungs and consequent respiratory failure. Cytokines are signalling molecules. Several varieties of them are secreted by the immune system in order to regulate itself. A storm occurs when uncontrolled levels of cytokines are released. Actemra blocks the cellular receptors for a cytokine called interleukin-6. A recent trial of Actemra on 129 covid-19 patients who had developed pneumonia showed that it reduced deaths in the worst-affected. The big challenge with anti-inflammatory treatments is knowing when to give them. Applied too soon, they will reduce the immune response that is needed to tame the virus. For that, doctors will need to look carefully at the data from the Actemra trial. These, though, have not yet been published either.

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SCIENCE & TECHNOLOGY

TREATING COVID-19

Two potential therapies for Covid-19 have some effect

Hope rears its head, but more information is needed

Full data from the trial have not yet been published, something which makes those not involved in it nervous. Some doctors think that the drug will need to be given early, when a patient's viral load is rising, to have the greatest effect. Also, outsiders cannot currently analyse the different groups of patients involved, to make sure that those

who did not receive treatment were well matched with those that did. If, for example, those in the treatment group were healthier than those who were left untreated as a control, that would make the drug look more effective than it actually is.

Remdesivir is a beginning. Its eventual value, though, is likely to be as an arm of a

combination therapy. Other drugs which might form part of such a therapy include further antivirals, and also anti-inflammatory medicines.

One possible anti-inflammatory treatment is tocilizumab, sold by Roche as Actemra and currently prescribed for arthritis. Many of those most seriously affected by

covid-19 are killed by an overreaction of their immune system, called a cytokine storm, that leads to massive inflammation of the lungs and consequent respiratory failure. Cytokines are signalling molecules. Several varieties of them are secreted by the immune system in order to regulate itself. A storm occurs when uncontrolled levels of cytokines are released. Actemra blocks the cellular receptors for a cytokine called interleukin-6. A recent trial of Actemra on 129 covid-19 patients who had developed pneumonia showed that it reduced deaths in the worst-affected. The big challenge with anti-inflammatory treatments is knowing when to give them. Applied too soon, they will reduce the immune response that is needed to tame the virus. For that, doctors will need to look carefully at the data from the Actemra trial. These, though, have not yet been published either.

Personal Finance

WEDNESDAY, MAY 13, 2020

COVID-19 EPF CLAIMS

How to withdraw funds from EPF account

To avoid delay or rejection of claims, an EPF member must ensure that his UAN is validated with Aadhaar and KYC of bank account and the mobile number is seeded in UAN

SAIKAT NEOGI

IN ORDER TO give relief to people facing a cash crunch because of loss of income triggered by the Covid-19 lockdown, the government has allowed salaried employees to avail a non-refundable advance from their Employees' Provident Fund (EPF) accounts. A member can withdraw up to 75% of outstanding balance in his EPF account or three months basic pay plus dearness allowance, whichever is lower. The outstanding amount comprises employee's share, employer's share and interest. A member can avail this while still in service.

The advance is available only once and will be available till the pandemic prevails. The EPFO has clarified that during dependency of any other advance, the application for Covid-19 claim is permitted. A member can apply online for such claims if his Universal Account Number (UAN) is validated with Aadhaar and KYC of bank account and



ILLUSTRATION: SHYAM KUMAR PRASAD

the mobile number is seeded in UAN.

While in the frequently asked questions section on the EPFO website, EPFO says it is settling claims for availing advance within three working days, a member must ensure that the online filing process is followed carefully to avoid delaying in getting the money.

However, an individual should think twice before withdrawing money from the EPF account as it helps to build long-term retirement corpus and is tax efficient. The

investments get a tax break of ₹1.5 lakh under Section 80C of the Income Tax Act, the interest earned is tax free and the final withdrawal after retirement is also tax free. The retirement fund body has decided to provide 8.5% interest rate on EPF deposits for 2019-20, one of the highest among all fixed income instruments.

Ideally, if you have funds in term deposits, you should withdraw as interest rates are trending down. For instance,

State Bank of India is offering interest rate of 5.5% for deposits of one to three years and 5.7% for deposits above three years. So, at 20% tax bracket, the post tax returns will be 4.36% and 4.52%, respectively.

How to avail non-refundable advance

A member can file online advance claim for Covid-19 in the member interface of the unified portal of EPFO (<https://unifiedportal-mem.epfindia.gov.in/memberinterface>) and then go to Online Services Claim (Form 31,19,10C & 10D). Forgetting claims faster, it is mandatory to upload a cheque leaf containing the printed name of the member, or the first page of the bank passbook or bank statement

containing the name, account number and IFSC. This is required to ensure that the bank account number uploaded in the KYC is correct and erroneous payments are avoided.

A member can file the claim through mobile phone by downloading the UMANG (Unified Mobile Application for New-age Governance) app. He can log in with his UAN and OTP received on the mobile number registered with UAN to file claim.

An employee of an exempted establishment can withdraw from his PF account maintained with the PF trust of the establishment. As per EPFO's dashboard, 11,25,666 Covid-19 claims were

settled till May 12.

Mismatch in details

The member must ensure that the UAN is activated, verified Aadhaar is linked with UAN and the bank account with IFSC code is seeded with UAN. If a member's Covid claim has been rejected due to details mismatch, he can update the details by logging into member e-sewa portal and file the claim once again.

If a member has two different UANs, he should transfer all the previous services to the latest member ID. This can be done by filing a transfer claim.

Once successfully transferred, the entire PF corpus

will reflect against the latest member ID and then he can file Covid advance claim to reap the maximum benefit.

Processing of claims

After processing the claims, EPFO sends a cheque to the bank for crediting amount to the claimant's account. The bank usually takes one to three working days to credit the advance in the member's bank account. So, while applying for the online claim make sure the scanned documents are clear and proper documents are uploaded. Ensure that the bank account linked with UAN is not dormant. However, any changes to the KYC details will have to be done by the employer.

YOUR MONEY

NAVEEN KUKREJA

Five ways to deal with income disruptions

THE ECONOMIC UNCERTAINTY caused by Covid-19 has severely impacted the livelihood of many. Uncertain times like this demand prior financial planning and adequate emergency fund for up to 9-12 months of monthly mandatory expenses including EMIs and insurance premiums. However, those lacking them can still tide over their restrained cash inflows by following some smart money moves.

The first logical step would be to take soft loans from friends or relatives. This will help save interest cost and avail greater repayment flexibilities than any institutional lender might offer. If that too proves insufficient or infeasible, then follow these options with a step-by-step approach to deal with income disruptions and liquidity mismatches.

Redeem your fixed income investments

The first step is to consider redeeming existing investments not linked to any crucial financial goals. As investments in equity-oriented schemes would be in red by a significant margin, redeeming them will lead to losses. Investors should start the exercise by identifying fixed income instruments, like bank fixed deposits, recurring deposits or debt funds for redemption. The interest amounts earned from these instruments are usually lower than the interest rate charged on even the cheapest loan options.

Avoid redeeming your fixed income investments to make loan prepayments as the current economic scenario requires greater priority for liquidity than making savings on interest cost.

Avail moratorium for term loans

Reserve Bank of India has allowed all banks, NBFCs and HFCs to offer a 3-month moratorium to their term loans and working capital loans borrowers. Hence, existing borrowers unable to meet their loan repayment commitments due to cash flow dis-



ILLUSTRATION: SHYAM KUMAR PRASAD

eFE

WORKPLACE SAFETY

Keeping our offices safe and clean

Wobot Intelligence develops AI-based hygiene tracking solution to help businesses adhere to Covid-19 driven hygiene guidelines

SUDHIR CHOWDHARY



manifold in the coronavirus pandemic.

"Physical monitoring beyond a point is not effective or scalable or prohibitively expensive," says Adit Chhabra, CEO, Wobot Intelligence. "By ensuring 24x7 monitoring and real-time feed on compliance we are taking the load off business owners and heads of locations or teams in ensuring compliance and improving sanitisation in their premises. This, in turn, ensures the well-being of their employees/team members while bringing down the compliance costs significantly."

Today, many establishments have CCTV-based surveillance, but the cameras only send in the videos. Somebody then has to manually look at all the videos to catch anything amiss. CCTVs are often reduced to a mere tool for post-mortem analysis. To solve this and make sense of all the data, Wobot has developed a layer of Artificial Intelligence which makes the system capable of doing surveillance on

behalf of the human eye. The company's machine learning algorithms can detect any deviations in the standard operating procedures and flag them, he explains.

Backed by Titan Capital, Wobot started in December 2017. It offers various modules that look into hygiene, food safety, pilferage, and customer experience. The idea for the company came about when the co-founders—Tanay Dixit, Tapan Dixit, Adit Chhabra—realised that organisations were going through the process of monitoring their operations manually.

Chhabra says, "Essentially an auditor would inspect a place manually just once a week/month, making the whole process highly inefficient and increasing the chances of human errors and biases drastically. At that time we were in the process of building an audit and inspection app that would digitise these manual audits.

Through this process, we started understanding the different checklist items that



Physical monitoring beyond a point is not effective or scalable or prohibitively expensive.

—ADIT CHHABRA, CEO, WOBOT INTELLIGENCE

were needed to be audited/monitored for different industries. For example, the hygiene model would require PPE monitoring, sanitisation activity monitoring, hand wash monitoring, etc. We also realised how CCTVs were capturing huge amounts of data and how it could be used to make the process of video monitoring more efficient.

Therefore, the Wobot team first digitised audits and inspections and gained industry knowledge. "In step two, we converted these checklists to computer vision models for CCTV across different industries," he says. Wobot's AI-based video analytics platform provides actionable insights and monitors SOPs across companies in hospitality, retail, manufacturing, and pharmaceuticals.

Since the outbreak of Covid-19, Wobot has been working closely with its customers in food, healthcare as well as manufacturing to ensure employee safety.

lated based on snapshots shared with concerned security authorities. This centralised data collection enables data analysis and integration with other solutions, such as facial recognition, alarm systems and more, for effective response and tracking.

Niramai has integrated its FeverTest technology in Mitra Robots from Invento Robotics. These robots can be deployed at the entrance of a hospital for screening patients and visitors. While the robot collects visitor information through a voice-based conversation, Niramai solution using a thermal camera mounted on the robot measures the facial temperature of the visitor. If a visitor shows no signs of Covid-19 then the robot refers the visitor to a human receptionist. However, if something abnormal is detected in a person, then it takes the individual to a separate room and facilitates remote interaction with the doctor. This screening can be done automatically with the remote vigilance of security staff, thus reducing the risk to front-line health workers.

AI-BASED DIAGNOSTICS

Fever screening goes hi-tech

Bengaluru-based DeepTech startup Niramai is offering automated fever test for Covid-19 screening

SUDHIR CHOWDHARY



Niramai, offers an automated fever test for Covid screening. The solution is aimed towards enabling automated screening of population by checking not only for fever but also for respiratory abnormalities using its Thermalix solution (Artificial Intelligence algo-

rithms over thermal images).

Niramai FeverTest performs face detection in the thermal stream and enables accurate measurement of the temperature of each person, counts the number of people screened and those diagnosed with suspected fever are iso-

lated based on snapshots shared with concerned security authorities. This centralised data collection enables data analysis and integration with other solutions, such as facial recognition, alarm systems and more, for effective response and tracking.

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ON SOVEREIGN GOLD BOND

Nish Bhatt, founder & CEO, Millwood Kane International

Paper gold is free of all costs and hassles as the bond certificate comes in a digital format with 2.5% interest coupon payable directly to the bank account.

YOUR MONEY

NAVEEN KUKREJA

Five ways to deal with income disruptions

THE ECONOMIC UNCERTAINTY caused by Covid-19 has severely impacted the livelihood of many. Uncertain times like this demand prior financial planning and adequate emergency fund for up to 9-12 months of monthly mandatory expenses including EMIs and insurance premiums. However, those lacking them can still tide over their restrained cash inflows by following some smart money moves.

The first logical step would be to take soft loans from friends or relatives. This will help save interest cost and avail greater repayment flexibilities than any institutional lender might offer. If that too proves insufficient or infeasible, then follow these options with a step-by-step approach to deal with income disruptions and liquidity mismatches.

Redeem your fixed income investments

The first step is to consider redeeming existing investments not linked to any crucial financial goals. As investments in equity-oriented schemes would be in red by a significant margin, redeeming them will lead to losses. Investors should start the exercise by identifying fixed income instruments, like bank fixed deposits, recurring deposits or debt funds for redemption. The interest amounts earned from these instruments are usually lower than the interest rate charged on even the cheapest loan options.

Avoid redeeming your fixed income investments to make loan prepayments as the current economic scenario requires greater priority for liquidity than making savings on interest cost.

Avail moratorium for term loans

Reserve Bank of India has allowed all banks, NBFCs and HFCs to offer a 3-month moratorium to their term loans and working capital loans borrowers. Hence, existing borrowers unable to meet their loan repayment commitments due to cash flow dis-



ILLUSTRATION: SHYAM KUMAR PRASAD

ruptions and inadequate surpluses can consider availing the loan moratorium. Remember that the interest on their outstanding dues will continue to accrue during the moratorium period.

Opt for EMI conversion for credit card dues

Card holders unable to repay their credit card dues should avoid the moratorium to the extent possible. The interest rates on unpaid credit card dues can be 23-49% per annum. Instead, they should try to convert their unpaid dues or big ticket expenses into EMIs. Such EMI conversions cost much lower interest rates than the finance charges levied on unpaid dues. They also come with tenures of up to five years, which will help in making comfortable repayment in smaller tranches in the form of EMIs.

The interest rate of EMI conversions would vary depending on the card issuer, the credit profile of the card holder and the tenure opted for.

Withdraw from your EPF corpus

The government has allowed EPF subscribers to withdraw up to 75% of their EPF balance or three months of basic and dearness allowance, whichever is lower. However, to avoid withdrawing from EPF as it delivers one of the highest tax-free returns with sovereign guarantee.

Take loan against investments

Once you have exhausted all the above mentioned options, you can consider availing loan against your market-linked investments to mitigate your short-term liquidity mismatches. Loan against securities are offered in the form of overdraft. Interest is charged only on the drawn amount till the time it is repaid. Interest rates are usually lower than those of unsecured loans. However, the loan amount will depend on the type of securities offered as collateral and their LTV ratios fixed by the respective banks. Remember that any fall in the market value of the underlying collateral will have to be made good by pledging more securities or by paying upfront the difference amount.

The writer is CEO & co-founder, Paisabazaar.com

Markets

WEDNESDAY, MAY 13, 2020



NBFC FINANCING

Nirmala Sitharaman, finance minister

SCB sanctioned loans worth ₹5.95 lakh crore for more than 46.74 lakh accounts from the MSME, retail, agriculture & corporate sectors between March 1 and May 8, 2020. Total financing worth ₹1.18 lakh crore was provided to NBFCs.

Money Matters

G-SEC

Benchmark yield rises 0.001%



FE BUREAU

Kolkata, May 12

PRIVATE SECTOR LENDER Bandhan Bank on Tuesday reported a 20.52% year-on-year (y-o-y) fall in its net profit to ₹517.28 crore in the March quarter. The Kolkata-headquartered bank had made additional Covid-19-related provisions on standard advances amounting to ₹690 crore during the quarter.

Total provision and contingencies rose over five-fold to ₹827.36 crore, compared with ₹153.28 crore a year ago. Sequentially, provisions and contingencies jumped nearly three-fold, compared to ₹294.88 crore in the December 2019 quarter, according to a stock exchange filing.

The lender, in its BSE filing, said, "The bank holds provisions as at March 31, 2020, amounting to ₹69,000 lakh (₹690 crore) against the potential impact of Covid-19 on standard assets based on all the available information at this point in time. This includes ₹6,400 lakh (₹64 crore) as the minimum amount required as prescribed by the RBI in terms of circular dated April 17, 2020; while RBI has permitted this amount to be spread over two quarters, the bank has

COVID PROVISIONS OF ₹690 CR

Bandhan Bank net falls 21%

Made Covid-19-related provisions on standard advances in Q4FY20

Report card

	Q4FY20	Q4FY19	Chg (%)	Q3FY20	Chg (%)	
Total income	3,346.47	2,220.32	50.7	3,075.34	8.82	
NII*	1,680.04	1,257.28	33.6	1,540.28	9.1	
Provisions	827.36	153.28	439.77	294.88	180.57	
Net profit	517.28	650.87	-20.52	731.03	-29.24	
Gross NPA	1.48%	2.04	▼56 bps	1.93%	▼45 bps	
Net NPA	0.58%	0.58	-	0.81	▼23 bps	

All figures in ₹ crore (except percentages) *NII: Net interest income

Source: Bank

decided to provide for the entire amount in the current quarter. In addition, the bank carries additional standard asset provision on micro finance portfolio at 0.75% amounting to ₹31,000 lakh (₹310 crore). These aforesaid provisions, held by the bank, aggregate to ₹1,00,000 lakh (₹1,000 crore)."

Chandra Shekhar Ghosh, MD and CEO, said, "Q4FY20 has been a satisfying quarter given the challenges. The bank has showcased the strengths of its deposit franchise with continuously growing deposits in all the segments. The bank has made an additional Covid-related provision on standard advances amounting to ₹690 crore. We have taken all the necessary steps to ensure safety of our customers and employees. We further endeavour to work with our employees and customers ensuring to beat the service in this critical time."

During the March quarter last fiscal, net interest income (NII) rose 33.6% y-o-y to ₹1,680.04 crore, compared to ₹1,257.28 crore a year ago. Non-interest income was up 28.87% y-o-y in March 2020 to ₹500 crore, compared to ₹388 crore in March 2019. Bandhan said in view of the amalgamation with GRUH Finance in October last year, the figures for the current quarter were not comparable with the corresponding figures of previous year/period. Net interest margin (NIM) for the quarter ended March 31, 2020, stood at 8.13%, up 22 basis points (bps), from 7.91% in December 31, 2019.

The lender's gross non-performing assets (NPA) ratio at the end of March quarter stood at 1.48%, 45 bps down from 1.93% at the end of December 2019, while the net NPA ratio also decreased by 23 bps sequentially to 0.58% from 0.81% as on December 31, 2019.

Sebi relaxes compliance norms on consolidated results for banks, insurers

PRESS TRUST OF INDIA
New Delhi, May 12

MARKETS REGULATOR SEBI on Tuesday gave relaxation to listed banks and insurance companies for publishing consolidated financial results for the June quarter in the wake of coronavirus pandemic.

In addition, it has extended the exemption given to listed companies from publication of advertisement in newspapers about their board meetings, financial results and other events till June 30, Sebi said in a circular. Earlier, the exemption was given till May 15.

"In view of the continuing lockdown and the resultant bottlenecks relating to print versions of newspapers... exemptions from publication of advertisements in newspapers are extended for all events scheduled till June 30, 2020," the regulator noted.

Also, Sebi has eased compliance norms pertaining to requirement of sending physical copies of annual reports to shareholders; proxy forms for general meeting and dividend warrants or cheques.

"Listed entities which are banking and / or insurance companies or having subsidiaries which are banking and / or insurance companies may submit consolidated financial results... for the quarter ending



June 30, 2020, on a voluntary basis," Sebi said. However, they shall continue to submit the standalone financial results, it added.

If such listed entities choose to publish only standalone financial results and not consolidated financial results, they need to give reasons for the same, it noted.

This comes after the regulator received representations from listed entities that are banks or insurance companies highlighting the challenges in preparing consolidated financial results in view of different accounting standards being followed by companies belonging to same group and the difficulties in restating those financials as per IND-AS due to the prevailing circumstances in view of Covid-19.

Under the LODR (Listing Obligations and Disclosure Requirements), in case a listed entity has subsidiaries, such entity needs to submit quarterly/year-to-date consolidated financial results.

Quick View

SBI: ATM cards cloned in Delhi; affected ones to get refund

STATE BANK OF India (SBI) on Tuesday said instances of use of cloned ATM cards have been reported from the national capital and refund will be processed for the affected customers. All suspicious transactions should be reported to the home branch, the lender said. "Cases of using cloned #ATMCards have been reported in Delhi. There appears to be a possible compromise at an ATM of another bank. Affected SBI customers are being helped & refunds will be processed as per the procedure," it said in a tweet.

ICAI earmarks ₹100-cr corpus for scholarship

TO STRENGTHEN THE future of the students pursuing chartered accountancy (CA) courses, the Institute of Chartered Accountancy of India (ICAI) has created a corpus fund of ₹100 crore that has been earmarked to provide scholarships for the students who are pursuing CA and increase the beneficiaries gradually. "This will enable the students to have a bright future and pursue their dreams," ICAI president Atul Kumar said.

Equitas SFB rolls out new products for NRIs

EQUITAS SMALL FINANCE Bank on Tuesday announced that it is offering NRE and NRO savings, fixed and recurring deposit account for NRIs and Persons of Indian Origin (PIOs). The NRE rupee savings account which offers up to 7.5% per annum interest on savings account is to convert and save overseas earnings in rupees. The interest earned is not taxable in India and the funds are freely repatriable abroad. The NRO rupee savings account is to deposit rupee cash and manage Indian income like rent and dividends. NRE fixed deposits earn tax free and deposit rates in Indian rupee for the funds earned abroad.

IBA submits proposal on 'bad bank' to govt, RBI

ANKUR MISHRA
Mumbai, May 12

THE INDIAN BANKS' Association (IBA) has submitted a proposal to the finance ministry and the Reserve Bank of India (RBI) on Tuesday to set up a 'bad bank' for approximately ₹75,000 crore worth of non-performing assets (NPAs), sources close to development told FE. A bad bank is a corporate structure which isolates risky assets held by banks at one place. "We are requesting the government to provide ₹10,000 crore of initial capital," the source added.

The proposed structure of a bad bank is based on the earlier recommendations of a panel headed by former PNB chairman Sunil Mehta, called 'Sashakt' two years ago.

Tepid day: Banking stocks drag benchmarks down

FE BUREAU
Mumbai, May 12

IT WAS A tepid day for Indian equities on Tuesday, as the benchmarks were dragged down by Reliance Industries and select banking stocks. The benchmark Sensex lost 190.1 points or 0.6% to close at 31,371.12. The broader Nifty50 declined 0.4% or 42.65 points to close at 9,196.55. Weak performance of the Asian markets also dampened the sentiment of the stock markets.

After falling 124.9 points intraday, the Nifty50 witnessed buying in the last hour of trade and ended the day marginally lower. The shares of RIL declined 5.7% as the conglomerate opened the subscription for its rights issue. The shares of banking stocks declined and remained under pressure for most part of the day. The Nifty PSU Bank had hit a low of 1,131.35, which was its lowest in 14 years, but recovered towards the end of the day closing 0.19% higher at 1,166.80. Financial stocks have been under pressure in anticipation of a rise in non-performing assets (NPAs). Economic uncertainties caused by Covid-19, which could lead to a bleak credit growth, is also putting pressure on banking and financial stocks. A report by Motilal Oswal Institutional Equities states that the weight of financials in the benchmark Nifty is now at a three-year low of 33.9%. "Financials' loss has been the gain of defensives like consumer, technology, pharma and telecom," said Motilal Oswal in its report.

Nifty Bank was down 0.46% on Monday. The biggest losers were Federal Bank, Kotak Mahindra Bank, Bandhan Bank, HDFC Bank and IDFC First Bank, down by 3.7%, 2.57%, 1.65%, 1.45% and 0.7%, respectively.

The markets opened in the negative territory due to the tepid performance of the Asian markets. Benchmarks in China, South Korea, Taiwan and Hong Kong were down between 0.1% and 1.5%. Many countries in Asia and Europe have started exiting lockdowns. However, this has led to a spike in Covid-19 cases which has caused investors to dump risky assets. The European markets at the time of press, were trading mixed with France down by 0.3% and the UK and Germany up by 0.6% and 0.9%, respectively.

Market experts are now redirecting their focus from FY21 to FY22. Edelweiss Securities in a report said the Indian economy has been dislocated, its opening-up (regulatory and business) is uncertain and there will be significant shifts, immediate and beyond. "We also believe FY21 — with its supply shocks — might be the market's focus, but is largely irrelevant. It's FY22 that you need to play for, business scale, posi-



tioning and valuations. And this could be the ideal time to make some high-returns, moderate-risk and non-consensus stock calls," said Edelweiss Securities in its report.

According to NSE data, the F&O segment witnessed volumes worth ₹10.73 lakh crore and the cash market saw a turnover of ₹5,061 crore on Tuesday. This is against the six-month average of ₹14.2 lakh crore in the F&O segment and ₹40,898 crore in the cash market. Foreign portfolio investors (FPIs) have remained buyers so far in May, sold equities worth \$220.95 million on Tuesday, according to provisional data on the exchanges. Domestic institutional investors sold equities worth \$48.39 million during the day's trading session.

The biggest losers on Nifty were RIL, GAIL, Asian Paints, Cipla and Kotak Mahindra Bank, down 5.7%, 3.69%, 2.97%, 2.65% and 2.57%. The biggest gainers were Vedanta, NTPC, ITC, Bharti Airtel and Power Grid Corporation, down 12.4%, 5.9%, 4.45%, 4.42% and 3.53%. Nifty Midcap and Nifty Smallcap were down 0.7% and 0.67%, respectively. Sectorally, the losers were Nifty Private Bank, Nifty Pharma, Nifty Bank and Nifty Financial Services. The biggest gainers were Nifty Media, Nifty Metal, Nifty Realty, Nifty FMCG and Nifty IT.

The central government had imposed a 21-day lockdown from March 25 to check the spread of coronavirus. The lockdown has been extended till May 17 with some relaxations.

IBA proposes a 'bad bank' for approximately ₹75,000 crore worth of non-performing assets. A bad bank is a corporate structure which isolates risky assets held by banks at one place. The proposed structure is based on the recommendations of a panel two years ago



According to sources, IBA has proposed to set up asset reconstruction company (ARC), asset management company (AMC) and alternate Investment Fund (AIF). ARC will be owned by the government, but the AMC and AIF will have participation from

public as well as the private sector, as per the proposal. The Mehta Committee had earlier proposed to set up an AMC and an AIF to resolve NPAs over ₹500 crore.

In an interview with CNBC TV18 last week, State Bank of India (SBI) chairman

Rajnish Kumar, who is also the chairman of IBA, said that the lenders were toying with the idea of creating a bad bank to deal with stressed assets. Kumar said the time was right to set up a structure, along the lines of a bad bank, given there are adequate provisions for existing NPAs.

Rating agency Crisil in its report had projected gross NPAs of banks to rise by 150-200 basis points (bps) in the financial year 2020-2021.

"We are expecting discussion on 'bad bank' with the finance ministry in the next meeting," a public sector bank's head told FE. Sitharaman's review meeting with heads of public sector banks was postponed on Monday and a new date is expected to be announced soon.

ANALYST CORNER

Maintain 'sell' on GPL with revised fair value of ₹610

KOTAK INSTITUTIONAL EQUITIES

GODREJ PROPERTIES (GPL) closed the year with a strong sales performance of ₹5,900 crore (+12% y-o-y) aided by the launch of as many as 17 projects, with sales in Q4FY20 at ₹2,360 crore (+10% y-o-y) marking the best quarterly performance for the company. While pre-sales performance remains strong (historical strength area), margin performance for delivered projects is less enthusiastic with an Ebitda margin of 14% in FY20 and losses of ₹85.1 crore from JVs. Maintain 'sell' rating with a revised fair value of ₹610/share (from ₹700/share).

GPL reported revenues of ₹1,160 crore (+10% y-o-y) on account of strong delivery of 1.9 mn sq ft during the quarter. Ebitda margin in Q4FY20 continued to remain low at 13.6% after declining to 11% in Q3 — we note that weak margins are despite delivery of 0.35 mn sq ft in Trees (Phase-3). Share of profits from associates/JVs remained negative in full FY20, declining from ₹14 crore in FY19 to negative ₹85.1 crore in FY20. We highlight that GPL has delivered seven projects aggregating 4.11 mn sq ft in FY20, including three projects (1.37 mn sq ft) in Q4. Cash collections

during the quarter increased to an all-time high of ₹1,400 crore (+14% y-o-y)

on account of higher sales as well as delivery. Operating cash flow in Q4 was at ₹340 crore (full FY20 also at ₹340 crore). However, payment for land and approvals in Q4 of ₹350 crore led to a negative cash flow of ₹60 crore. We note that GPL generated net cash of ₹980 crore in FY20, including an equity raise of ₹2,100 crore in Q1FY20.

GPL made residential bookings worth ₹2,360 crore in Q4, its highest ever in any quarter, a growth of 10% on y-o-y basis. Full-year sales value stood at ₹5,900 crore, +11% increase from sales value of ₹5,500 crore in FY19. Increase in sales should be seen in the context of seven new launches achieved in Q4 which contributed 60% of the sales.

Interestingly, the company achieved sales of over 7,300 homes in FY20 of which over 3,000 homes were sold in Q4 as the company focused on digital sales amid lockdown. We expect real estate companies to have a difficult year during FY21E, and GPL would have its share of back-ended sales and delayed construction activity reflected in our lowered pre-sales estimate of ₹4,400 crore for FY21E.

be attributable to lower yield in the previous season due to a pink bollworm infestation and excess rainfall. Price of maize plunged 20% to ₹1,577/quintal. We believe farmers in the southwestern region may shift from maize to soyabean and groundnut. We do not foresee any major labour issue in paddy sowing in CRIN's addressable market. The migrant labour situation may pose an issue in Punjab and Haryana, where paddy is a key kharif crop.

As paddy sowing is labour-intensive, states such as Punjab and Haryana may use the direct seeded rice (DSR) method of plantation for rice sowing in some areas in their fields, against the conventional method of transplanting. DSR is gaining popularity owing to certain advantages: it saves labour

Not sure whether India will gain if businesses shift from China due to Covid-19: Abhijit Banerjee

PRESS TRUST OF INDIA
Kolkata, May 12

NOBEL LAUREATE ABHIJIT
Banerjee has said that there is no certainty that India will gain from shifting of businesses from China in the wake of coronavirus pandemic.

Speaking to a Bengal news channel on Monday evening, Banerjee said that everyone is blaming China for the Covid-19 outbreak as it has origin there.

"China is being blamed now for the coronavirus outbreak. Even people are saying that India stands to benefit as businesses will shift from China and come to India. But that may not be true," the economist said.

Banerjee, who is also a member of Global Advisory Board formed by the West Bengal government to prepare a roadmap for Covid-19 response in the state, said, "What happens if China depreciates its currency. In that case, Chinese products will be cheaper and people

will continue to buy their products".

Talking about the proportion of gross domestic product (GDP) planned to be spent by the Centre for a relief package, Banerjee said countries like the US, UK and Japan are spending a high share of their respective GDPs.

"India plans to spend less than 1% of its GDP at ₹1.70 lakh crore. We should spend much increased proportion of GDP," he said.

The Centre had announced a more than ₹1.70-lakh crore package to alleviate the hardship of the poor hit by economic disruption due to coronavirus outbreak.

The Economics Nobel Prize winner said main problem is that people of the country do not have high pur-

chasing power.

"The poor people now do not have the money and they hardly have any purchasing power. There is no demand as well. The government should give money in the hands of the common people because they run the economy, not the rich," he said.

Money should be given in the hands of poor people in phases over a period of three to six months, the economist said, adding that if they do not spend that, there is no problem.

Banerjee felt that it is the responsibility of the Centre to look after the migrant workers. "We have not thought of their problems that they will face. They have no shelter and money in their pockets," he said.

There is a need to issue emergency ration cards to all for a period of three or six months, he said.

"It is the responsibility of the Centre as the migrant workers pass through various states to reach their homes," Banerjee noted.

The minister said the fatality rate is 3.2% while the recovery rate is progressively increasing and stands at 31.74%

PRESS TRUST OF INDIA
New Delhi, May 12

THE DOUBLING TIME of Covid-19 cases has now improved to 12.2 days from 10.9 days, Union health minister Harsh Vardhan said on Tuesday, highlighting the need for enhanced surveillance and contact-tracing in view of migrants and expats returning home.

Vardhan said the fatality rate is 3.2% while the recovery rate is progressively increasing and stands at 31.74%.

Reviewing measures for management of Covid-19 cases in Jammu and Kashmir, Ladakh, Uttarakhand and Himachal Pradesh with MoS for health Ashwini Chouhan,



he asked the states and UTs to focus on surveillance, testing, contact-tracing and timely treatment of all the returnees.

Vardhan suggested that the Aarogya Setu mobile application be made compulsory for all the returnees for better surveillance and suitable medical interventions, the ministry said.

According to the health ministry, the death toll due to Covid-19 rose to 2,293 and the positive cases climbed to 70,756, registering an increase of 87 deaths and 3,604 cases in the last 24 hours till Tuesday 8am.

"While the doubling time in the past 14 days was 10.9, it has

improved to 12.2 in the last three days," Vardhan was quoted as saying in a statement.

Of the total active cases, as on Monday, 2.37% patients are in ICU, 0.41% on ventilators and 1.82% on oxygen support, he said.

The minister said the testing capacity has increased to 1 lakh tests per day with 347 government laboratories and 137 private labs.

"Cumulatively, 17,62,840 tests have been done so far for Covid-19. Whereas, 86,191 samples were tested on Monday," he said.

The Centre, states and UTs are taking cohesive efforts to combat the coronavirus and "this provides us the assurance that the country is well-prepared to face any eventuality due to Covid-19," he said.

During the meeting, the Union health minister also stressed on ramping up surveillance for severe acute respiratory infections (SARI)/Influenza Like Illness (ILI), which will help in identifying any possible hidden infections at an early stage and in its timely containment.

He praised the work done for SARI/ILI surveillance and contact-tracing in Uttarakhand.

Ladakh stated that it has started mobile medical vans in far-flung areas for non-Covid services. RK Mathur, the LG of Ladakh, said his administration is keeping doctors and police personnel in reserve to deploy on rotational basis.

Vardhan pointed out that as the usage of tobacco is fairly high in Ladakh, spitting in public places needs to be banned as per the guidelines issued earlier.

Himachal Pradesh chief minister Jai Ram Thakur said Ayurvedic immunity boosters have been provided to front-line health workers, police personnel and paramilitary forces. Sirsa district is providing training to barbers and salon operators to prepare them for post-lockdown.

The states and UTs were advised to keep adequate stock of essential medicines and timely release of salaries and incentives to boost the morale of front-line health workers.

India needs basic income scheme to make lockdown work:

French economist INDIA NEEDS TO come out with a basic income scheme to make the lockdown work, noted French economist Thomas Piketty said on Tuesday.

He also said that India has the potential to become the global democratic leader of the 21st century if it manages to address the issue of inequality.

The government has imposed lockdown from March 25 to curb the spread of coronavirus and since then extended the restrictions twice.

"I think the government would be well advised to introduce a basic income scheme, and more generally to develop a safety net in India. I do not see how a lockdown can work without a system of income maintenance," Piketty said in an interview.

Interestingly, the idea of universal basic income was mooted in Economic Survey 2016-17 by the then chief economic advisor Arvind Subramanian and there was a discussion last year during the electoral campaign to introduce a basic income in India.

— PTI

Doubling time of Covid-19 cases now 12.2 days: Harsh Vardhan

From the Front Page

Modi's Vision 2020: A ₹20-lakh-cr package, sweeping reforms

THE LAST FEW days have seen a rush of labour — and some land — 'reforms' by various state governments but, in reality, they haven't amounted to much in the absence of comprehensive reform. In his address to the nation, the Prime Minister has promised that since one of the pillars he spoke of was labour.

Apart from the emphasis on infrastructure that was expected, he has promised sweeping supply chain reforms in agriculture — once again, some states have announced piecemeal changes here over the past few days — and also possible tax cuts for the middle class who have suffered salary cuts and job losses.

Trade min proposes tax holiday to woo investors

FROM OFFERING EASY access to land for factories leaving China to tax breaks for new plants, Prime Minister Narendra Modi's administration is trying to lure investors and stop the pandemic from wrecking the economy. Asia's third-largest economy is hurtling toward its first full-year contraction in four decades as India has so far failed to provide a big stimulus, given the government's limited fiscal room, even as an estimated 122 million people lost jobs in April and consumer demand evaporated.

A call made to the trade ministry spokesperson was not answered while a finance ministry spokesperson declined to comment. The benefits provided would be in addition to the existing incentives provided by the government, the people said.

The trade ministry has also identified top 50 industry clusters to upgrade their existing infrastructure, testing labs and research and development facilities. While the thrust is on developing sectors such as textiles, pharma, food processing and gems and jewellery, the ministry is also working on expanding the list to include services sectors such as tourism, the people said.

— Bloomberg

Tata Motors business has no value without JLR

TATA SONS HAD been looking for a strategic partner for the business but pledged it wouldn't sell JLR.

CLSA says the global luxury unit and Indian commer-

cial vehicle business should both recover next fiscal. While a sale of the India passenger vehicle business and its financing arm could increase Tata Motors' equity value by ₹9,200 crore, they are "low probability events" in the current environment, Pirani said.

— Bloomberg

E-way bills on GST portal double from April level

HOWEVER, IN MARCH, which is otherwise the busiest month of the financial year, the average e-way bills generated dropped to 13.1 lakh/day due to lockdown imposed in the last week of month.

E-way bills are required for GST-registered businesses to transport cargo if it exceeds over ₹50,000 in value. A government portal issues these receipts after relevant information (related to cargo, sender, recipient and vehicle for transport) are provided.

Last week, among several measures aimed at easing compliance burden during the pandemic, the government extended the e-way bill validity for the second time since the lockdown was imposed. The e-way bill generated on or before March 24 and expiring during March 20-April 15 period would now be valid till May 31. This is likely to help trucks stuck en route to reach their destinations smoothly.

However, experts said that unless lockdown is relaxed substantially, the movement of cargo would remain restricted to essential items.

During the period of relaxed lockdown daily average of e-way bills has seen a sudden surge, yet the numbers are far away from the regular numbers. E-way bill numbers may continue to be low as many of the state governments are apprehensive about the free movement of non-essential commodities till the pandemic is controlled," Rajat Mohan, senior partner at AMRG & Associates, said.

Another aspect that may hamper truck movement is the scarcity of drivers as migrants are choosing the travel options made available to go back home states. "The trucks are now carrying cargo from more sectors than before but with drivers leaving for their home states, a problem is looming over us," All India Transporters Welfare Association (AITWA) joint secretary Abhishek Gupta said.

Tanushree Roy, director-GST at Nangia Andersen Consulting, said: "On 3 May 2020, the government allowed industries and standalone shops in residential complex to transact in non-essential product. As a result, the goods movement across state borders revived somewhat, leading to a growth in the generation of

e-waybills. This is a positive sign signalling revival of the economy."

14 states get ₹6,915-cr central grants

BASED UPON ITS assessment of the post-devolution revenue surplus/deficit of the states for FY21, the 15th Finance Commission has estimated that 14 states will need revenue deficit grants.

The states that are eligible for these grants include Andhra Pradesh, Tamil Nadu, Kerala, West Bengal, Assam, Punjab and Uttarakhand.

In April, the Centre transferred a total of ₹46,038 crore to all states as their shares of central taxes and released another ₹11,092 crore to the states as the first installment in FY21 towards disaster response/mitigation funds.

FE reported earlier that the Centre might stick to the tax transfers to states as budgeted till January 2020, despite the huge shortfall being faced by it in its tax receipts.

The necessary adjustments on the basis of the actual tax collections will be made in Feb-March period. This is expected to come to the aid of states which are facing severe liquidity issues.

During a video interaction with Prime Minister Narendra Modi on Monday, some state chief ministers flagged lack of resources at their disposal to fight coronavirus outbreak. States have reported 80-90% shortfall in tax revenue receipts in April compared to their targets, aggravating their financial health.

State governments, which are at the frontline of the war against Covid-19 pandemic, have stepped up pressure on the Centre for more generous financial support on a contingent basis. The Centre is yet to take a decision on demand that FRBM limit be raised for FY21, with some states even suggesting that fiscal deficit of up to 5% of state GDP be tolerated, against the mandated 3% ceiling. The Centre has recently decided to raise its gross borrowings for FY21 by 54% from the budgeted level to Rs 12 lakh crore, a move that would widen its fiscal deficit to 5.5% of GDP or thereabouts from 3.5% estimated in the Budget.

Voda Idea to get ₹8,400 crore from Vodafone Group

other on set dates following any crystallisation of these pre-merger liabilities and assets."

"Under the terms of this arrangement Vodafone Group is obliged to make payments to Vodafone Idea where amounts paid pursuant to the contingent liabilities of Vodafone India exceed those of Idea Cellular," the company said.

In April, Vodafone Plc had said it has accelerated a payment of \$200 million (about Rs 1,530 crore) to Vodafone Idea, due in September 2020, under the terms of the 'contingent liability mechanism'.

Vodafone Idea's AGR liability stands at around Rs 58,000 crore.

"Significant uncertainties exist in relation to Vodafone Idea's ability to generate the cash flow that it needs to settle, or refinance its liabilities and guarantees as they fall due, including those relating to the AGR judgment," Vodafone PLC said in a statement.

"As the Vodafone PLC Group has no obligation to fund Vodafone Idea Limited losses, the Group has recognised its share of estimated Vodafone Idea losses arising from both its operating activities and those in relation to the AGR judgment to an amount that is limited to the remaining carrying value of Vodafone Idea, which is therefore reduced to nil," it said.

Vodafone Idea's losses during the October-December quarter stood at Rs 6,453 crore. Revenue during the period was up 2.26% at Rs 11,089.4 crore — on the back of 4G customer additions and improvement in average revenue per user (Arpu). Ebitda was marginally up at Rs 3420.5 crore, while Ebitda margin declined by 47 basis points to 30.84%.

Printing more money option, but no IMF loan: CEA

THE CEA HAS already hinted at a possible government loan guarantee to soften the blow to critical sectors like MSMEs.

Commenting on the Centre's likely fiscal deficit in FY21, the CEA said last week's decision to raise gross market borrowing by ₹4.2 lakh crore to ₹12 lakh crore alone will add 150 basis points to the Centre's budgeted deficit level (3.5%). However, a precise forecast for the full year is difficult at this point.

Analysts have estimated the Centre's tax revenue shortfall at ₹2-4 lakh crore, or roughly 1-2% of GDP, in FY21. Also, the GDP growth could be flat or even negative in FY21, as against 1.5-2% estimated by CEA, many of them reckon.

Subramanian said the Cen-

tre and the states are in discussions on whether to relax the FRBM rules to allow them higher fiscal deficit limit than the mandated 3%. The fiscal plans of states, which have displayed greater discipline than the Centre in recent years, have now gone for a toss, thanks to a Covid-induced nation-wide

lockdown. Even their FY20 deficit target of 2.6%, which was higher than the actual level of 2.4% in FY19, would have been breached.

He said most of the expected borrowing of \$60 billion to fund a part of the fiscal deficit through listing government bonds on the global indices will flow in only in the next fiscal, and only a tiny part of it in FY21. However, this money will allow the Centre to structure its borrowing plan in a way that the cost of borrowing doesn't pinch. In March, the Reserve Bank of India announced the opening up of key government securities to full foreign investment in a bid to find a place in global bond indices.

Asked if the elevated borrowing by the Centre will crowd out states and raise their borrowing costs, Subramanian said the yields are still at reasonable levels. The 10-year bond yield, which had dropped to 5.97% on Friday, went up 20 basis points on Monday. But this is still lower than 6.4% witnessed until recently.

Biggies manage, smaller firms hit permit hurdles

FOR INSTANCE, A small e-commerce unit in the city, which employs around a dozen employees, applied for permission immediately after May 4 but was able to get approval only recently. It first filed the online form, then after two days some new fields were added, so a fresh application had to be made and then there was a waiting period.

Similarly, an auto manufacturing unit in Chennai got permission to operate after a week's time after applying. Its vendors are still to get permission.

In such a scenario, companies are starting work with whatever they can and wait for the circle to get complete with the passage of time. Arjun Jain, whole-time director and business head of electrical-electronics division of Pune-based Varroc Group, among the largest suppliers to Bajaj Auto, has resumed operations with what is maximum possible rather than wait for the entire supply chain to come online. "It is a huge task," Jain said. "We have about a week's inventory available at the plant, but if companies do not ramp up after a week, we will be under extreme stress," he said.

Sourcing parts is the main challenge. Asheet Pasricha, joint MD, Trinity Engineers, points out that automotive OEMs cannot make the vehicle even if one part is missing, and sourcing them is a challenge. Trinity is a forging company supplying forged parts directly or indirectly to virtually all the players in the automotive industry.

Vipin Soni, MD & CEO, Ashok Leyland, also said it still remains a challenge for the industry to resume operations.

"While the OEM production

unit might be in the green zone, even if one ancillary unit that supplies a small part happens to be in the red zone, it will make a component of the vehicle unavailable, thereby making the production process impossible," said Sondhi.

In Gujarat, several traders are finding it hard to use the online systems for approval as they are not tech savvy.

Hiren Gandhi, owner-Hiren Trading Company engaged in agro commodities, said that small traders in supply chain are not digitally liter

**SUBEX LIMITED**

(CIN: L85110KA1994PLC016663)
Registered Office: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bengaluru - 560 103
Phone: +91 80 6659 8700 | Fax: +91 80 6696 3333
Email: info@subex.com Website: www.subex.com

Extract of the Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

Sl. No.	Particulars	Quarter ended March 31, 2020	Current Year ended March 31, 2020	Previous Year ended March 31, 2019	Corresponding 3 months ended March 31, 2019
1	Total income from operations	10,427	36,498	34,812	10,187
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items#)	3,650	7,996	4,708	2,030
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items#)	3,650	(23,770)	4,708	2,030
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items#)	3,199	(26,915)	2,522	1,290
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) And Other Comprehensive Income (after tax)]	3,020	(26,944)	2,094	1,414
	(179)	(29)	(428)	124	
6	Paid-Up Equity Share Capital	56,200	56,200	56,200	56,200
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	-	-	23,210	-
8	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations)				
	1. Basic:	0.59	(4.94)	0.45	0.23
	2. Diluted:	0.59	(4.94)	0.45	0.23

Note: a) The above is an extract of the detailed format of the Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the Stock Exchange websites where the securities of the Company are listed and are also posted on the Company's website www.subex.com.

b) # - Exceptional and/or Extraordinary items adjusted in the Statement of Profit and Loss in accordance with Ind-AS Rules / AS Rules, whichever is applicable.

By order of the Board

Sd/-
Vinod Kumar Padmanabhan
Managing Director & CEO
DIN: 06563872

Place : Bengaluru
Date : May 11, 2020

FRP dues: Notices to 15 Maha sugar factories

NANDA KASABE
Pune, May 12

THE MAHARASHTRA SUGAR Commissionerate has issued notices to 15 sugar factories in the state for their failure to pay fair and remunerative price (FRP)

payments due to farmers, senior officials of the Commissionerate revealed. The FRP arrears as on date are to the tune of ₹780 crore.

According to the Sugarcane Control Act, factories must make full payment to the farmers within 14 days of taking the crop for crushing. But these factories made payments of less than 60% of the total dues. Around 144 factories participated in crushing 545.83 lakh tonne this season. According to the data released by the Commissionerate, the total FRP of ₹12,785.75 crore is to be paid by factories to cane farmers as on April 30. Of the total dues, factories have paid ₹12,036.62 crore — amounting to 94% of the total dues. Around 86 factories have made 100% cane payments to farmers and 58 factories owe FRP dues. Of these, 29 factories have made FRP payments ranging between 80% and 99.99%, 14 factories have made payments between 60% and 79.99%, and 15 factories have made less than 60% FRP payments to the farmers.

The notices have been issued by the regional joint directors of the respective areas where the sugar factories are located in the state, officials said.

According to the officials, due to the lockdown across the country, no action was initiated by the Commissionerate till



date for the recovery of FRP dues.

Since sugar commissioner Saurabh Rao has been given the additional charge of Coronavirus Control, the directives have been issued by the regional joint directors (RJDs).

Sugar recoveries were hit this season due to the extended monsoons in parts of Maharashtra and drought in other parts of the state. The sugar season this year was short due to a low cane availability. In Maharashtra, sugar production till April 30, 2020, was 60.67 lakh tonne, compared to 107.15 lakh tonne produced last year in the same period, almost 46.5 lakh tonne less than last year.

Around 144 factories participated in crushing 545.83 lakh tonne this season. Last season, some 195 factories had crushed 949.9 lakh tonne of cane and Revenue Recovery Code (RRC) notices were issued to 54 factories.

Govt sets up separate panel under Apeda to boost rice exports

FE BUREAU

New Delhi, May 12

THE CENTRE HAS set up a separate panel under agri-export promotion body Apeda to boost shipments of rice following a meeting held by the Prime Minister on May 2, in which creation of commodity-specific boards/councils was discussed. The non-basmati exporters were demanding for a separate board since Apeda's main focus has been only for basmati rice.

The commerce ministry was of the view that since a number of items such as buffalo meat, processed products and floriculture are handled by Apeda, creation of additional boards will dilute its role. Among all items under the Agricultural and Processed Food Products Export Development Authority (Apeda), rice and buffalo meat exports together have 60% share in terms of value.

"There are already tea, coffee, rubber and spices boards. If rice and buffalo meat are taken away from Apeda, it will have virtually no work. Constitution of separate board is not the solution to increase exports as a number of other factors are responsible," said a senior official of Apeda. India is not considered by regular importing nations as a sustainable destination to buy agri products due to sudden changes in policy — restrictions on shipments in case of a price rise in any commodity in the domestic market.

India's non-basmati rice exports have dropped 41% to about 4.5 million tonne in FY20, according to the Kakinada-based Rice Exporters' Association. The association, in June last year, had sought constitution of a separate board for non-basmati rice like Tea Board. It drew attention of the commerce ministry to address issues that pertain to different ministries and state governments.

"Fixing of minimum support price (MSP) is a major challenge for the exporters as every year it has been rising irrespective of the international prices. Though, we support the government's plan in doubling farmers' income, which can be done through DBT also," said BV Krishna Rao, president of the Rice Exporters Association, who is also a member of the Rice Export Promotion Forum, set up under the chairmanship of Apeda chairman. Rice exporters, officials of the Centre and states are members of the forum.

India's export of rice was \$7.77 billion during FY19 — basmati share was \$4.72 billion and non-basmati was \$3.05 billion. During April-January of FY20, exports were down by nearly 18% (y-o-y) at \$5.03 billion — basmati was \$3.4 billion and non-basmati was \$1.63 billion.

Meanwhile, the Food Corporation of India has procured 3.7 million tonne of rabi rice against the target of 11.3 million tonne. This year's total rice purchase both kharif and rabi — has reached 44.6 million tonne as on May 11, which is more than the record 44.4 million tonne procured in 2018-19 during the entire season (October-September).

The wheat procurement also is no peak about 26 MT as on May 11, against 30 MT in the year-ago period due to delayed start and enforcement of social distancing norms at purchase centres.

Canara Robeco Mutual Fund

Investment Manager : Canara Robeco Asset Management Co. Ltd.
Construction House, 4th Floor, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.
Tel.: 6658 5000 Fax: 6658 5012/13 www.canararobeco.com CIN No.: U65990MH1993PLC071003

NOTICE-CUM-ADDENDUM NO. 07

Investors are requested to note that Systematic Investment Plan (SIP) Facility is hereby introduced under Canara Robeco Liquid Fund, an Open-Ended Liquid Scheme with effect from 15th May, 2020. Accordingly, the following clause shall be incorporated under paragraph titled "Special Products/ Facilities available" under section 'Ongoing Offer' of the aforesaid Scheme Information Document ("SID")/Key Information Memorandum ("KIM")/ Statement of Additional Information ("SAI") of Canara Robeco Mutual Fund ("CRMF"):

Systematic Investment Plan (SIP) facility:

Systematic Investment Plan is a simple and time honoured investment strategy aiding disciplined investing over a period of time.

The features of Systematic Investment Plan are as under:

Any date/Monthly SIP Minimum amount per SIP	Rs 1,000.00 and multiple of Re. 1.00 thereafter
Quarterly SIP Minimum amount per SIP instalment	Rs 2,000.00 and multiple of Re. 1.00 thereafter
No. of SIP Instalments applicable for both Monthly & Quarterly SIP	
a) Minimum	a) Six instalments
b) Maximum	b) No Limit
Periodicity	Any date SIP/Monthly/Quarterly
The facility can be exercised on	For any date SIP Investors can choose any date, as applicable, of their preference as SIP Debit Date between 1 st to 28 th of the month. (In case of no date mentioned, the default date considered will be 15 th In case the chosen date falls on a Non-Business Day, then the SIP will be processed on the immediate next Business Day).
Applicable NAV and Cut-off time	For month and Quarterly frequency - 01 st or 5 th or 15 th or 20 th or 25 th of every month/quarter (In case, the date fixed happens to be a holiday/non-business day, the cheques shall be deposited/ECS/Auto Debit Facility will be effected on the next business day.)
Notice Period	For applications received before 2.00 p.m., closing NAV of the current business day shall be applicable. For applications received after 2.00 p.m., closing NAV of the next business day shall be applicable

A. Introduction of SIP Top -UP Facility:

It is a facility wherein an investor who is enrolling for SIP has an option to increase the amount of the SIP installment by a fixed amount at pre-defined intervals. Thus, an investor can progressively start increasing the amount invested, allowing him/her to gradually increase the investment corpus in a hassle-free manner.

The silent features of the said facility are as follows:

1. SIP Top - UP facility is applicable to an investor who is enrolling for a new SIP.
2. Minimum Top-up Amount for the said facility will be Rs. 500/- & in multiples thereof. In case the Top - Up amount is not mentioned but the upper limit is included in the application/mandate form, the default top - up amount will be Rs. 500/-.
3. Frequency for the Top up facility:
 - a) The said facility is available only for the SIP facility having frequency of Monthly and Quarterly.
 - b) The investor can choose a frequency for the Top Up depending on the SIP frequency being opted. In case of a Monthly SIP, the investor can choose either a 'Half-yearly' or 'Annual' based Top-up frequency; while in case of a Quarterly SIP, the available Top-up frequency will only be 'Annual' based.
 - c) In case SIP Top-Up frequency is not mentioned, the default frequency will be considered as 'Annual' for both monthly and Quarterly SIP.
4. The facility is available only for the investors who submit "One Time Mandate Form" i.e. NACH/ECS/Direct Debit Form mentioning the Maximum Amount. This will allow an investor to limit the total investment to a maximum amount as decided by the investor while filling up the Mandate Form.
5. Once the SIP Top-Up upper limit is reached, the Top-Up will be discontinued. However, the SIP will continue at the upper limit for the remaining SIP enrolment period.
6. The initial investment under the SIP Top- UP will be subject to minimum SIP investment requirement, as applicable to the eligible schemes from time to time.
7. The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enrol for a fresh SIP with Top-up option.
8. SIP Top-up facility shall be available for SIP Investments through ECS (Debit Clearing)/direct debit facility/NACH facility only.
9. For further details and Forms, investors are requested to refer our website (www.canararobeco.com) or visit nearest sales office of AMC/ Investor's Service Center of Registrar viz. KFin Technologies Private Limited.

B. Systematic Investment Plan including Micro SIP:

In accordance with AMFI notification and Guidelines issued, investments in mutual fund schemes [including investments in systematic Investment Plan (MICRO SIP)] by investor in a rolling 12-month period or in a financial year i.e. April to March does not exceed Rs 50,000/- (known as "Micro Investment") shall be exempted from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory. Accordingly, investors seeking the above exemption for PAN still need to submit the KYC Acknowledgement, irrespective of the amount of investment.

This exemption of PAN requirement is only available to individuals (including NRIs but not PIOs), Minors and Sole Proprietary firms. HUFs cannot avail this exemption.

For the purpose of identifying Micro investment, the value of investments at the investor level (first holder) will be aggregated based on the unique ID number mentioned on the KYC Acknowledgement and such aggregation shall be done irrespective of the number of folios/accounts under which the investor is investing.

Investors who wish to enrol for Micro Investment Plans (including micro SIP) are required to fill in the Micro SIP Enrolment Form available with the ISCs, distributors and also displayed on the website www.canararobeco.com. Investors are advised to read the terms and conditions carefully before enrolment.

All terms and conditions of Systematic Investment Plans (SIPs) shall apply to Micro SIPs. The Trustee reserves the right to change/modify the terms and conditions of Micro SIPs at a later date on a prospective basis.

The Trustee/AMC reserves the right to change/modify the provisions mentioned above at a later date.

This addendum forms an integral part SID/KIM/SAI of the respective Scheme of Canara Robeco Mutual Fund (as amended from time to time).

NOTICE-CUM-ADDENDUM NO. 08**Precautionary measures taken against Coronavirus issue in respect of Canara Robeco Mutual Fund-Mangalore Branch:**

Investors are requested to note that, AMFI vide its notice dated 22nd March, 2020 has issued a directive, recommending all mutual funds to implement social distancing measures and keep their branch offices closed. It was thereby decided that Canara Robeco branches will be temporarily closed with effect from Monday 23rd March 2020 till further notice.

Considering the overall current situation of Mangalore city, it has been decided to recommence the operational activities of Mangalore branch of Canara Robeco Mutual Fund with effect from 13th May, 2020.

Unit holders are requested to visit www.canararobeco.com in respect of their amounts remaining unclaimed or unpaid and follow the prescribed procedure therein.

For and on behalf of Canara Robeco Asset Management Company Ltd.

(Investment manager for Canara Robeco Mutual Fund)

sd/-

Authorised Signatory

Date: 12-05-2020
Place: Mumbai

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

India suspends 39 import licences for refined palm oil

RAJENDRA JADHAV & AFTAB AHMED
Mumbai/New Delhi, May 12

INDIA HAS SUSPENDED 39 licences to import 452,303 tonne of refined palm oil after a surge in duty-free purchases from neighbours such as Nepal and Bangladesh which are not key producers, government and trade sources told Reuters. The suspension could reduce India's palm oil imports in the next few months and pressure Malaysian palm oil futures, but could lift shipments of soyoil and sunflower oil.

"All these 39 licences for import of refined palm oil will be immediately put under sus-

pension," the government said in circular seen by Reuters.

India, the world's biggest importer of edible oil, put refined palm oil and palmolein on a list of restricted items on January 8, although New Delhi later issued licences to import refined palmolein. Palm oil imports from Nepal jumped 314% to 189,078 tonne in the fiscal year ended March 31, while purchases from Bangladesh jumped 500%, the government said in the circular.

The shipments did not attract import tax as both nations are signatories, along with India, of the South Asian FTA that created a free-trade zone in the region. — REUTERS

Kotak Mahindra Bank picks lenders for \$1-bn share sale

KOTAK MAHINDRA BANK picked arrangers, including Bank of America and Morgan Stanley, to work on a proposed \$1-billion share sale, according to people familiar with the matter.

The fundraising could happen as soon as next month, said one of the people, who asked not to be identified as the matter is private. Kotak Mahindra in April announced a plan to sell as many as 65 million new shares. The lender did not provide pricing details, though following the formula set out by regulators,

the offering could be worth about \$1 billion in total. Kotak Mahindra Capital Company, the lender's investment bank, will also participate in the issue, the people said. Details of the share sale, including timeline, could still change, while more advisers may be added, the people said.

Representatives for Bank of America and Morgan Stanley declined to comment. A Kotak Mahindra representative didn't immediately respond to requests for comment.

— BLOOMBERG

Franklin Templeton debt funds face redemption pressure even in April

CHIRAG MADIA
Mumbai, May 12

FRANKLIN TEMPLETON MUTUAL FUND

which closed six debt schemes last month, has seen redemptions from its other debt schemes as well. Data showed that assets under management (AUMs) in its liquid and money market schemes declined compared to March. The fund house saw assets increase marginally in its gilt fund. The fund house had a total of 13 debt schemes, which included the six schemes it shuttered. Data from Value Research showed that aggregate AUM of seven debt schemes of Franklin Templeton MF stood at ₹14,700.99 crore on March 31, which came down to ₹9,293.34 crore in April — a decline of ₹5,407.65.

Among the seven schemes, which are open to investors, Franklin India Liquid Fund saw a sharp fall in its assets in April. As on March 31, its AUM was ₹6,962.56 crore, which came down to ₹3,582.21 crore in April. The AUM of Franklin India Saving Fund in April was at ₹1,894.73 crore, down ₹1,461.95 crore compared to March.

Market participants say that since the fund house wound-up its six debt schemes, there has been a panic selling in other debt schemes of the fund house. "The fall in assets for few of its debt schemes was more to do with the apprehension on the fund house rather than any liq-

Assets under management of Franklin Templeton debt schemes		
(` cr)	Mar 31	Apr 30
Franklin India Banking & PSU Debt Fund	1,156	1,126
Franklin India Corporate Debt Fund	1,466	1,072
Franklin India Liquid Fund - Regular Plan	6,963	3,582
Franklin India Floating Rate Fund	407	250
Franklin India Government Securities Fund	276	298
Franklin India Overnight Fund - Regular Plan	1,076	1,071
Franklin India Savings Fund - Retail Plan	3,357	1,895
Total	14,701	9,293

Source: Value Research

uity issue. High net worth individual and ultra-high net-worth individuals might have moved money from Franklin Templeton's liquid and money

market schemes," said one industry expert.

On April 23, Franklin wound down six schemes collectively worth ₹25,800 crore.

SOUTH DELHI MUNICIPAL CORPORATION

ADVERTISEMENT DEPARTMENT

Dr. Shyama Prasad Mukherjee Civic Centre (25th Floor), Jawaharlal Nehru Marg, New Delhi-110002, Ph. No. 011-2322-7212

E-TENDER NOTICE

Bids are invited on behalf of Commissioner, SDMC through following three different e-Tenders from eligible bidders:-

1. E-Tender Notice No. CO/Advt/E-Tender-01/SDMC/2020-21/NIT/D-08 dated 12.05.2020 for allotment of advertisement rights through Unipol Clusters under the jurisdiction of SDMC on monthly license fee basis in two bid system (i.e. Technical and Financial) for an initial period of three years.
2. E-Tender Notice No. CO/Advt/E-Tender-02/SDMC/2020-21/NIT/D-09 dated 12.05.2020 for allotment of advertisement rights through Clusters of LED Screens/Digital Media under the jurisdiction of SDMC on monthly license fee basis in two bid system (i.e. Technical and Financial) for an initial period of three years.
3. E-Tender Notice No. CO/Advt/E-Tender-03/SDMC/2020-21/NIT/D-10 dated 12.05.2020 for allotment of advertisement rights through Clusters of Toilet Blocks and Individual Toilet Blocks under the jurisdiction of SDMC on monthly license fee basis in two bid system (i.e. Technical and Financial) for an initial period of three years.

The Last Date of Submission of bids in all above e-tenders is:- 03.06.2020, Till 15.00 Hours.

The detailed Tender documents are available on SDMC's website i.e. www.mcdonline.gov.in and www.tenderwizard.com/SouthDMC

RO NO.15/DPI/S/2020-21

COMMERCIAL OFFICER, ADVT.

FORM G INVITATION FOR EXPRESSION OF INTEREST

(Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

RELEVANT PARTICULARS	
1. Name of the corporate debtor	Jet Airways (India) Limited
2. Date of incorporation of corporate debtor	01 April 1992
3. Authority under which corporate debtor is incorporated / registered	Ministry of Corporate Affairs, RoC-Mumbai
4. Corporate identity number / limited liability identification number of corporate debtor	L99999MH1992PLC066213
5. Address of the registered office and principal office (if any) of corporate debtor	Registered Office : Siroya Centre, Sahar Airport Road, Andheri (East), Mumbai - 400099 Principal Office: Jet Airways (India) Limited, Global One, 3rd floor, 252, LBS Marg, Kurla (West), Mumbai - 400070
6. Insolvency commencement date of the corporate debtor	20 June 2019
7. Date of invitation of expression of interest	13 May 2020 (Round 4) Newspaper advertisement published and Company website also updated
8. Eligibility for resolution applicants under section 25(2)(h) of the Code is available at :	The eligibility criteria is mentioned in the detailed Expression of Interest process document available on www.jetairways.com or can be sought by email to fly.JetAirways@in.gt.com
9. Norms of ineligibility applicable under section 29A are available at:	Available at the website of IBBI (https://ibbi.gov.in/legal-framework/) or request by email to fly.JetAirways@in.gt.com
10. Last date for receipt of expression of interest	28 May 2020
11. Date of issue of provisional list of prospective resolution applicants	02 June 2020
12. Last date for submission of objections to provisional list	07 June 2020
13. Date of issue of final list of prospective resolution applicants	10 June 2020
14. Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	02 June 2020
15. Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	Will be shared in electronic form with the eligible prospective resolution applicants
16. Last date for submission of resolution plans	11 July 2020
17. Manner of submitting resolution plans to resolution professional	In a sealed envelope by post/hand as well as Digital Copy in a pen drive to Resolution Professional
18. Estimated date for submission of resolution plan to the Adjudicating Authority for approval	23 July 2020
19. Name and registration number of the resolution professional	Ashish Chhawchharia IBBI/PA001/IP-00294/2017-18/10538
20. Name, Address and e-mail of the resolution professional, as registered with the Board	Ashish Chhawchharia, A: Grant Thornton, 10C Hungerford Street, Kolkata - 700017, E: ashish.chhawchharia@in.gt.com
21. Address and email to be used for correspondence with the resolution professional	Jet Airways (India) Limited, Global One, 3rd floor, 252, LBS Marg, Kurla (West), Mumbai - 400070, E: fly.JetAirways@in.gt.com
22. Further Details are available at or with	On the website of the corporate debtor www.jetairways.com or can be sought by email to fly.JetAirways@in.gt.com
23. Date of publication of Form G	13 May 2020 (Round 4)

Sd/-
Ashish Chhawchharia

(IBBI/PA-001/IP-00294/2017-18/10538)

Resolution Professional
for Jet Airways (India) Limited

E: RP.JetAirways@in.gt.com

Registered address and email id with IBBI:

Grant Thornton, 10C Hungerford Street, Kolkata - 700017

E: ashish.chhawchharia@in.gt.com

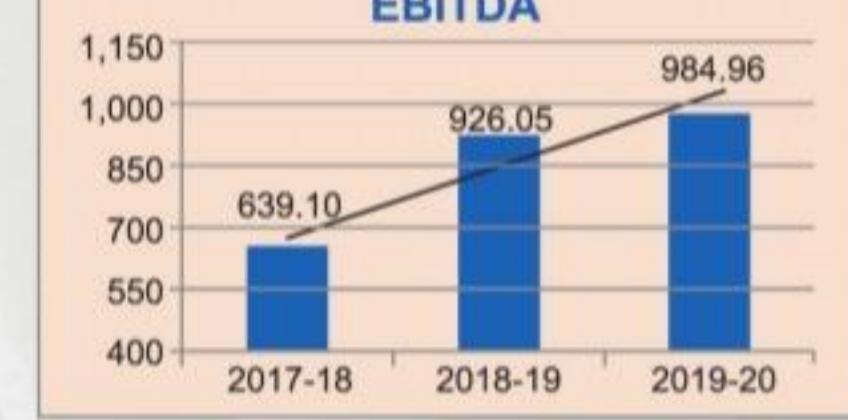
Date: May 13, 2020

Place: Mumbai

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PASSION TO PERFORM



AUDITED FINANCIAL RESULTS (STANDALONE & CONSOLIDATED) FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2020

₹ in Crores

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended	Year Ended						
		31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
1	Income from Operations (Gross)	801.00	862.77	3,294.37	3,491.85	806.66	863.18	3,300.26	3,492.26
2	Total Income from Operations (Net)	748.78	830.88	3,135.46	3,312.07	766.62	828.45	3,164.00	3,306.71
3	Profit before Interest and Depreciation (EBITDA)	200.23	242.61	984.96	926.05	207.25	239.58	975.17	918.12
4	Net Profit before tax from ordinary activities and Exceptional Items #	134.64	176.42	718.59	678.35	137.00	177.15	696.39	666.04
5	Net Profit after tax from ordinary activities and Exceptional Items #	91.36	112.23	492.71	437.20	92.72	112.96	468.41	424.94
6	Total Comprehensive Income for the period [comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	89.04	113.29	488.00	433.88	91.67	113.21	472.59	424.28
7	Equity Share Capital	178.24	178.2						

● CORONA CRISIS

Fauci warns of 'suffering and death' if US reopens too soon

Eyeing November elections, Trump has been eager to restart the economy

ASSOCIATED PRESS
Washington, May 12

DR ANTHONY FAUCI, the nation's top infectious disease expert, is warning Congress that if the country reopens too soon during the coronavirus pandemic, it will result in "needless suffering and death."

Fauci is among the health experts testifying on Tuesday to a Senate panel. His testimony comes as President Donald Trump is praising states that are reopening after the prolonged lockdown aimed at controlling the virus' spread.

Fauci, a member of the coronavirus task force charged with shaping the response to Covid-19, which has killed tens of thousands of people in the US, is testifying via video conference after self-quarantining as a White House staffer tested positive for the virus.

With the US economy in free-fall and more than 30 million people unemployed, Trump has been pressuring states to reopen.

Fauci, in a statement to *The New York Times*, warned that officials should adhere to fed-



eral guidelines for a phased reopening, including a "downward trajectory" of positive tests or documented cases of coronavirus over two weeks, robust contact tracing and "sentinel surveillance" testing of asymptomatic people in vulnerable populations, such as nursing homes.

"If we skip over the checkpoints in the guidelines...then we risk the danger of multiple outbreaks throughout the country," Fauci wrote. "This will not only result in needless suffering and death, but would actually set us back on our quest to return to normal."

A recent *Associated Press* review determined that 17 states did not meet a key White House benchmark for loosening up — a 14-day downward

trajectory in new cases or positive test rates. Yet many of those have begun to reopen or are about to do so, including Alabama, Kentucky, Maine, Mississippi, Missouri, Nebraska, Ohio, Oklahoma, Tennessee and Utah.

Of the 33 states that have had a 14-day downward trajectory of either cases or positive test rates, 25 are partially opened or moving to reopen within days, the AP analysis found. Other states that have not seen a 14-day decline, remain closed despite meeting some benchmarks.

Fauci is testifying to the Senate Health, Education, Labor and Pensions committee via video conference after putting himself in quarantine when a White House staffer

tested positive for the virus. The chairman of the committee, Republican Sen. Lamar Alexander of Tennessee, also put himself in quarantine after an aide tested positive and will participate by video, too.

Besides Fauci, of the National Institutes of Health, the other experts include FDA Commissioner Dr. Stephen Hahn and Dr. Robert Redfield, head of the Centers for Disease Control and Prevention — both in self-quarantine — and Admiral Brett Giroir, the coronavirus "testing czar" at the Department of Health and Human Services.

The health committee hearing offers a very different setting from the White House coronavirus task force briefings the administration witnesses have all participated in. Most significantly, Trump will not be controlling the agenda.

Eyeing the November elections, Trump has been eager to restart the economy, urging on protesters who oppose their state governors' stay-at-home orders and expressing his own confidence that the coronavirus will fade away as summer advances and Americans return to work and other pursuits.

The US has seen at least 1.3 million infections and nearly 81,000 confirmed deaths from the virus, the highest toll in the world by far, according to a tally by Johns Hopkins University.

Burger King owner says restaurants may change forever

BLOOMBERG
May 12

RESTAURANT BRANDS INTERNATIONAL, the owner of Burger King and Tim Hortons, says the food-service industry needs to change "for the foreseeable future and possibly forever" after Covid-19.

In a letter Tuesday, CEO Jose Cil said his company is preparing to welcome diners back as some governments start to reopen their economies. One option being considered is "more comfortable and reusable masks that may become part of our standard uniforms."

Restaurant Brands is increasing its digital ordering capabilities by adding its restaurants to smartphone apps, Cil said. He also noted that the company is making unspecified improvements to its drive-thrus and adding curbside pickup service. Inside restaurants, it's making sure customers are spaced out in all locations, regardless of local regulations.

Restaurants are struggling to adapt to the coronavirus outbreak that has disrupted daily life for much of the world and killed hundreds of thousands. While many have seen sales evaporate on mandatory closures and social distancing rules, there's some evidence that consumers still want food they don't have to make themselves.

Branson scrambles to save his flailing Virgin empire

BLOOMBERG
London, May 12

RICHARD BRANSON ALREADY has pledged a Caribbean island and at least \$250 million to shore up a leisure and travel empire roiled by the coronavirus pandemic. Now he's selling a chunk of his stake in Virgin Galactic, his most valuable listed asset, to raise as much as \$500 million.

Over the past half century, Branson built Virgin Group into a sprawling collection of businesses with annual revenues exceeding \$20 billion. But his practice of plunging most of the profits back into the ventures has left him scrambling for cash as governments balk at bailing out a billionaire famous for his flamboyant publicity stunts.

"He's made a career for himself as the ultimate disruptor," said David Hawkins, co-founder of family business consulting firm Percheron Advisory. "But now he's faced with a disruptive world and, ironically, it's not working for him right now. He's again got to get ahead of the curve."

Virgin Group spokesman Nick Fox said the Virgin Galactic stake held by investment company Vieco 10 could fall below 50%, depending on the size of the offering. Virgin Group owns 81% of Vieco 10, with the balance held by Aabar

Space, an Abu Dhabi investment company. Virgin Galactic CEO George Whitesides declined to comment.

Branson, 69, isn't alone.

The market plunge triggered by the spread of the coronavirus has put pressure on rich families worldwide, with some facing margin calls this year

on share-backed debt facilities. Virgin's Australian airline is in administration, and Virgin Atlantic Airways courted potential investors Monday to avoid a similar fate. Just last year, Virgin Atlantic's future seemed so promising that Branson scrapped the sale of a 30% stake to Air France-KLM in favour of retaining control.

SEBASTIAN VETTEL'S DREAM of emulating Michael Schumacher in winning multiple Formula One titles with Ferrari finally ended on Tuesday.

The 32-year-old German, who won his drivers' crowns with Red Bull from 2010-13, hinted at that possibility in a Ferrari statement announcing his departure after five years at Maranello.

Schumacher won five of his record seven titles with the Italian team but those days are gone and Vettel, one of the highest-paid drivers, has so far only 14 race wins to Ferrari's 10 credit.

The new coronavirus crisis has also changed the sporting and financial landscape.



Nestlé Good Food, Good Life

NESTLÉ INDIA LIMITED

EXTRACT OF STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2020

PARTICULARS	(₹ million)			
	31.3.2020 (Un-audited)	31.12.2019 (Audited)	31.3.2019 (Un-audited)	31.12.2019 (Audited)
1 TOTAL REVENUE FROM OPERATIONS	33,252.7	31,429.9	30,029.5	123,689.0
2 NET PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	7,038.5	6,141.0	7,006.1	26,734.9
3 NET PROFIT BEFORE TAX	7,038.5	6,141.0	7,006.1	26,734.9
4 NET PROFIT AFTER TAX	5,254.3	4,726.4	4,627.4	19,684.4
5 TOTAL COMPREHENSIVE INCOME (COMPRISING NET PROFIT AFTER TAX AND OTHER COMPREHENSIVE INCOME AFTER TAX)	4,904.1	4,386.1	4,528.3	18,136.7
6 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2	964.2
7 EARNINGS PER SHARE (EPS) BASIC/ DILUTED EPS (₹)	54.50	49.02	47.99	204.16

The above is an extract of the detailed format of quarterly results filed with the BSE Limited under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the Statement of the Unaudited Financial Results are available on the Company's website (www.nestle.in) and on the website of the BSE Limited (www.bseindia.com).

Notes:

1. Tax Expense for the current quarter has been computed at the rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Net Profit after Tax and Earnings per share have been positively impacted by the lower tax rates.

2. First time adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 Leases w.e.f. 1 January 2020 with a transition date of 1 January 2019, replacing the existing standard Ind AS 17 Leases. The Company adopted this standard using the full retrospective method, accordingly previous periods figures have been restated to make them comparable.

Reconciliation of Profit for previous periods as previously reported versus Restated profit after adoption of Ind AS 116 Leases is as under:

PARTICULARS	(₹ million)		
	THREE MONTHS ENDED	Accounting Year ended	
	31.12.2019	31.3.2019	31.12.2019
Profit for the period as reported in accordance with Ind AS 17	4,730.2	4,632.8	19,695.5
a) Recognition of depreciation on ROU assets	(139.9)	(134.3)	(537.9)
b) Recognition of finance cost on lease liabilities	(27.4)	(22.9)	(92.9)
c) De-recognition of operating lease expenses	162.1	150.0	615.8
Tax Impact on above	1.4	1.8	3.9
Restated profit for the period in accordance with Ind AS 116	4,726.4	4,627.4	19,684.4

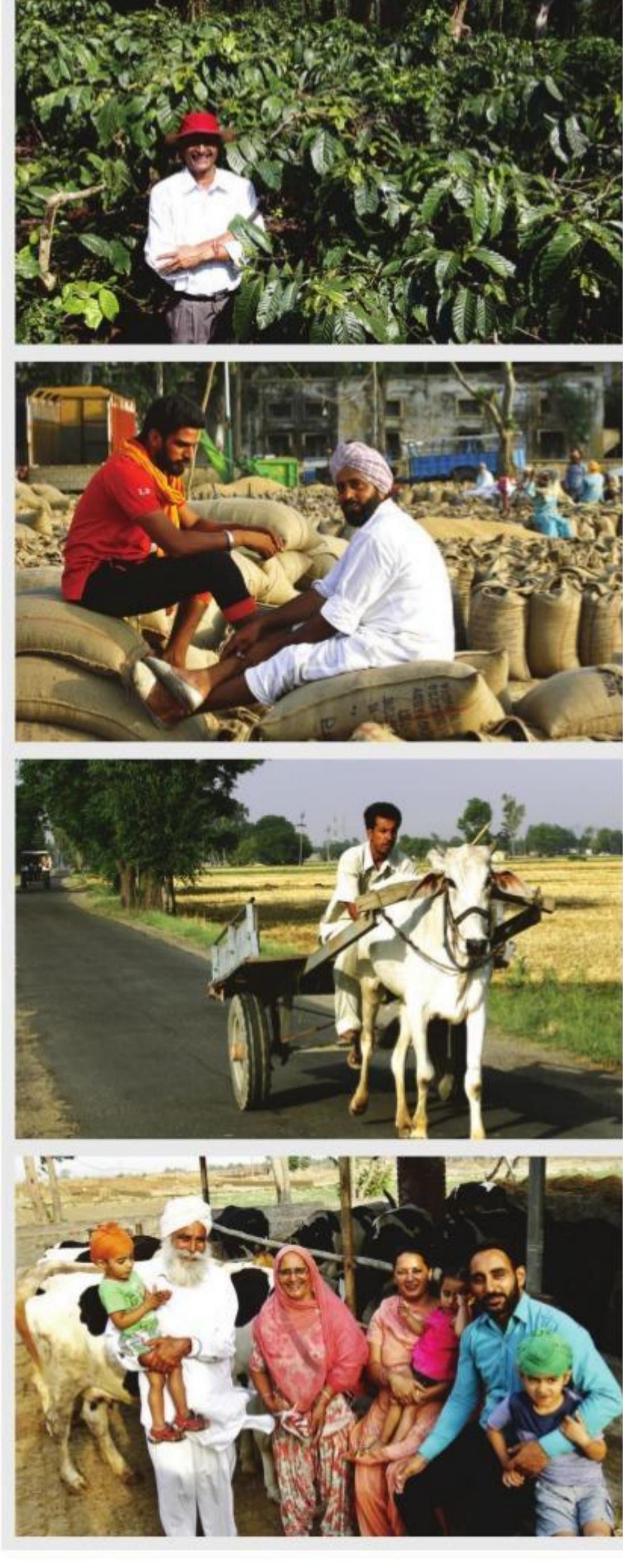
THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 12 MAY 2020.

By Order of the Board

Suresh Narayanan
Chairman and Managing Director

Date: 12 May 2020
Place: Gurugram

The Extended 'Nestlé Family'



Vettel's Ferrari departure may also be his farewell to F1 racing circuit



REUTERS
London, May 12

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