PALLAVA BAGLA Make Covid-19 briefings daily, include ICMR

SUNIL JAIN

New rules on testing, quarantining, etc, suggest ad hoc planning, will fall apart when Covid cases go into millions

COMPANIES, P4 **HIGHER PROVISIONS Piramal Enterprises** posts net loss of ₹1,703 crore in Q4



MARKETS, P10 **AFTER SBI MOVE** ICICI Bank slashes fixed deposit rates by up to 50 bps



KOLKATA, TUESDAY, MAY 12, 2020

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MEETING WITH CMs

SHARP SURGE

Bond yields spike on extra govt mop-up

6.21

Sensex

32,200

31,950

31,450

75.50

75.57

75.64

75.71

75.78

75.85

32,450, 32,030.34

75.58

Previous close: 75.55

2,250

1,500

10-yr bond yield (%)

31,561.22

75.74

Close

FPI flows

into equity

Bank Nifty

Brent (\$/bbl)

30.7

31.1

19,610.45

18,950.50

30.18

2,262.19

Previous close: 19,352.90

With no steps from RBI, dealers brace for further rise

BHAVIK NAIR Mumbai, May 11

BONDS SOLD OFF on Monday with the benchmark yield spiking a sharp 20 basis points to 6.17% after the government on Friday said it would tap the markets for an additional ₹4.2 lakh crore this fiscal.

Dealers are nervous in the absence of any measures by the Reserve Bank of India (RBI) to help mop up the supply and are bracing for a further rise in yields.

With the Centre's net borrowing now around ₹9.5 lakh crore, the total supply of paper could hit ₹16 lakh crore, assuming states pick up about ₹6.4 lakh crore. Economists estimate the combined fiscal deficit — of the Centre and states — for FY21to hit double digits.

The additional borrowings, experts say, could be funded via a mix of open-market operations (OMO) purchases, direct monetisation and investments by banks incentivised by an HTM sweetener.

Continued on Page 2

PM hints at more relaxations to push economic activities

Says Covid fight to be more targeted; chief ministers divided in their demands

FE BUREAU New Delhi, May 11

PRIME MINISTER Narendra Modi on Monday said economic activities, which had started to pick up with the partial easing of lockdown restrictions, would gather further steam in the coming days. This is an indication that the Centre may further relax guidelines substantially for the resumption of economic activities to save livelihood, even if it finally decides to extend the lockdown beyond May 17.

In a meeting with chief ministers of various states through video conference, his fifth since March 20 on the Covid-19 pandemic, the PM said: "We must realise that the fight against Covid-19 has to be more focused now. Going forward, the road ahead should be focused on reducing the spread and ensuring all precautions are taken by people, including social distancing norms by observing 'Do Gaj Doori' (six-feet distance)."

Modi urged the chief ministers to ensure that people in rural areas remain the least

SUNIL JAIN



Prime Minister Narendra Modi interacts with various state chief ministers via video-conferencing, in New Delhi on Monday

WHAT CMs SAID

■ UDDHAVTHACKERAY Give concrete directions on lockdown, allow local trains for essential service staff

JAGAN REDDY Lift lockdown restrictions, with strict riders

■ VIJAY RUPANI Limit lockdown to only 'containment

a strategy to empower states fiscally ASHOK GEHLOT

■ AMARINDER SINGH

Permit inter-state supply chain to function properly

affected. The meeting was also attended by defence minister Rajnath Singh, home minister Amit Shah, finance minister Nirmala Sitharaman and health

Some of the CMs were, however, were split in their demands, based on their own requirements. While some chief

Extend lockdown, with Allow train and air travel, give wages for 200 days under NREGS

BHUPESH BHAGEL

EK PALANISWAMI Don't allow regular air services until May 31

ministers — such as Andhra Pradesh's Jaganmohan Reddy wanted various lockdown restrictions lifted, with strict riders, Gujarat CM Vijay Rupani minister Harsh Vardhan. pitched for limiting the lockdown to only "containment

Continued on Page 2

zones" within hot spots.

TRACK TO NORMALCY

Special Rajdhani trains from today; MHA issues SOPs

NIVEDITA MUKHERJEE New Delhi, May 11

AS THE RAILWAYS restarts passenger train operations from Tuesday, ending a twomonth hiatus due to the Covid-19 lockdown, it has made it clear that 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 15 stations across the country.

To ensure social distancing and pre-empt unnecessary crowding, the ministry of home Continued on Page 2

affairs said on Monday only passengers with valid, confirmed e-tickets booked on IRCTC website or through Mobile App, will be allowed to enter the stations. The railways also advised passengers to download the Aarogya Setu

Booking of tickets on IRCTC website started Monday evening. 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

app even though this is

not a must to travel

tickets through agents.

Aadhaar hurdle: Mumbai workers denied Shramik Express travel

LAKHS OF migrant labourers in Greater Mumbai and Maharashtra's other labourintensive industrial clusters like Bhiwandi and Ichalkaranji are being denied access to the special Shramik Express trains being run to carry migrants back home,

reports fe Bureau. The state authorities cite

the local address entries in their unique identity cards as proof of their residentship in the state and deny migrant status.

Continued on Page 2

www.utkarsh.com

Special Feature



Check tax impact first Though there's an additional 15-day grace period for renewal of insurance policies, pay the premium

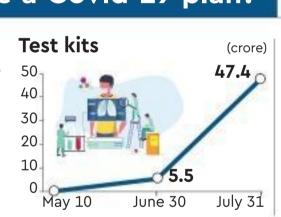
if you have the cash flow

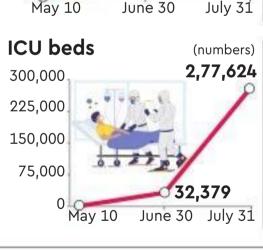
■ Personal Finance, P9

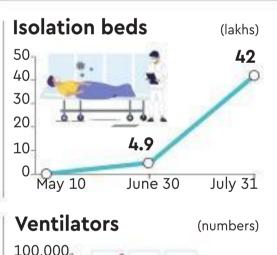
Do we have a Covid-19 plan?

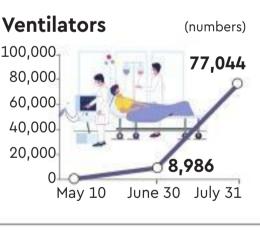
As infections rise to 1.9 crore by the end of July — if infections double every 10 days we need 47.5 cr test kits, 4.2 mn isolation beds, 2.8 lakh ICU beds... a detailed plan of action, and at the city level as the

Getting this needs infection is mainly in a few areas. It's not clear such a plan exists. ■ Details, Page 6









100,000

AAROGYA SETU PROTOCOL

Personal data to be deleted in 180 days

AASHISH ARYAN & KARISHMA MEHROTRA New Delhi, May 11

THE MINISTRY OF Electronics and Information Technology (MeitY) on Monday released an "Aarogya Setu Data Access and Knowledge Sharing Protocol" outlining that personal data from the application can only be used for health purposes and must be permanently deleted after a maximum of 180 days "unless a specific recommendation... is made" by the empow-

ered group on technology. "NIC shall collect only such response data as is necessary and proportionate to formulate or implement appropriate health responses. Further, such data shall be used strictly for

Wuhan reports 5 new corona cases

WUHAN REPORTED its first cluster of coronavirus infections since a lockdown on the city, the epicentre of the outbreak in China, was lifted a month ago, stoking concerns of a wider resurgence, reports **Reuters.** The five new confirmed cases, all from the

same residential compound, come amid efforts to ease restrictions across China as businesses restart and individuals get back to work. "We must resolutely contain the risk of a rebound," the health authority in Wuhan said in a statement on Monday.

COVID-19 UPDATE the purpose of formulating or implementing appropriate 70,747 health responses and constantly improving such responses,"the new data-sharing protocol read. DEATHS SO FAR 3,601 NEW CASE

Continued on Page 2

Pooled testing for zero-case districts

AS THE number of fresh novel coronavirus (Covid-19) cases in the last 24 hours touched a new high at 4,213 on Monday, including 97 deaths, the ministry of health and family welfare has decided to carry out pooled testing in all districts — including those which have not reported any case so far — as part of its nationwide surveillance protocol, reports Abantika Ghosh in New Delhi.

Continued on Page 2

का जश्न मनाइये उत्कर्ष के संग

ऑनलाइन कोर्सेस

उत्कर्ष के मोबाईल एप, YouTube व Telegram चैनल का लिंक

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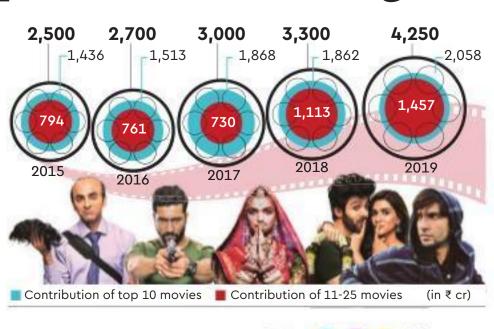
UNDER PRESSURE

Bollywood producers look to go 'over the top'

ASMITA DEY New Delhi, May 11

AS THEY BRACE for losses of anywhere in the range of ₹500-600 crore, Bollywood producers are increasingly exploring releases on OTT (over-thetop) platforms. Multiplexes, however, are negotiating hard to stall digital premieres but legal experts believe producers may be able to stream their films even if contracts don't contain a force majeure clause. Films such as

financiales, epan, in



Amitabh Bachchan and Ayushmann Khurrana-starrer Gulabo Sitabo, Gunjan Saxena: The Kargil Girl featuring Janhvi Kapoor, and Akshay Kumar's Laxmmi Bomb backed by Fox Star Studios are likely to be acquired digitally.

Gowree Gokhale, partner, Nishith Desai Associates, told FE even if the force majeure clause is missing, the producer may still end the contract depending on the agreement construct.

Continued on Page 2



$\frac{1}{2}\left(\frac{1}{2}\left(\frac{1}{2}\right)\right) = \frac{1}{2}\left(\frac{1}{2}\left(\frac{1}{2}\right)\right)$ TUESDAY, MAY 12, 2020

NO SALARY CUT

Ministry of Finance @FinMinIndia

There is no proposal under consideration of Govt for any cut whatsoever in the existing salary of any category of central government employees.

Quick

View

No hike in SEZs' lease rent

THE COMMERCE MINISTRY on Monday said the lease rent for units in the government-owned special economic zones (SEZs) will not be increased for 2020-21 due to the Covid-19 pandemic, a move which will provide relief to these facilities. It also said payment of lease rent for Q1 has been deferred till July 31, and the deferment would not attract any interest.

Clarity on rights issue procedure

THE CORPORATE AFFAIRS ministry on Monday provided clarity on certain procedural requirements related to rights issues by companies. It said the inability to send notices through postal or courier services to shareholders would not be viewed as violation of the Companies Act.

Trai on online conferencing rate

TRAI ON MONDAY asked public to exercise due caution while joining online conference platforms via audio calls by first checking applicable rates for dialling such numbers and their helplines.

HUGE SHORTAGE

Drivers join migration queue, truck availability takes a hit

FE BUREAU New Delhi, May 11

WITH DRIVERS JOINING migrants rushing back home after recent relaxations in lockdown norms, the movement of national-permit trucks, which was showing signs of improvement in the past two weeks, is likely to take a hit again, All India Transporters Welfare Association (AITWA) joint secretary Abhishek Gupta told FE.

"Vehicle movement had just about reached 30% (of 15 lakh national permit trucks) till last week. We fear the movement will dip this week due to the issue of drivers going back," Gupta said. Huge shortage of trucks and trailers visible over the last weekend and today was due to migrant labours being given permission to go back to native states, he said.



The AITWA has received several communications from members over the weekend that drivers around many locations, including Mumbai, Bengaluru, Pune and Nagpur, have abandoned trucks/trailers to move to their hometowns.

"We attribute this directly

lack of basic facilities.

"As many drivers were already stuck at their villages without any means to return, we fear this move will greatly impact transportation in the next few weeks," Gupta said.

As many as 4.5 lakh national permit trucks were back on roads on Friday, up from 3.6 lakh plied on April 30, 1.5 lakh on April 20 and 1.2 lakh on April 12, in an indication of a gradual improvement in inter-state commerce. However, migration of drivers back home could complicate normalisation in the goods transport system.

Normalcy in business will return once truck movements reach over 10 lakh vehicles or 70% of the NPregistered ones that prevailed before the outbreak of Covid-19 pandemic.

ute tokens through mobile phones for buying liquor. Tokens would be specified for different hours. Bevco liquor outlets will need to scan the token QR code before allowing sales.

deprived of their regular drink," said industry minister EP Jayarajan. But, the fact is that the resource-strapped state government cannot do without Bevco's ₹14,505crore annual revenues. About

Bevco has been losing

INTERVIEW: BHARTRUHARI MAHTAB, chairman, parliamentary standing committee on labour

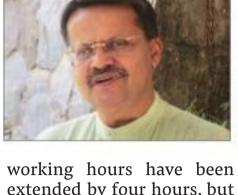
'Labour productivity goes hand in hand with worker interests'

By suspending almost all labour laws, extending working hours and reducing paperwork, some states have announced major changes in labour laws with the intention of attracting investments and creating favourable environment for business and industry to resume activities. BJD MP Bhartruhari Mahtab, chairman of the parliamentary standing committee on labour, shares his views on these changes with Surya Sarathi Ray. Excerpts:

Many states, including UP, MP and Gujarat, have significant announced exemptions and amendments to labour laws, including doing away with labour laws for three years. What is your reaction to this? They have promulgated ordi-

nances to attract investment and encourage setting up of start-up industries. There is no blanket ban on labour laws in UP, three laws will still be prevalent. There are 150 labour-related legislations in the country and it is very difficult to understand what law is applicable where and for whom. However, with the changing environment, a number of laws have become archaic and needed to be tuned for the benefit of both the employer and the employee.

The changes have happened not only in some BJPruled states, but also in Congress-ruled states like Rajasthan and Punjab where



extended by four hours, but that four hours will be treated as overtime. Maharashtra, which is run by a coalition government, has also made some changes. All these have been done to improve productivity after the lockdown. But, at the same time, my view is that if you wish to increase productivity, there should not be any compromise on the workers' interest. As we are following social distancing, there will be less number of people in factories. So prolonged work hours may be required.

What about the suspension of almost all labour laws for 1,000 days and beyond?

These are steps which need to stand the scrutiny of law. Just by promulgating a law is not the end of it. It has to also stand the scrutiny of the court.

Will these changes help the

industry in the long run? Labour is in the concurrent list. States have power to frame certain laws. If a factory has to shut down, one needs to get the approval of the government. Rajasthan was the first state to do away with that pro-

vision. MP also did that subsequently. In our report relating to Industrial Relations code. we have cited the instance of Rajasthan. The complaint was that a number of industries will shut down and the labours'interest would be hurt. But, the result of a study showed just the reverse. So, in that respect, changes in the laws were required. But, the interest of the labourers should not be compromised.

Industry is given a free hand? Industry or the employer should not be pampered to such an extent that they can exploit the labour force at this time of emergency. Rather it is with the support of the labour force and their involvement, the industry can make a turnaround on the economic front. Support should not be extended to the industry alone, labour should also be treated equally. And this should be done to organised, unorganised and migrant labourers.

What is your take on migrant workers?

The onus lies with the Union government to give them full protection. But, what we find today, other than special trains, the Centre is clearly not doing enough.Whateverhelp is being extended to the migrant workers, it is being done by the sending and the receiving states. The Union government is nowhere to be seen to the aid of migrant workers.

Kerala to try virtual queue for liquor sales **FE BUREAU** invited applications from startin the case of Sabarimala by

Thiruvananthapuram, May 11

THE KERALA GOVERNMENT is readying a customised version of Sabarimala templemodel virtual queue to finetune liquor sales from Bevco outlets following the Covid safety protocol. The state will cull inputs from start-ups and the cyber division of state police and put those to use.

"Kerala Startup Mission has

ups to come out with mechanisms to run the virtual queue effectively," says Sparjan Kumar, MD of Bevco. State-owned Bevco is the monopoly distributor of IMFL (Indian Made Foreign Liquor) in Kerala. "We do not want to have a replay of the situation of large crowds before

The state police had successfully tried a similar model

many states," he said.

liquor vends, as it happened in

pre-allotting pilgrims a specific time to visit the temple. The basic plan is to distrib-

to the slow response by the

government to recognise the

work of highway heroes (dri-

vers) and give them Covid

insurance," Gupta said. Busi-

ness being at an all-time low is

also hitting the pockets of

truck drivers, who are standing

idle without any revenue and

"The new arrangements are to calm liquor addicts, who may lose stability after being

7-10.5 lakh people visit Bevco's 300 liquor outlets

about ₹40 crore per day because of the closure of liquor

From the Front Page

every day.

Bond yields spike on extra govt mop-up

ANANTH NARAYAN, professorfinance at SPJIMR told FE, RBI already has commenced monetising a chunk of the slippage and added he expects substantial purchases through OMOs. If they don't, yields will go to very high levels. We expect a major slippage in India's true combined deficit for FY21 to over 14 % of GDP," Narayan

Indranil Sengupta, economist, Bank of America, wrote the RBI could directly subscribe to the Centre's primary auctions with June quarter GDP set to contract by 9.3%. "Section 4(2) of the FRBM Act allows the RBI to subscribe to primary auctions if growth falls by 3% from the previous four quarter average," Sengupta said.

Monday's spike in the benchmark yield to 6.17% was the biggest single-day since February 2017, Bloomberg data shows. The new 10-year paper maturing in 2030 also closed 10 bps higher at 5.82%.

Siddharth Shah, head of treasury, STCI Primary Dealer, noted that while the markets had anticipated the additional borrowings, they had expected the stimulus package to be announced first. Moreover, they were also awaiting some announcements from RBI."Any announcement by the central bank in terms of OMO purchases, or any other operations to support the government's additional borrowing will determine the reversal of upward movement in yields," Shah said.

RBI has been supporting the bond markets through secondary market purchases of securities and through outright OMO purchases. RBI data show that it has bought over ₹91,000 crore of securities, a bulk of which is thought to be treasury bills, through the secondary market in April. Experts say apart from the T-Bills, the central bank purchases may now also extend to dated secu-

Bollywood producers look to go over the top

"IF THE contract has a force majeure, the producer can invoke that to terminate a contract if the exhibitor does not

honour his commitment, subject to certain terms and conditions. But even if there is no clause, the producer may still be able to terminate the contract if there is an absolute obligation on the part of the exhibitor to ensure a theatrical release, Gokhale said.

Nikhil Narendran, partner at Trilegal, explained that multiplexes cannot boycott artists and producers as that would be categorised as anti-competitive behaviour. "That can be legally challenged," Narendran

Earlier this month, the Multiplex Association of India (MAI) cited the prevailing practice of "exclusive theatrical window" and urged studios and content creators to hold pending releases until theatres are open. There is, typically, an eight-week window between the theatrical and other screen releases though that can vary from contract to contract.

MAI has reportedly threatened to boycott producers and actors if they opt for digital releases. Exhibitors are miffed because they earn the lion's share of revenues from ticket sales of anywhere around 50-60%.

However, as Shariq Patel, CEO at Zee Studios, told FE, the industry is evaluating digital releases. "Announcements are likely to be made in the coming weeks and months as all of us assess when theatres can realistically open and see footfalls, Patel said. Three of the studio'fims — Gunjan Saxena: The Kargil Girl, Khaali Peeli and Marathi film Panghrun --were in post-production stages, ready to hit the theatres between April and June. "Lockdown impacts the cost of a project and thereby profitability of a studio," Patel said.

Aarogya Setu protocol: Personal data to be deleted in 180 days

"IN THE overall flow, the most important data set is the special surveillance system made by the health department in which states (and districts) can look at the information," IT secretary Ajay Prakash Sawhney said in a press briefing on Monday. "Also, applications for testing samples with data reaches ICMR's lab portals...all health systems in NIC and the health ministry are combined with Aarogya Setu's selfassessment and bluetooth contact tracing data.

Along with NDMA (National Disaster Management Authority) data and with the help of IIT-Madras, an analysis is done on all this combined data to see what actions can be taken. This is the broad picture of how we organise our data flows."

The new norms, which lay emphasis on anonymisation of data collected by the app, mention that the data can be shared with the "government of India", and all the agencies that are granted access to the data must use it only for the purpose for which it has been shared and delete it after 180 days. The National Informatics Center (NIC) is responsible for collecting, processing and managing all the data collected by Aarogya Setu, which has been downloaded to the phones of 9.82 crore Indians. NIC shall maintain a list of agencies with which the data

is being shared. The new protocol also allows an individual to request for deleting demographic data, which must be abided by in 30 days.

"This makes it very clear that the intent of the government is only to use this data COVID-19 related responses and there is no other purpose for which the data has been collected. The purpose is now upfront, and after that period is over, all data will be purged," said Abhishek Vaidya, the CEO of the IT ministry's National e-Governance Foundation.

"There have been a few concerns about how data is shared, how it is being governed, and under what act is it being shared. So, while the data protection bill is pending in Parliament, there was a need to lay down the framework because ultimately what we are saying in the privacy policy about collection purpose and use needed a statutory backing," said Vaidya.

IT ministry's additional secretary S Gopalakrishnan, who also assisted in developing the protocol, told The Indian Express: "It is in the same spirit as the Data Protection Bill. This puts clearly the role of NIC, MEITY, etc in handling this data". In a webinar on Monday,

Justice BN SriKrishna called the new protocol a "patchwork" that will "cause more concern to citizens than benefit."

He said: "It is highly objectionable that such an order is issued at an executive level. Such an order has to be backed by Parliamentary legislation which will authorise the government to issue such an order. If it is traced to the NDMA, the NDMA has no provision for constitution of an empowered group. (Under) what provision of law is this order issued? I cannot understand ... If there is a breach of data here, who is answerable, what action has to be taken and (who is) accountable for the data breach. This should really have been traced ideally

to PDP or through NDMA by an appropriate amendment." Recently, the Congress raised security concerns about the application by taking up a technical note by hacker Elliot Alderson. The hacker claimed he was able to access through the app information about people who are Covid-19 infected and felt unwell, among other data points, including people in sensitive offices like the PMO or Parliament. The government was also asked to make the source code of the app"open source" so that security flaws can be gleaned by the

open community. Special Rajdhani trains from today; MHA issues SOPs

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.

Booking of RAC/waiting list ticket and on-board booking by ticket checking staff would also not be permitted. Neither will current booking, tatkal and premium tatkal booking be allowed. The maximum Advance Reservation Period (ARP) has been kept at 7 days.

These special trains to be allowed in the first phase of restart of regular passenger operations will have only air conditioned classes in first, second and third categories, with fare structure on par with the regular time-tabled Rajdhani trains, excluding catering charges. This could work against migrants, most of which have turned penniless due to weeks of lockdown and

non-payment of wage arrears by their employers. Moreover, it will be mandatory for passengers to wear face cover or masks at entry and during travel and undergo screening at departure. All passengers will be provided with hand sanitisers at entry and exit points at stations and coaches. After the initial rollout of

passenger operations, the Railways shall start more special services on new routes, based on the available coaches after reserving 20,000 coaches for Covid-19 carecentres and adequate number of coaches being reserved to enable operation of up to 300 trains everyday as "Shramik for stranded Special" migrants, sources said.

To enforce social distancing, no stalls or booths on the platforms shall be opened and neither would any train-side vending be permitted. Zonal railways have been instructed to ensure that there are separate entry and exit gates at railway stations to the extent feasible so that there is no face to face movement of passengers. Zonal railways will be guided by standard social distancing guidelines on stations and trains and observe the safety, security and hygiene protocols.

With no provision for linen, blankets and curtains inside the train, passengers have been advised to carry their own linen for the travel and the temperature inside the AC coaches would be suitably regulated for this purpose. The Railways is also encouraging passengers to carry their own food and drinking water as there would be no provision for pre-paid meal booking and e-catering. The IRCTC shall make provision for limited eatables and packaged drinking water inside the trains on payment basis, information on which shall be made available during the time of booking the ticket but no catering charges shall

The special Rajdhani trains will run to Dibrugarh, Agartala, Howrah, Patna, Bilaspur, Ranchi, Bhubaneswar, Secunderabad, Bengaluru, Chennai, Thiruvananthapuram,

be included in the fare.

Madgaon, Mumbai Central Ahmedabad, and Jammu Tawi. The idea is to later have as

many as 16 trains that have daily runs while eight will run twice a week and four will operate once a week. The service on the Delhi-Thiruvananthapuram route will be avail-

able thrice a week – Tuesday, Thursday and Friday - and the Thiruvananthapuram-Delhi service will ferry passengers on Tuesday, Wednesday and Sunday. The ministry of railways has appealed to all states, especially the states which have allowed very few trains to give approvals liberally. The matter was discussed in the home secretary's video conference with states on Sunday following up with a letter to the states with a special appeal to West Bengal which allowed very few trains.

Aadhaar hurdle: Mumbai workers denied Shramik Express travel

IN EFFECT, the Aadhaar cards, which were meant to accord the workers a sense of honour besides confirmed citizenship and residency tag, are proving to be a double-edged sword for them at this juncture. Tens of thousands of non-native workers in Maharashtra, like those in other parts of the country, obtained the Aadhaar cards with local addresses to open bank accounts and access various government services.

Meanwhile, about 500 special Shramik Express trains carrying around 5 lakh migrant workers have already reached their destinations across the

These special trains have been in operation since May 1 for transporting migrant workers, pilgrims, tourists, students and other persons stranded at different places. The railways, sources said, have crossed the 4.5-lakh-passenger mark in these trains, carrying migrants to cities like Tiruchchirappalli, Titlagarh, Barauni, Khandwa, Jagannathpur, Khurda Road, Prayagraj, Chhapra, Balia, Gaya, Purnia, Varanasi, Darbhanga, Gorakhpur, Lucknow, Jaunpur, Hatia, Basti, Katihar, Danapur, Muzzaffarpur, Saharsa etc. Other regular passenger serincluding vices mail/express, passenger and suburban services shall remain cancelled.

Pooled testing for zero-case districts

revised home isolation guidelines, specifying that "there is no need for testing after the

THE MINISTRY has also

home isolation period is over". It has said that "patient under home isolation will end home isolation after 17 days of onset of symptoms (or date of sampling, for pre-symptomatic cases) and no fever for 10 days." The earlier guidelines

stated that such patients wil end home isolation if symptoms are clinically resolved and the surveillance medical officer certifies him/her to be free of infection after laboratory testing. A total of 67,152 cases has been reported so far, of which 2,206 died while 20,916 recovered. The Covid-19 count is already past the government's projection of 65,000 cases by May 15, as shared with the states earlier.

According to the health ministry's data, 216 districts have not reported any case so far. The ministry plans to include these in its country wide surveillance, which wil be carried out in 10 health facilities (6 public, 4 private) in each district.

Both high-risk (healthcare workers) and low-risk (non-ILI Out Patient Department patients and pregnant women) groups will be selected.

"There is a need to establish

systematic surveillance for SARS-CoV-2 infection in all districts of the country. This surveillance will be in addition to the routine testing as per current testing guidelines. Besides the facility-based surveillance, ICMR (Indian Council of Medical Research)/ NCDC (National Centre for Disease Control) in collaboration with key stakeholders and state health departments is initiating a population based serosurvey in selected districts representing the case detection across the country," says a document on district-level facility-based surveillance for Covid-19 issued by the health ministry.

According to the plan, 100 samples will be collected from high-risk groups and 50 each from the two groups of lowrisk population each week. "Throat/ nasal swabs to

be collected for RT-PCR tests. Samples should be tested in a one-time pool of 25. Results of this sample pooling is only for surveillance purposes. It should not be used for diagnosis of individual patients. In addition to throat/ nasal swabs, blood samples should be collected for detecting IgG antibodies for ELISA testing.

PM hints at more relaxations to push economic activities

PUNJAB CHIEF minister Amarinder Singh, however, wanted an extension of the current lockdown, albeit with a carefully-devised strategy to empower states to save both lives and livelihood. Maharashtra chief minister Uddhav Thackeray sought "specific, concrete" direction from the Centre on lockdown. He wanted the Centre to allow the operation of local train services for essential

As FE has reported, with over

service staff.

60% of units still remaining shut and most others operating at just 10-15% capacity, the "graded" easing of the lockdown curbs has barely revived manu facturing in export hubs. The red zones make up for around 60% of GDP. As for exports, the units that contributed about 70% to the country's outbound shipments of \$314 billion in FY21 are located in such hot spots. While many states have now given them approval to start manufacturing even in such hot spots (barring the "containment" areas within them), thus enabling more units to open, key cities - such as Mumbai and Ahmedabad - are still com pletely shut. Even manufactur ing in some other industrial belts - such as Pune, Hyderabad Bhopal, Indore, Kanpurand Agra - hasn't really started.

Chhattisgarh chief minister Bhupesh Bhagel sought the Centre's approval to allow states to define red, orange and green zones. He asked the Centre to give wages for 200 days of work under the NREGS and resumption of train and air travel and bus services. However, Tamil Nadu chief minister K Palaniswami didn't want train, flight services to resume at least until May 31. Rajasthan chief minister Ashok Gehlot requested that the Centre permit inter-state supply chain to function properly.

In his meeting with the chief ministers, Modi said: "We now have reasonably clear indication as to the geographical spread of the pandemic in India, including the worst affected areas. Moreover, over the past few weeks, officials have understood operating procedures in a time such as this, right up to the district level,"he said.



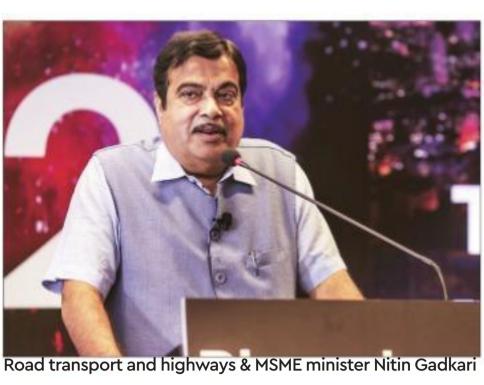
FINANCIAL EXPRESS

Economic package coming in 2-3 days, says Gadkari

FE BUREAU, New Delhi, May 11

THE GOVERNMENT WILL keep in mind the interest of all stakeholders in the economic package that is likely to be unveiled in the next 2-3 days, minister for road transport and highways and MSME Nitin Gadkari said on Monday.

"In the next two-three days, we are expecting a package from the government. We are waiting for that. Government is with you. But you should understand one thing that in the present situation the whole world economy, just as the Indian economy, is facing problems," Gadkari said in an interaction with the members of industry and com-



merce of Telangana.

"Many state governments have no money to pay the next month's salary. The revenue of the Central government has also dropped. We have limitations, but we are with all the stakeholders. We are trying our level-best as to how we can protect everybody. We have to take everybody with us and march ahead," the minister The minister, however,

hinted that the package would not be as big as that of the US or Japan; but, the Indian government would do as much as possible with its limited capacity. "We have to take measures so that every stakeholder survives," he said.

Stressing on the importance of the MSME sector that contributes 29% to the GDP, 48% to India's exports and employ around 11 crore jobs. Gadkari said the impact of Covid-19 on the sector was very huge and as such, "we need to support all MSMEs."

Around 2.5 lakh containers containing imported scrap are lying at various ports of the country waiting for clearances ever since the lockdown began, says material recycle producers The industry that gives direct and indirect employment

huge financial crisis with dimming hopes of a revival from coronavirus-induced lockdown, it said. A Gujarat-based trader who did not wish to be named said around 100 containers of scrap metal imported by him are lying at Gujarat's Mundra Port for want of clearances due to

"My scrap imported from Europe and Singapore is worth about ₹5 crore and with duties, it comes to ₹6 crore.

the lockdown imposed to con-

tain the new coronavirus infec-

PRESS TRUST OF INDIA

ONCE-BOOMING MATERIAL

recycling industry has come to

a standstill after the lockdown,

bringing thousands of traders

to the brink of bankruptcy as

they face mounting levies from

shipping liners and freight sta-

tions for stuck containers de-

spite the government giving

waivers, an industry body said.

to 25 lakh people, is staring at a

body MRAI.

New Delhi, May 11

""Now I have been slapped with demands worth ₹5 lakh per day as charges from the container freight station (CFS) and shipping lines besides lakhs of rupees pertaining to other charges for flouting norms...The situation is such that I along with others are at the brink of bankruptcy," he told PTI over the phone.



Recycle industry at verge of bankruptcy as

shipments stuck at ports, charges build up

staring at starvation, he said.

Sanjay Mehta, the President of Material Recycling Association of India (MRAI), told PTI that about 10,000 recycling units in the country sustaining the livelihood of 25 lakh people directly or indirectly are at the verge of closure despite relief measures announced by the government.

The government issued an order for the waiver of rent and other charges but shipping lines and container freight stations (CFS) are openly flouting the order, Mehta alleged.

He cautioned that if the government failed to take immediate steps this would result in huge NPAs to banks.

Around 25 lakh people are dependent on the recycling industry based on paper, steel, aluminium, copper, brass, zinc and lead imported as scrap, Mehta said.

"About 2.5 lakh containers clearances...In the extraordinary situation, delays are hap-

pening in procuring papers

from banks, courier and other

formalities but the shipping

lines and CFS have refused to waive levies despite clear-cut orders from the ministry of finance and the ministry of ship-"The government orders

are being flouted and huge levies are being charged but everyone has turned a blind eye to our problems." MRAI represents recycling material producers of metal

and paper in the country. While the CFS is governed by the ministry of finance, ICDs are governed by the ministry of shipping.

Mehta said that the body has been continuously demanding the government's intervention ever since the lockdown was announced, and

India's 10,000 MSMEs dependent on scrap will die if no relief would be announced.

"The situation has worsened now...importers and traders had made full payment to the suppliers in the UK, the US, Australia, Singapore etc as there was no ban on shipments...But here the government is not able to get its orders implemented about

According to a letter from Commissioner of Customs (General) to Container Freight Station asking them to strictly implement shipping ministry order for a waiver of charges. rent etc, about 33,000 containers are lying at Jawahar Lal Nehru Port Trust only.

waiver of charges," he said.

Industry body Ficci also sought shipping ministry's at tention towards non-compli ance of official orders by shipping lines and port terminals for waiving charges but to no

"If these orders are not strictly implemented by CFSs, then it is estimated, that this might lead to NPA of ₹2 lakh crore and a direct job loss of 20 lakh low-strata people working in recycling and secondary sec tors," the MRAI has said in a letter to the government.

Noting a drop in exportimport (EXIM) cargo due to supply chain disruptions on account of the Covid-19 pandemic, the government last month asked India's all 12 major ports to defer the lease rentals and licence fees-related charges for April, May and June besides waiving rentals in proportion to the cargo drop and not to levy penalties.

Food ministry extends deadline for seeding Aadhaar with ration cards till September

PRESS TRUST OF INDIA New Delhi, May 11

THE FOOD MINISTRY on Monday said the deadline for seeding of Aadhaar with ration cards has been extended till September and stressed that all beneficiaries will continue to get their quota of foodgrains even if they do not possess the biometric identifier.

The ministry issued this clarification on reports that ration cards of those who do not provide Aadhar number will be cancelled.

"The timeline given to all states/UTs, under the Aadhaar notification of the Department of Food and Public Distribution dated February 7, 2017 (as amended from time-to-time) to complete the seeding of Aadhaar numwith all ration cards/beneficiaries, has been extended up to September 30, 2020 by the department," an official statement said.

Until then, the ministry had issued clear instructions to all states and union territories (UTs) that no genuine beneficiary or household should be denied from entitled quota of food grains, it

"Their names/ration cards should not be deleted/cancelled only on the ground of not possessing an Aadhaar number," the ministry said.

Instructions have also been issued that grains under the food law should not be denied due to failure of Aadhaar authentication of beneficiary because of poor biometrics of the beneficiary, issues with network connectivity, linking or any other technical reasons.

"During the current crisis situation, a pragmatic approach is needed so that no poor or deserving person or family is denied access to food grains...," the statement

At present, nearly 90% of all 23.5 crore ration cards are already seeded with Aadhaar numbers of ration cardholders (i.e. at least one member

Nearly 85% of all 80 crore beneficiaries have seeded their Aadhaar number with their ration card.

Further, all concerned states/UTs are making continuous efforts to complete the Aadhaar seeding of remaining ration cards under the food security law.

The ministry has started the implementation of na-

tional/inter-state portability of ration card holders under "One Nation One Ration Card" plan as part of a central sector scheme on 'Integrated Management of Public Distribution System' to protect the interest of poor and migratory beneficiaries.

"To achieve seamless inter-state portability transactions of a ration card, it is essential to have a centralised repository for maintaining unique ration cards/beneficiaries' data of all states and UTs covered under the NFSA," the statement said.

Therefore, the ministry said that the seeding of Aadhaar numbers becomes critical in establishing a unique record of each eligible ration card holder and beneficiary in the country, so that his or her entitlement is protected. Under the NFSA, the Cen-

tre provides 5 kg of foodgrains per person per month to around 80 crore people at a highly subsidised price of Rs 2-3 per kg.

To provide relief during the lockdown, the Centre is providing an additional 5 kg of foodgrains per month free of cost. This is for three months period till June.

World cereal utilisation reduced by 24.7 MT: FAO **RAJESH RAVI**

Kochi, May 11

WORLD CEREAL UTILISATION for 2020 has been reduced by 24.7 million tonne since the previous report of April, as a result of Covid-19 impact on economic growth, energy markets, and, to a lesser extent, feed demand, Food and Agriculture Organization (FAO) of the United Nations said in a report.

The reduction stems mainly from a 22.4 million tonne downward revision to the

2019-20 maize utilisation, mostly in the United States of America and China, reflecting a sudden slowdown in feed and industrial demand.

The forecast for total wheat utilisation in 2019-20 has also been subject to a downward revision, with cuts to industrial use, especially in the European Union, more than offsetting upward revisions for Canada. World wheat utilisation in 2019-20 is expected to exceed the previous season's level by 9 million tonne (1.2%), supported consumption. Lowered food intake forecasts for Nigeria, combined with expected reduced industrial use in China, have resulted in a 1.5 million tonne cut in the forecast for world rice utilisation in 2019-20.

by anticipations of rising food

Despite the revision, world rice total use would still exceed the 2018-19 record by 0.7%, largely on the back of an expansion in food intake in Asia.

FAO's estimate for 2019 world cereal production still stands at around 2 720 million

duced 2018 level by 65.3 million tonne (2.5%), mostly on increases in wheat, maize, and barley outputs.

tonnes, rebounding from the re-

FAO's forecast for world cereal stocks by the close of the 2020 seasons has been revised upwards by 22.6 million tonne to 884 million tonne, now pointing to a likely increase of 13.6 million tonne (1.6 %) from their opening levels and a global cereals stocks-to-use ratio of 31.6 %, up from 30.7 % pub-

lished last month.

MAGNA ELECTRO CASTINGS LIMITED CIN:L31103TZ1990PLC002836

Tel: +91- 422-2240109 / 2246184 | Fax: +91- 422-2246209

Email: info@magnacast.com | Web:www.magnacast.com NOTICE

egulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a

Meeting of the Board of Directors of the Company is scheduled to be

held at the Registered Office of the Company on Monday, the 1st June, 2020 at Coimbatore, to consider and approve, inter alia, audited

financial results of the Company for the financial year ended March 31

www.magnacast.com and also on the website of the Stock

Exchange- www.bseindia.com (BSE Limited), where the shares of

The intimation is available on the website of the Company

For Magna Electro Castings Limited

Electronic manufacturers concerned over demand, supply, labour shortage

RISHI RANJAN KALA New Delhi, May 11

AS CONSUMER ELECTRON-**ICS** companies fire up their manufacturing units with limited employees and resources after taking permission from authorities, there are still supply-side constraints and issues related to movement of labour across states, and in some cases districts in which these factories are located, as they have high incidence of Covid-19 positive cases.

Besides, many companies, especially small and medium enterprises, are worried about the sale of their products ranging for USB ports to smartphones to TVs, ACs and washing machines. Their fear is that since Covid-19 pandemic seems far from being stabilised, there are chances that government might again have to resort to stricter lockdown procedures, thereby impacting production and sales.

Deloitte India partner and leader (supply chain) Easwaran PS said, "Primary issue facing most organisations is the visibility of demand in marketplace. Moderation in demand (attributed to store shutdowns and last mile delivery constraints) requires organisations to effectively plan their supply side in terms of usage of assets and resources as they have a significant implication on product costs and profitability".

Some fear that since there is already inventory with channel partners and in warehouses, producing more could lead to storage issues. On this Easwaran says, "We expect inventory in the chain given that all channels of sale had no activity in lockdown period. However, organisations may not be able to do the long wait

Some fear that since there is already inventory with channel partners and in warehouses, producing more could lead to storage issues

interested buyers. An Oppo India spokesper-

safe," she added.

For the next three-six

Sebi cuts broker turnover fees, filing charges for documents on public issues, buyback

New Delhi, May 11

CONTINUING WITH ITS efforts to help market participants tide over the challenges due to Covid-19 pandemic, Sebi has reduced broker turnover fees and filing charges on offer documents for public offering, rights issue and

The broker turnover fee has notification dated May 8.

The benefit of such reduction in fees will automatically

be passed on to the investors. "Every stock broker in cash segment, equity derivatives segment, currency derivatives segment, interest rate derivatives segment and commodity derivatives segment (other than agri commodity derivative) liable to pay fees as a percentage of their turnover...for period June 1, 2020 to March 31, 2021, pay only 50% of fees



for off-market transactions undertaken by them," the regulator noted.

documents for public issue, rights issue and buy back of shares have been reduced to 50% of the existing fee struc-

uments filed from June 1, 2020, to December 31, 2020.

NIB No./ Date/

Unique bid no

crore but less than ₹1.000

For issue size of more than ₹1,000 crore, Sebi said a fee of ₹2.5 crore along with a portion of the offer size would be

In respect of public issues, the regulator has cut fee by 50% to ₹25,000 for filing draft documents for offer size of up to ₹10 crore, while the same has been reduced to ₹12,500 from ₹25,000 for rights issues of up to ₹10 crore.

Fee has also been cut by half for issue size of over ₹10 crore, among others.

stimated Start of sale,

Cost/EMD Last date

VOLTAMP TRANSFORMERS LIMITED

CIN: L31100GJ1967PLC001437 Regd. Off.: Makarpura, Vadodara - 390014. Ph: 0265 3041403/480, Fax: 3041499 E-mail: vnm_ipo@voltamptransformers.com Website: www.voltamptransformers.com

NOTICE

the Company are listed.

11.05.2020

NOTICE OF RECORD DATE FOR PAYMENT OF INTERIM DIVIDEND FOR THE FINANCIAL YEAR 2019-20

Notice is hereby given that pursuant to provisions of regulation 42 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with section 91 of the Companies Act, 2013 and any other applicable provisions, the company has fixed May 19, 2020 as record date for the purpose of determining eligible shareholders entitled to receive interim dividend of INR 25 per equity share for the financial year 2019-20, as declared by the Board of Directors in their meeting held on May 11, 2020.

> For VOLTAMP TRANSFORMERS LIMITED Sanket Rathod

Place: Vadodara Date: May 11, 2020

Company Secretary and Complaince Officer

GUJARAT ENERGY TRANSMISSION CORPORATION LTD. 🚛 🤊 H O. Sardar Patel Vidyut Bhavan, Race Course, Vadodara - 390 007 -TENDER NOTICE INVITING TENDERS OF GETCO CORPORATE OFFICE, VADODARA GETCO: www.getcogujarat.com Dept-GOG: http://guj-epd.gov.in Tender Notice No. ACE:Proc:TN-03:2020-21

A) PROCUREMENT: ACE(Proc)/E-2784/66KV XLPE & 6.6KV PVC / 2020-21 [B] CIVIL: GETCO/CE (Proj.)/SE(C)/ TCN-04/ 20-21 / For Civil Works: (1) Civil package work of 66kV Samadhiyala -1 S/S Ta: & Dist: Botad under Amreli TR Circle.
(2) Civil package work of 66kV Goradka (Jabal) S/S Ta: Savarkundla Dist: Amreli under Amreli TR Circle. (3) Civil package work of 66kV Bhokarva S/S Ta: Savarkundla

Dist: Amreli under Amreli TR Circle. [B1] CIVIL : GETCO/CE (Proj.)/SE(C)/ TCN-05/20-21/ For Civil Works : (1) 66KX Barnangam S/S Ta Anklav Dist. Anand Nadiad Circle (2) 66KV Chikhodra S/S TA: Anand Dist: Anand Nadiad Circle (3) 66 KV Madana (GADH) S/S. Ta.: Palanpur Dist.: B.K. Palanpur Circle (4) 66KV Rupal S/S. Ta.: Vadgam Dist.: B.K. Palanpur circle. [B2] CIVIL: GETCO/CE (Proj.)/SE(C)/ TCN-06/ 20-21 / For Civil Works: (1) 66KV Patna S/S Ta. Mandvi & Dist. Surat under Bharuch TR Circle (2) 66KV Vanakpore S/S

Ta. Zaghadiya & Dist. Bharuch under Bharuch TR Circle (3) 66KV Sewani S/S Ta. Kamrej Dist. Surat under Navsari TR Circle [B3] CIVIL: GETCO/CE (Proj.)/SE(C)/ TCN-07/ 20-21 / For Civil Works: (1) Civil package work of 66kV Amrutpur (Jeera) S/S Ta: Dhari & Dist: Amreli under Amreli TR Circle. (2) Civil package work of 66kV Ningala - 2 S/S Ta: Lathi Dist: Amreli under Amreli TR Circle. (3) Civil package work of 66kV Adsang S/S Ta: Savarkundla

Dist: Amreli under Amrelî TR Circle [C] S/S: GETCO/TURNKEY/132KV UGC Naghedi-Jamnagar/180: Supply, laying, testing and commissioning of 132KV cable system on turnkey basis for conversion of O/H 132KV Naghedi-Jamnagar line no. 1 and 2 from 132kv Naghedi ss gantry to Loc. No. 5 for M/s Western Railway.

Above Tender are available on web-site www.gseb.com & www.getcogujarat.com

(for view and download only) & https://getco.nprocure.com (For view, download and

Note: Bidders are requested to be in touch with our website till opening of the Tender.

Addl. Chief Engineer (Procurement) "Energy Saved is Energy Generated"

financialexp.epa

of clearance to drive manufac-

turing as there is a fixed cost and associated production volumes that need to be factored". Some companies point out

more robust plan, keeping in view ground realties in districts, for opening up industries and services as manufacturing states like Tamil Nadu, Maharashtra, Andhra Pradesh, Telangana and Karnataka are still battling the pandemic. This issue becomes more crucial as a section of experts within the government's Covid-19 management task force have said that the month of June could see a surge in

number of cases. Industry body MAIT said local conditions play a major role. "One of your supplier could be a trader importing some nuts and bolts. Now, permission is given to factories to open, but this trader cannot open shop, so you would not get those nuts and bolts. How do you go about explaining that this trader is not in manufacturing, but is key to my supply," MAIT CEO

George Paul said. However, some firm have started production and are working on strategies to reach out to consumers. Smartphone majors like Oppo and Vivo, which will begin production from Friday and Saturday,

respectively, are already working strategies to reach out to

son said the firm will be operating with 30% workforce. "About 22% of Oppo retail stores are also operational in permitted zones, with around 17% OECs staff present onground. A host of stringent preventive measures have also been put in place for safety of our employees both at manufacturing plant and retail outlets. We have also introduced contactless service for consumers to stay safe and buy

Similarly, a spokesperson for Vivo said the company will start production with 30% capacity and around 3,000 employees at its factory in Greater Noida with all procedures and precautions. It is using its Facebook page and e-Store to reach out to interested buyers. It has also leveraged Vivo brand ambassadors (VBAs), to help buyers get their preferred model. The VBAs contact retailers and online partners to source the preferred handset model for the buyer.

months, Deloitte's Easwaran says, it would be more the dimension of demand than supply that will be of significance in the next few days. "We expect the supply side to be streamlined in the immediate months. Focus would be on addressing liquidity in the channel,"he added

PRESS TRUST OF INDIA

buyback of shares.

been reduced to 50% of the existing fee structure for the period June 2020 to March 2021, the Securities and Exchange Board of India (Sebi) said in a

UDAIPUR CEMENT WORKS LTD Regd. Off.: Shripati Nagar, CFA P.O. Dabok, Udaipur-313 022 (Rajasthan CIN: L26943RJ1993PLC007267 Email id- ucwl.investors@jkmail.com Website: www.udaipurcement.com Tele/Fax:- 0294-2655076/77

the Company will be held on Saturday, the 16th May 2020 inter alia, to consider and approve Audited Financial Results of the Company for the Quarter/Financial Year The said Notice can be accessed on the website of the Company at

A Meeting of the Board of Directors of

For Udaiour Cement Works Limited Poonam Singl Date: 11.05.2020 Company Secretary UDAIPUR CEMENT

A subsidiary of JK Lakshmi Cement Ltd.)

www.udaipurcement.com and may also

be accessed on the Stock Exchange website

at www.bseindia.com

as calculated therein, including size for issue size of over ₹10

Besides, fees for filing offer

This will be effective for doc-

With regard to buyback, the regulator said a fee of ₹2.5 lakh would be charged for filing draft papers for issues worth up to ₹10 crore, and the same would be 0.25% of the offer

RajCOMP Info Services Limited (RISL) C-Block, 1st Floor, Yojana Bhawan, Tilak Marg, C-Scheme, Jaipur. RISL invites ebids from the eligible bidders for the following:

Entering into rate contract for House Rs. 10.00 05.05.2020 05.05.2020 Crore/ 20.05.2020 Keeping, Facility Management and (RIS2021 Rs. 20.00 Comprehensive Maintenance Services in SLRC00001) etails can be seen on the websites http://sppp.rajasthan.gov.ir ttp://doitc.rajasthan.gov.in, http://risl.rajasthan.gov.in, and Bids are to be submitte General Manager Raj.Samwad/C/20/146

Garden Reach Shipbuilders & Engineers Ltd. (A Govt. of India Undertaking, Ministry of Defence) Regd. Office : 43/46, Garden Reach Road, Kolkata-700 024 E-TENDER NOTICE FOR ONLINE BIDDING

Name of the Job: CAPACITY ENHANCEMENT OF POWER HOUSE AT FOJ (FITTING OUT JETTY) UNIT, GRSE LTD. Due date: 21 days from date of publication Details will be available in E-tendering portal https://eprocuregrse.co.in and websites http://www.grse.in/index.php/tender.html

NIT No.:SCC/DC/OT(Press)/FOJ.PowerHouse/035/N.ET-1133

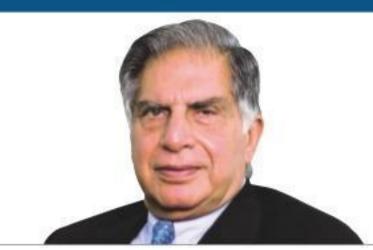
Any addendum/corrigendum to this tender enquiry will be published in "In pursuit of Excellence and Quality in Shipbuilding"

Visit us at : www.grse.in

& https://eprocure.gov.in/cppp/



MM and S TUESDAY, MAY 12, 2020



INNOVATION DURING PANDEMIC

Ratan Tata, chairman emeritus, Tata Sons

In past difficult times, entrepreneurs have displayed farsightedness and creativity that could not have been believed to exist. These became the flagpoles of innovation and new technology today... I hope that the ability to find another way to build a product, run a company, run operations a better way, will emerge as an outcome of the current crisis

Quick View



IBM, Red Hat to provide cloud network to Voda Idea, Airtel

BHARTI AIRTEL and Vodafone Idea have selected IBM and Red Hat to build their open hybrid cloud networks. Airtel said it has selected IBM and Red Hat to build its new telco network cloud, designed to make it more efficient, flexible and future-ready to support core operations and enable new digital services. Vodafone Idea said open universal hybrid cloud, powered by IBM and Red Hat, now enables IT and network applications to run on a common cloud architecture.

Godrej Properties posts 35% fall in Q4 profit

GODREJ PROPERTIES on Monday reported a 35% fall in consolidated net profit at ₹101.08 crore for the quarter ended March. It said total sales bookings stood at ₹5,915 crore and 8.80 million sq ft during the last fiscal year. In 2018-19, sales bookings stood at ₹5,316 crore and 8.76 million sq ft. The company said this is its highest ever sales bookings in a financial year.

Wockhardt posts Q4 net profit at ₹68.51 crore

DRUG FIRM Wockhardt on Monday reported a consolidated net profit of ₹68.51 crore for the quarter ended March 31, 2020. The company had posted a net loss of ₹13.90 crore for the corresponding period of previous fiscal, Wockhardt said in a BSE filing.

Nissan India resumes business operations

Nissan India on Monday announced it has started dispatch of its BS6 vehicles from its Alliance manufacturing facility in Chennai to its dealerships in green and orange zones across the country. Nissan Motor India Pvt Ltd also opened its offices in Gurgaon as per local government guidelines.

Okinawa resumes ops with 25% workforce

ELECTRIC TWO-WHEELER maker Okinawa said on Monday it has resumed operations with 25% workforce at its corporate office in Gurgaon and also at its manufacturing unit near Alwar. It has issued an advisory to its dealership network, which too will be operating with 25% staff.

Daimler India rejigs top management

DAIMLER INDIA Commercial Vehicles on Monday announced the appointment of two new top executives, Muthu Maruthachalam C and Karl-Alexander Seidel. The former replaced Ralf Mungenast as VP of supplier management & logistics, trucks, Asia India as on April 1, 2020. The latter replaced Thomas Fricke as head of Daimler Buses India from May 1.

SpiceJet ferries 724-tonne farm produce from Kerala

SPICEJET ON Monday said that the airline has ferried 724 tonne of fresh farm produce during the lockdown period till May 8, 2020 from Kerala to a host of domestic and international destinations.

'Auto sector to see demand recovery in festive season'

The first quarter of the current fiscal (April-June) is expected to be a washout for the Indian automotive industry and demand recovery should happen around the festive season (September onwards), according to a report. "We see there are three opportunities to emerge from this COVID-19 pandemic adversity including a possible reset of global automotive supply chain; vendor consolidation and M&As and shift from public to private transport," said an analysis by Motilal Oswal Institutional Equities.

Audi India starts online car sales

financialexp.

German luxury carmaker Audi on Monday rolled out digital sales and after-sales offerings. It has incorporated augmented reality on its website, and customers can buy a car online.

Q4 PERFORMANCE

Piramal Enterprises net loss at ₹1,703 cr on higher provisions

FE BUREAU Mumbai, May 11

PIRAMALENTERPRISES REPORTED a net loss of ₹1,703 crore for the quarter ended March 31, 2020, on the back of one-time provisioning of ₹1,900 crore in the fourth quarter due to the ongoing Covid-19 crisis. The bottomline was also impacted by a one-time accounting change, as it moved to lower tax regime of 25% and the sale of its DRG business. The company had reported a net profit of ₹455 crore in the quarter ended March 31, 2019.

Total provisions increased to ₹2,963 crore, which represents 5.8% of the company's book — its highest ever, compared to 1.8% of the book at the end of December. The provision has been taken in Stage 1 and 2 of the assets and it is across the company's wholesale book, which is both real estate as well as corporate.

Piramal Enterprises chairman Ajay Piramal said that while there are some specific provisions, most of it is a general provision because it is difficult to estimate what the environment is going to be. "It is out of prudence that we took a higher provisioning than what we have done before," he said. He further said that the advantage regards to real estate is, that the defaults are not much, while there might be some delays in repayments. However, in some of the assets of infrastructure and corporate, there could be loans that may become an NPA.

Without the three one-time items, the company would have reported an increase of 40% y-o-yin net profit to ₹807 crore for the January-March 2020 period. Calling out the current scenario as unusual and



extraordinary, Piramal said the economic recovery may take some time, and while it is difficult to make real estimates, he said that it will take at least two-three quarters to even reach the December 2019 GDP level of 4.7%. Piramal said he does not expect that even the government sees GDP going up to 6.5-7.5% before 2021-2022.

"This crisis is going to impact all the industries. The liquidity being one of the challenges. The RBI has taken initial steps to enhance the liquidity, and we expect many more steps there," Piramal said.

The company's net sales fell by 2% to ₹3,341 crore as Piramal said that the company is not chasing growth in the financial services business, and the focus instead is on preserving liquidity and deleveraging the business. The financial services debt/equity ratio stood at 2.6x versus 3.9x a year ago. The wholesale loan book has declined 12% y-o-y and the company's top 10 exposures have come down by ₹4,200 crore, he said.

On the stated goal of strengthening the balance sheet, Piramal said that during the year, the company was able to bring in ₹14,500 crore of additional capital

through the sale of DRG, realising ₹6,800 crore, preferential allotment of shares to CDPQ got the company ₹1,750 crore, the rights issue was of ₹3,500 crore including ₹1,600 crore put in by promoters. The company also sold its stake in Shriram Transport for ₹2,300 crore. Thus, the equity base has now increased ₹30,500 crore. The company in Q1FY20 had said that it would strengthen the balance sheet by bringing in ₹8,000-10,000 crore of

The company's net debt reduced by ₹17,800 crore from ₹55,000 crore to about ₹37,000 crore and net debt to equity is 1.2x versus 2x in March 2019. The company's loan book stood at ₹51,000 crore and because of the Covid-19 situation the company has done an additional allocation of ₹2,000 crore to financial services from its unallocated equity pool that the parent has. "Post allocation, an equity of ₹15,600 crore and borrowings of ₹39,000 crore gives us leverage of 2.6x in the financial services space compared to 3.9x at the end of March 2019," he said.

On the issue of Franklin Templeton's exposure to papers of Piramal Capital, Piramal said that the company will meet all obligations in full. "I think it is due in May, so whenever it is due it will be met," he said.

pharmaceutical business reported revenue increase of 10% y-o-y to ₹1,623 crore, while a 13% rise to ₹5,419 crore for the full year ended March 31, 2020. With Ebitda margins at 26%, FY20 Ebitda for the business crossed ₹1,400 crore. India Consumer Healthcare revenues grew up 25% to ₹418 crore.

SC dismisses plea against Lodha's reinstatement as director in MP Birla Group cos

FE BUREAU New Delhi, May 11

IN A SETBACK to the Birla family, the Supreme Court on Monday dismissed its appeal against reinstatement of Harsh Vardhan Lodha as director on the board of two MPBirla Group firms, Vindhya Telelinks and Birla Cable. It also allowed profit-based remuneration/commission to Lodha.

The Birla family has been in a 16-yearold legal battle with the Lodhas towrest control of the ₹5,000-crore Birla Estate.

Upholding the Calcutta High Court's last week's order that allowed Lodha's reinstatement with remuneration, a bench led by Justice DY Chandrachud asked the probate court to hear the MP Birla Group companies afresh and decide various issues including the jurisdiction issue raised by the Lodhas within a month. "Since the single judge is seized of the applications for interim relief, we only clarify that the resolutions which have been passed by the respective companies shall abide by such final orders as may be passed by the single judge. The SJ shall decide upon the issue of jurisdiction, together with the applications for interim relief and render a final determination thereof," the SC order stated.

The division bench of the HC on May 4, without going into the merits of the case, had asked the probate court to hear the Birla Group represented by Arvind Kumar Newar afresh.ItalsoallowedVindhyaTelelinksand Birla Cable to reappoint Lodha as a director if the shareholders approve it, and also pay dividends to their shareholders.

With the dismissal of the appeals on Monday, the SC also allowed these companies to publish the voting results of their last AGMs. The single judge had in August last year restrained the companies from publishing the voting results. Challenging the HC order, the Birla group

accused that "Lodha has wrongfully usurped such control and unlawfully assumed a position by which he is able to disobey and thwart the rights and directions of the APL

Committee", which has been set up to for protection and preservation of the estate of Late Priyamvada Devi Birla.

Alleging suppression by Lodhas, Newar stated that HC had passed the order on the premises that Late Priyamvada Devi Birla only had negligible share in the company, i.e. 1,260 shares and nothing else. This is in "complete suppression of the clear admissions" of Lodha in the earlier proceedings before the Company Law Board and the HC where Lodha had "has admitted that the Estate comprises of and controls 62.9% shareholding of Birla Corporation and not just 1260 shares which it now seeks to rest its appeal on. Hence, the appeal filed by Lodha before the HC suffered from the vice of suppression and deserved outright dismissal with exemplary costs".

The genesis of the 16-year-old legal row between the MP Birla Group companies and the Lodhas over controlling the over ₹5,000 crore-Birla Estate lies in the contested will of late Priyamvada Devi Birla, the widow of MP Birla, which was executed in July 1982 after the purported will allegedly transferred the shares of the MP Birla Group, collectively called as the Birla Estate, in favour of the Rajendra Singh Lodha.

The legal tussle began after the July 13 1982 mutual wills that gave away all the assets to charities but another will of April 18,1999 gave them to Rajendra Lodha, now being pursued by his son Harsh Lodha, and

Retailers bank on e-comm to drive sales; plans afoot to shut non-profitable stores

ASMITA DEY New Delhi, May 11

RETAILERS ARE LOOKING to double down on e-commerce to drive sales since consumers are more likely to click their way to shopping from within the safe confines of their houses. Although discounts or end-of-season sales may not be on the cards for sometime, promotional offers and special pricing may be in the offing for consumers. Plans are also afoot to shut non-profitable stores and carry forward inventory as loss of over a month of business has prioritised conservation of cash.

Siddharth Bindra, MD at Biba, said the company will sharpen its focus on e-commerce as it provides the convenience of contact-less delivery. The share of e-commerce to overall sales is expected to rise to about 25%-30% in the next three months from nearly 20% at present. Biba is awaiting a formal nod from local authorities, following which e-commerce deliveries will start in about 35% pincodes. While discounts and end-of-season sales will be considered only once the consumer is confident enough to step out for shopping, the company may give promotional offers like add-ons to in-store customers once the lockdown is lifted.

There is a huge inventory build-up and brands need to liquidate the existing stock first; fresh products will be added only before Diwali, added Bindra. "March and April are high season months and we have lost at least 15% of the selling time. For the whole financial year, business would be down by 40%, that too if normalcy is restored by July," Bindra told *FE*. Business is going to be tough for the next 12 months and the company will be open to exit stores where landlords are unwilling to support. Nearly 80% of the markets are in the red zones and 15% in orange zones as of now, Bindra said. Biba has opened about 28 stores in parts of the South and North-East India as of May 8.

Nikhil Mohan, founder and director at men's apparel brand Blackberrys, said the contribution of e-commerce to total sales is likely to increase to 50% in the current FY from a mere 10% last year. The com-



Although discounts or end-of-season sales may not be on the cards for sometime, promotional offers and special pricing may be in the offing for consumers

pany is planning to open about 10% stores in green zones on high streets as of now; production units are not completely operational at present. Blackberrys has decided to introduce "special pricing" for customers wherein products will be priced lower than what it used to be in regular times. "There is an economic downturn and customers will tighten their purse strings," said Mohan.

Blackberrys is looking to shut nonprofitable stores, prune product portfolio and check the size of its autumn-winter inventory. The April-June quarter which forms 20% of its annual sales has taken a considerable hit. "We were planning to add 50 stores this year but that is on hold now," Mohan added.

Umashan Naidoo, head of cosmetics and customer at Westside, said sales will be tougher compared to previous seasons. But the company will continue to offer new collections to customers every week.

Metro Brands CEO & MD Farah Malik Bhanji said the firm expects the percentage of online sales to grow by three to four times. As of February 2020, the percentage of e-commerce's share in total sales stood in single digits. "To make brick-and-mortar stores relevant to the new Covid cus-

tomer, we will work on facilitating home delivery and giving offers to the elderly who may be impacted by the lockdown for a longer period," Bhanji said. The company will focus more on casual, basic and washable footwear at attractive price points.

VLCC said promotions and discounts will continue to be tactical and seasonal as was the case earlier. MD and group head Jayant Khosla said the focus for Q1 is more on strengthening the bottom line than chasing revenues.

Mumbai-based Viviana Mall's CEO Manoj K Agarwal said the company has already moved its on-ground events and activities online. The firm believes that social media campaigns and promotions will drive footfalls even when malls reopen. Agarwal is nonetheless bullish that stores selling smartphones, electronics, kitchen appliances and those providing maintenance services for home products will see immediate demand once the lockdown is lifted. Viviana Mall houses stores like Big Bazaar, Home Centre and Miniso.

DLF Shopping Malls executive director Pushpa Bector said contact-less shopping and serving will be the new normal. To bring back customers to malls, the firm will communicate with them via DLF Shopping Malls'Lukout app and in-house digital media platforms. "We are also setting up norms on the number of people entering the malls," Bector said.

Ankit Mehta, co-founder at The Walking Tree Group that owns premium jewellery brand Her Story, said the firm is investing heavily into digital mediums to drive sales.

RIL among top 5 global cos to generate positive returns post March market mayhem

URVASHI VALECHA Mumbai, May 11

valuable company by market capitalisation, is one of the best performing stocks globally after the market mayhem seen in March. It is among top five companies globally in terms of dollar returns since March 20. According to market experts, there is more value to be unlocked for investors by the oil-to-retail conglomerate. In local currency, RIL's shares have gained 78.4% in the last 30 trading sessions. The company has contributed to the pull-back rally that the Indian benchmarks witnessed in April. RIL, HDFC Bank and Infosys contributed 58% to the rise in the Sensex from its 52-week low on March 23.

RELIANCE INDUSTRIES (RIL), India's most

RIL has delivered 53.2% returns in dollar terms since March 20 and has added a market cap of \$46.35 billion during the same period. The returns are the fifth highest globally after Tesla, T-Mobile US, PayPal Holdings and Chevron Corp. Elon Musk's Tesla and T-Mobile US have generated dollar returns worth 93.1% and 90.6%, respectively. The dollar returns of PayPal Holdings INC and Chevron Corp stood at 67.4% and 59.7%. This according to market experts shows that RIL has been able to re-align its business model with changing

Deepak Jasani, head of retail research, HDFC Securities, said, "Reliance Industries has managed to achieve this by changing its business model with time and shifted from depending heavily on oil and chemical businesses to depending on the telecom and retail businesses." In the last three weeks, RIL announced a

number of deals, most notably the one with

sessions. The company has contributed to the pull-back rally that the Indian benchmarks witnessed in April Facebook where the social media giant has

In local currency, RIL's shares have

gained 78.4% in the last 30 trading

agreed to buy a 9.99% stake in Jio Platforms, the conglomerate's subsidiary. After this, US-based private equity firms Silver Lake and Vista Equity Partners announced that they would buy equity stake worth 1.15% and 2.32% in Jio Platforms. Going ahead, RIL is going to open a

rights issue on May 14. This according to the street is in line with the management's vision to make RILa net debt-free company by fiscal year 2021, which is boosting the sentiment towards the stock and has helped the conglomerate generate superior returns. The general consensus is that there is more value to be unlocked in the stock.

Sanjeev Hota, head of research, Sharekhan by BNP Paribas, said, "There is a lot more value to be unlocked in Reliance digital platform in the coming years. Further, potential value unlocking is also on cards in the Reliance Retail business. In near term, we may have another round of stake sale in Reliance Jio. Overall, we see huge potential for value unlocking in the next two to three years."

RIL was the only Indian and non-American company to feature among the top 10 globally in terms of dollar returns since March 20. Listed entities that generated most returns after RIL were NVIDIA Corp, Home Depot, Broadcom, Facebook - Class A, and Exxon Mobil Corp.

As people shun ordering food, Zomato set to double down on its grocery business

ASMITA DEY

New Delhi, May 11

AS MORE PEOPLE shun ordering food online amid the increasing spread of Covid-19, Zomato is all set to double down on its grocery business, Zomato Markets. The grocery segment already makes up nearly 15% of the order volumes generated by the firm's delivery business and is expected to "grow very rapidly", Mohit Sardana, COO, food delivery, told *FE*.

"Home delivery will continue to be the safer option for some time. We will continue to evaluate grocery delivery and make sustainable investments to fuelits growth,"Sardana said in an e-mail interview.

Zomato Market is currently present in more than 180 cities across the country and

has scaled up enough to be able to cater to over 80 lakh households. Fruits, vegetables, staples, snacks and beverages are the top categories for the grocery store.

Zomato and rival Swiggy have seen a considerable dip in order volumes (food delivery) since the outbreak of the virus while a shift in consumer preference for hygiene over convenience contributed towards the crushing volumes, corporate India's move to work from home also hammered businesses. Office-goers form a major chunk of food aggregators' customer base. Operational restrictions in various cities also added to the woes. Current order volumes for Zomato are merely 30%-35% of what it used to be in pre-Covid times.

Swiggy too has forayed into grocery delivery. While BigBasket and Grofers lead



Mohit Sardana, COO - food delivery at Zomato

the online grocery market, what gives Zomato and Swiggy a competitive edge is their swift two-hour delivery service.

Sardana said the grocery business has synergies with its food delivery vertical. The Gurgaon-based company can capitalise on

its strong network of more than 2 lakh delivery partners to service the grocery orders.

"Zomato Market has not only added another use case for ordering from us but also helped us utilise our hyperlocal network, especially in cities where food delivery is either not allowed or has seen a decline in demand,"Sardana said.

Zomato, which is backed by deep-pocketed investors like AntFinancial, has the financial muscle to strengthen its foothold in the grocery market, although the pandemic has delayed firms' fundraising efforts. In January, the company announced that it will raise a chunky \$150 million from Ant-Financial. Reportedly, Zomato is in preliminary discussions to acquire Grofers. "We continue to work with Grofers for Zomato Market. We are not aware of any other conversation with them," Sardana said. Satish Meena, senior analyst at Forrester

Research, said Zomato is getting orders at this point of time as Amazon and Flipkart are struggling to deliver. But the problems for Zomato may surface six months from now when the crisis gets abated to a certain extent. Zomato will face the issues of low ticket size and cracks in the supply chain which was the case with Grofers when they first started operations with a similar 90minute delivery model. "At present, Zomato's order volumes will be high as customers are buying in bulk. Once shops open and people are able to venture out, orders will dip. So, the merger with Grofers makes sense as they will be able to solve the two problems. Also, in the long run, Zomato has to fight JioMart," Meena said.

FINANCIAL EXPRESS

Quick View

Nirav Modi's trial begins in UK court

MERCHANT Nirav Modi, fighting extradition to India on charges over the nearly \$2-billion PNB fraud and money laundering case, appeared via videolink before a UK court on the first day of his five-day extradition trial on Monday, taking place in a partremote setting due to the coronavirus lockdown. The 49-year-old, lodged at Wandsworth Prison in south-west London, joined the proceedings via the court's common viewing platform at Westminster Magistrates'Court in London.

Shiprocket raises ₹100 cr in Series C

SHIPROCKET, A TECHenabled logistics aggregator for direct to consumer (D2C) sellers has announced its Series Cround of financing to the tune of ₹100 crore. The round has been led by Tribe Capital LLC, a Silicon Valley-based investment firm, along with Innoven Capital and existing investor Bertelsmann India Investments.

Spotify inks deal with Saregama

SPOTIFY AND SAREGAMA have announced a licencing partnership for India. This means the label's entire catalogue is now available for users in the country. With music catalogues from across eras and languages, Saregama's catalogue spans across films, Carnatic, Hindustani classical and devotional music in over 25 languages.

Amazon Covid-19 store in India

AMAZON BUSINESS ON Monday introduced the 'Covid-19 Supplies Store' to provide easy access for businesses to buy virusrelated supplies on Amazon. Frontline organisations such as healthcare and government organisations can purchase Covid-19 related essentials in bulk from the store.

No. Ser(Mech)/BIOM(K)/5134/2020-21

Name of work

Complete Hydraulic Hose Kit Change

of 03 No's Atlas Copco IDM-70E

Drill Deployed at NMDC BIOM-

Kirandul Complex

Repair/Reconditioning of 02 no's

Hitachi EX1900-6, 01 no Taiyuan

WK-10B, & 01 no Bucyrus 182M

shovel Bucket Assy

SI.

No.

FUEL DEMAND RISES

Oil refiners step up operations

FE BUREAUS New Delhi/Mumbai May 11

WITH THE RISING consumption of petrol and diesel, staterun refiners Indian Oil Corporation (IOCL) and Bharat Petroleum Corporation (BPCL) have ramped up capacity utilisation at their refineries - the former to 60% and the latter to

and diesel usage in the first 10 days May was up 68% and 74%, respectively, from the corre-

petroleum products in April, when the lockdown to contain the spread of coronavirus was implemented throughout the month, fell 46% year-on-year (y-o-y) to 18.3 million tonne (MT).

R Ramachandran, director

FE BUREAU

New Delhi, May 11

THE ECONOMIC DOWN-

TURN, aggravated by the coro-

navirus pandemic, is expected

to slash Indian media and

entertainment industry's rev-

enue by 16% or ₹25,000 crore

to ₹1.3 lakh crore in the cur-

rent financial year, stated a

report released by Crisil Rat-

The overall revenue loss of

₹25,000 crore will translate

into "significantly" lower prof-

its for companies despite cost-

cutting measures, analysts at

revenues that account for 45%

of the total pie are likely to see

a cut of about 18% in FY21,

subscription revenues will see

a comparatively moderate cut

of around 14%. Subscription

revenues contribute around

55% to the total revenues. "In

digital, it (the ad revenues) will

continue to grow but at a

slower pace. Sans digital, the

overall decline would be worse

at nearly 25%," said Sachin

Gupta, senior director at Crisil

segment can be linked to the

increasing use of devices and

applications. The ad revenues

for television have been hit due

to lack of fresh content and

postponement of major sport-

ing events such as the Indian

PRESS NOTIFICATION

BIOM, Kirandul Complex, Kirandul, invites SEALED TENDERS in TWO BID SYSTEMS for the following work(s), from firms meeting

the PQC requirements. The Tender Documents can be purchased from the Office of Deputy General Manager (Finance), NMDC Ltd.

Kirandul Complex, Kirandul, on any working day during office hours (Wednesday is weekly rest day). Sale of Tender Documents wil

Earnest

Money

Deposit

₹42,500

₹67,000

For NOTICE INVITING TENDER, Pre-qualifying conditions, other tender conditions and for Complete Address and Details, etc.

website only. The prospective bidder should visit our NMDC website from time to time to note the Corrigendum and Addenda if any.

intending Bidders are requested to visit on our Website www.nmdc.co.in. Corrigendum and Addenda if any will be posted on our NMDC

be available at Kirandul only. However tender documents can be downloaded from the Website mentioned below.

(In Lakhs)

₹42.36

Lakh

₹66.95

Lakh

Mutual Fund

(A Government of India Enterprises) (An ISO-9002 Company)

BAILADILA IRON ORE MINE, KIRANDUL COMPLEX

Kirandul-494 556, Distt. South Bastar Dantewada, Chhattisgarh

Gram: IRONORE, FAX 07857-255226, 255227, 255225 CIN - L13100TG1958GOI001674

of Tender

Document

12.05.2020

09.06.2020

12.05.2020

09.06.2020

Jt. General Manager (Mech), Mechanical Services Deptt., BIOM, Kirandul Complex.

The resilience of the digital

While the advertisement

ings on Monday.

the firm said.

Ratings.



The total refining capacity of the country is 249.4 MT per annum, and of this 69.2 MTPA is run by IOCL

Media & entertainment sector revenue

could take 16% hit in FY21, says Crisil

Advertisement

revenue

717 712

1,429

207

322

(refineries) at BPCL, told *FE*: "Since the May 4 relaxation of lockdown, we have seen the demand for gasoline and highspeed diesel go up by 25% dayon-day as compared to the month of April. Our average refinery production now stands at 52% and is expected to go up with improvement in traffic and

(₹ '00 crore)

901

Total revenue

for 45% of the total pie

are likely to see a cut of

about 18% in FY21

Premier League (IPL). Sub-

scription revenues for TV,

nonetheless, have remained

healthy even during the lock-

will come under threat due to

a sharp fall in Box Office col-

lections — a major driver in this

revenue category — along with

in revenues, debt protection

metrics will certainly weaken

of Tender

Opening

3:30 PM

09.06.2020

3:30 PM

09.06.2020

For and on behalf of NMDC Ltd

"Given the sharp reduction

Dated: 09.05.2020

Cost of

Tender

Documents

₹3540

(including

GST)

₹5900

(including

GST)

Place: Hyderabad

Date 11.05.2020

Total subscription revenues

down, the report said.

TV and print segments.

41 126

Subscription revenue

IOCL had regulated crude oil

throughput at most of its refineries by 25% to 30%. Throughout the lockdown period, the company had kept all its refinery units on 'hot standby', which means the units were ready for scale-up whenever petrol and diesel demand picks up. The total refining capacity of the country is 249.4 MT per annum, and of this 69.2 MTPA is run by IOCL. According to provisional

data by the government's petro-(PPAC), diesel usage fell 54.8% y-o-y to 3.3 MT in April, while fuel(ATF)fell91.3%to56thouthousand tonne in April. Consumption of bitumen, mostly used in road construction, dropped 72% y-o-y to 196 thousand tonne.

Rising consumption in May is a positive development for the Union government, which has sharply increased auto fuel taxes by ₹10/litre on petrol and ₹13/litre on diesel earlier this month. In mid-February, the Centre had hiked the tax on both these fuel by ₹3/litre. To shore up more revenues, at least 14 states have also hiked their own taxes on fuels since the start of Covid-19 lockdown.

"As far as our gross refining margins are concerned, they are on the lines of global refineries and currently in negative. Due to demand destructions, our products are now being sold at a discount to the crude price at present,"Ramachandran said.

According to analysts, marketing margins for OMCs have gone down to the extent the duties have been increased by the government.

'Construction equipment demand to

THE CONSTRUCTION EQUIP-**MENT** industry is expected to witness 20% degrowth in calendar year (CY) 2020. A recent survey revealed that dealers and original equipment manufacturers (OEMs) are saddled with significant inventory, which will negatively impact the carrying costs of the industry in H1 FY2021, said an Icra note on Monday. Demand revival is likely only in the third quarter of FY2021, the credit rating agency said.

The Indian construction

Bajaj Auto starts to reopen dealerships, resumes service ops

FE BUREAU Pune, May 11

AFTER RESUMING PRODUC-TION at its plants in Pantnagar, Waluj and Pune, Bajaj Auto has started to reopen its dealerships across India.

Both sales and service operations will commence at dealerships. This recommencement of facilities is as per the various guidelines by the central and state governments, with the dealerships taking permission from the respective local authorities, the company said. Bajaj Auto had started working on reopening of dealerships and service centres from May 4.

Bajaj Auto ED Rakesh Sharma said India was gearing up for the new normal post the Covid-9 pandemic and so was Bajaj Auto. "The opening of workshops and dealerships is another step towards making a fresh start. To ensure safety, speed and efficiency with minimal contact, a new workflow processes has been put in place for both sales and service," Sharma said.



They have now also prioritised commencement of workshops to ensure that the vehicle service requirements of all existing customers were met and the workshops were geared up to ensure that all service requests were met at the earliest, Sharma said.

The company had earlier announced the extension of free services and warranty for customers. The company said all the facilities have been sanitised before restarting busi ness with all the touch points, following mandated protocols like social distancing and thermal screening at the entrance and regular monitoring of employees'health.



Registered Office: Plot No. 2364/8, Khampur Raya Village, Shadi Kampur, Main Patel Road, New Delhi 110 008, India; Tel: +91 11 3043 2121 Corporate Office: Grape Garden, No. 27, 3rd 'A' Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India; Tel: +91 80 4071 2121 Website: www.ujjivansfb.in; E-mail: chanchal.kumar@ujjivan.com

Corporate Identity Number: L65110DL2016PLC302481

NOTICE

Pursuant to Regulation 29 read with Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a meeting of the Board of Directors of the Bank will be held on Tuesday, May 19, 2020 to consider and approve, inter-alia, Audited Financial Results of the Bank for the quarter and financial year ended March 31, 2020.

This information is also available on the Bank's website at www.ujjivansfb.in under "Investor Relations" section and at www.bseindia.com and www.nseindia.com, the websites of the Stock Exchanges where Equity Shares of the Bank are listed.

For Ujjivan Small Finance Bank Limited

Place: Bengaluru

Chanchal Kumar Company Secretary and

Date: May 11, 2020 Compliance Officer **PNB GILTS LIMITED**



CIN: L74899DL1996PLC077120 Regd.Office: 5, Sansad Marg, NewDelhi-110001 Tel: 011-23325759, 23325779, Fax: 011-23325751, 23325763 E-Mail: pnbgilts@pnbgilts.com, Website: www.pnbgilts.com

embers are hereby informed that pursuant to Section 110 of the Companies Act, 2013, as amended (the "Act") read with Rule 22 of the Companies (Management and Administration} Rules, 2014, PNB Gilts Limited (the 'Company') is seeking approval from its Members by passing the resolution as set out in the Postal Ballot Notice dated Mav 7. 2020 ("Notice") by way of remote e-voting.

Members are also hereby informed that pursuant to Sections 108 and 110 of the Companies Act, 2013 ("Companies Act"), read with the Companies (Management and Administration) Rules, 2014 ("Management Rules"), each as amended from time to time and the General Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), the Company has completed dispatch of the postal ballot notices along with explanatory statement (in electronic form) on May 11, 2020 to all shareholders whose names appear in the register of members/ list of beneficial owners, as on the close of working hours on May 01, 2020 ("cut-off date"), as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (together referred to as "Depositories") and who have registered their e-mail addresses in respect of electronic holdings with the Depositories through the concerned depository participants and in respect of physical holdings with MCS Share Transfer Agent Limited Share Transfer Agent of the Company ("STA"). A member who is not holding the shares as

on the cut-off date shall treat this notice for information purpose only. Members may also note that in compliance to the above MCA Circulars the communication of assent / dissent of the members on the resolution proposed in this notice will only take place through the remote e-voting system.

To enable participation in the remote e-voting process by those shareholders, to whom physical Postal Ballot Notice could not be dispatched, the Company has made appropriate arrangements with its STA for registration of email addresses, in terms of the MCA

For the purpose of registration of email address and voting in the resolution proposed in the ostal ballot through remote e-voting, members who have not registered their emai address may get their email address registered by sending an email to the Company's Share Transfer Agent at admin@mcsregistrars.com. Member(s) may also intimate the same to the Company by writing at m.kochar@pnbgilts.com. The members shall provide

the following information in the email: 1. Full Name 2. No. of shares held

Place: New Delhi

Date: 11.05.2020

3. Folio Number (if shares held in physical) 4. Share certificate number (if shares held in Physical)

5. DP ID-Client ID (if shares held in Demat) 6. Email id to be registered

Post successful registration of the email, the member would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this

The Company has appointed NSDL as service provider for facilitating e-voting to enable the Members to cast their votes electronically. Further, Mr. Ankit Singhi, Partner of PI &

Associates & Practising Company Secretary or in his absence/non-availability, Mr.Nitesh Latwal, Practising Company Secretary shall act as Scrutinizer to scrutinize the Postal Ballot process in a fair and transparent manner. Notice is hereby given that the Members can vote on the business specified in the Notice during the period commencing Tuesday, May 12, 2020 at 9:00 a.m. and ending or

Wednesday, June 10, 2020 at 5:00 p.m. The e-voting module shall be disabled for voting thereafter and voting through electronic means shall not be allowed thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change i subsequently. The remote e-voting module shall be disabled for voting thereafter. Please also note that the results of Postal Ballot process (by way of remote e-voting) will be declared on or before Friday, June 12, 2020 at 5:00 p.m. (IST) at the Registered Office of

the Company by the Managing Director/Executive Director. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email address

pallavid@nsdl.co.in / evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. This Notice is available on our website at www.pnbgilts.com and the website of NSDL at

www.evoting.nsdl.com and also on the websites of Stock Exchanges at www.nseindia.com and www.bseindia.com. For and on behalf of

> PNB Gilts Limited (Monika Kochar) Company Secretary

FUGITIVE DIAMOND

52%. According to sources, petrol sponding period in April. Domestic consumption of

industrial activities. In fact, our Mumbai refinery is operating at 68%. We believe the production will improve once the lockdown in major cities like Mumbai, Chennai, Bengaluru and Hyderabad opens up." In the last week of March, when the countrywide lockdown had started,

Revenue trend in the media and entertainment sector

236

309

⁻¹⁸% **721** 581

127

242

733

leum planning and analysis cell demand for the aviation turbine sand tonne in the month. Petrol consumption fell 60.4% to 973

833 715

1,548

208

294

810

Source: Crisil

falter further'

industry is facing numerous headwinds as a result of the economic slowdown and other factors impacting construction activities. As a result, the construction equipment (CE) industry witnessed significant volume degrowth of 16% in CY2019. Volumes degrew by 22%inFY2020.— **FE BUREAU**

L&T Metro Rail LET METRO RAIL (HYDERABAD) LIMITED CIN: U45300TG2010PLC070121 Registered office: Hyderabad Metro Rail Administrative Building, Hyderabad Metro Rail Depot, Uppal Main Road, Uppal , Hyderabad - 500 039

Particulars		6 months ended 31 March 2020	6 months ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
		Audited	Audited	Audited	Audited
1	Total income from operations	32,093.23	20,125.61	59,820.12	31,846.01
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary Items)	(29,439.61)	(7,992.66)	(38,220.57)	(14,732.20
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary (tems#)	(29,439.61)	(7,992.66)	(38,220.57)	(14,732.20
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items#)	(29,439.61)	(8,075.10)	(38,220.57)	(14,814.64
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(29,069.42)	(9,089.97)	(37,735.11)	(14,887.11
6	Paid up Equity Share Capital	2,43,900.00	2,42,717.60	2,43,900.00	2,42,717.60
7	Reserves (excluding Revaluation Reserve)	(59,628.58)	(21,893.47)	(59,628.58)	(21,893.47
8	Net worth	1,84,271.42	2,20,824.13	1,84,271.42	2,20,824.13
9	Paid up Debt Capital / Outstanding Debt	12,91,137.56	11,21,401.24	12,91,137.56	11,21,401.2
10	Outstanding Redeemable Preference Shares	199	30	116	9.5
11	Debt Equity Ratio ***	2.19	2.34	2.19	2.3
-	Earnings Per Share (of Rs. 10/- each)	11.50		7	
12	1. Basic:	(1.210)	(0.342)	(1.569)	(0.629
	2. Diluted:	(1,210)	(0.338)	(1.569)	(0.62)
13	Capital Redemption Reserve				
14	Debenture Redemption Reserve	282.08	282.08	282.08	282.00
15	Debt Service Coverage Ratio *	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16	Interest Service Coverage Ratio *	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Strike	e of whichever is not applicable		A	3	
iote	The company was in construction phase for significant part of the year. Hence The NCD & Sub-ordinante debt forming part of promoter contribution for the part of promoter results have been reviewed by the Audit Committee and approved a previous periods figures have been regrouped wherever necessary to confirm	oroject are conside by the Board of Dir	red as equity in del ectors on 11th May	ot equity mix.	

Gujarat State Petronet Limited

[Managing Director & Chief Executive officer]

(DIN-01419304)

Regd Office: GSPC Bhavan, Sector-11, Gandhinagar-382010 Tel.: +91-79-66701001 Fax: +91-79-23236477 Website: www.gspcgroup.com

NOTICE INVITING TENDER

stage three-part" bidding process.

Tender-1: Supply & Installation of 16",300# filtration skid for GSPL at Hazira Tender-2: MPLS VPN connectivity for various locations of GSPL gas grid

Tender-3: ARC for C.P. Maintenance work for GSPL gas grid

GSPL gas grid

Tender-5: Supply and installation of 48V DC charger & Rectifier Modules (Telecom) at various

Tender-7: Hiring of services for Cleaning of Operational Natural Gas Pipelines using High Density Foam Pigs for GSPL

Tender-10: Supply & installation of Telecom Batteries for various location of GSPL

Tender-15: Supply and implementation of Enterprise NextGen Firewall for server-room at GSPL

Tender-16: Procurement of Filter Elements for GSPL gas grid Tender-17: Supply and installation of Gas Chromatograph at various locations of GSPL gas grid

Tender-18: Supply and installation of 4" G250 150# RPD metering skid at Bibipura Interested bidders can view/download details for aforesaid tenders from https://gspl.nprocure.com

be published on https://gspl.nprocure.com only. For Tenders-1 to 12 & EOI: Date of tender Upload on websites: 12.05.2020 @ 15.00 hrs IST. For Tenders-13 to 19 : Date of tender Upload on websites: 22.05.2020 @ 15.00 hrs IST. For following tenders details shall be available only on GSPL Website

Data and alarms using wireless technology Tender-12: Procurement of Monolithic Insulating Joints (IJs)

Tender-19: Supply and installation of 24" leak-repair clamp on GSPL gas pipeline

(Asset Management Company for Mirae Asset Mutual Fund)

MIRAE ASSET MUTUAL FUND (Investment Manager: Mirae Asset Investment Managers (India) Private Limited) (CIN: U65990MH2019PTC324625). Registered & Corporate Office: 606, Windsor, Off CST Road, Kalina, Santacruz (E), Mumbai - 400098.

Mutual Fund investments are subject to market risks,

read all scheme related documents carefully.

1800 2090 777 (Toll free), ⊠ customercare@miraeasset.com ⓐ www.miraeassetmf.co.in

Investors are requested to kindly take note of the above.

Scheme(s) will remain unchanged.

Period of Sale | Due-date of | Date & Time

Submission

of Tender

3:00 PM

09.06.2020

3:00 PM

09.06.2020

NOTICE CUM ADDENDUM NO. 20/2020

THIS NOTICE CUM ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION ("SAI"), SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDUM ("KIM") OF ALL THE SCHEMES OF MIRAE ASSET MUTUAL FUND

NOTICE is hereby given further to our notice cum addendum dated March 22, 2020 and April 24, 2020, investors / unitholders are hereby informed that physical transactions in schemes of MAMF can be submitted at specified collection centres / branch offices of the AMC and the Investor Service centres of the Registrar & Transfer Agent, KFin Technologies Pvt. Ltd. ("official points of acceptance / OPAT") listed on website (www.miraeassetmf.co.in) during the specified business hours. Investors / unitholders are advised to refer to the website i.e. www.miraeassetmf.co.in for list of OPATs and the changes thereto. It may be noted that the list is subject to local authority's orders with respect to conducting operations in the official premises.

It is hereby clarified that the AMC continues to accept transactions through the online mode and all the investors are encouraged to adopt online means for transacting. Further, our designated email addresses i.e. transact@miraeasset.com and insti.care@miraeasset.com continues to be the official points of acceptance for processing the transactions.

This notice cum addendum forms an integral part of SAI, SIDs and KIMs of the Scheme(s) of MAMF,

as amended from time to time. All the other terms and conditions of SAI, SIDs and KIMs of the

For and on behalf of the Board of Directors of MIRAE ASSET INVESTMENT MANAGERS (INDIA) PVT. LTD.

Place: Mumbai **AUTHORISED SIGNATORY** Date: May 11, 2020



244 807 451 Print Film Digital OOH Radio The advertisement revenues that account

this fiscal for media and entertainment companies. Multiplexes that have had strong credit profiles will see credit pressure aggravating because of a longer road to recovery," said Nitesh Jain, director at

Crisil said, given the low base this FY, next fiscal year is

Crisil Ratings.

estimated to see revenue grow by 18%-20%. The analysis is based on 78 companies rated by Crisil.

K V B Reddy

GSPL invites bids through e-tendering from competent agencies for following requirements vide "single

Tender-4: Supply and installation of Natural Gas fired Water Bath Heater at various locations of

locations of GSPL gas grid Tender-6: ARC for Optical Fiber Cable maintenance and restoration services for GSPL gas grid

Tender-8: AMC for Telecom System installed across GSPL gas grid Tender-9: Hiring of Pest-control agency for GSPL Bhavan

Tender-13: Extension work of building at O&M Paguthan terminal – GSPL-Bharuch Tender-14: Supply and installation of Steel Gratings at Gana Compressor Station

& http://gspcgroup.com/GSPL/tender.aspx. All future announcement related to above tenders shall

(http://gspcgroup.com/GSPL/tender.aspx) Tender-11: Supply and Implementation of Centralized Monitoring System for Flow Computer Expression of Interest (EOI): Pilot Heaters for Pressure Reduction System at various location of

GSPL reserves the right to reject any or all of the bids received at its discretion, without assigning any reasons whatsoever.



TUESDAY, MAY 12, 2020



OPENING UP

Congress leader P Chidambaram

We welcome the decision of the government to cautiously start operation of inter state passenger trains. The same modest opening should be started with road transport and air transport

Rational Expectations



By Aug, we need 47-cr test kits, 4-mn beds...

New rules on testing, quarantining, etc all suggest ad hoc level of planning; will fall apart when Covid cases go into millions

PART FROM THE back and forth on migrant labour and the shameful way they $were \, treated-versus \, those \, flown \, back \, on \, special \, planes-the \, spate \, of \, orders \, on \, and \, orders \, on \, orders \, on \, orders \, on \, orders \, orde$ testing (mild cases to be discharged without a confirmatory test!) and on hospitalisation (mild cases to be treated at home) suggest India's anti-Covid strategy is quite ad-hoc. Some of this was to be expected, given how fast the virus is spreading, how little we know of its behaviour, and the near-broken state of our healthcare. But, if we don't course-correct quickly—as in, have a 3-month projection of disease and what we need—in a few months, lakhs of Covid-struck Indians will have no hospital beds, ICU facilities, etc.

Test kits are a good place to start. At the beginning of April, around 50,000 test were done and around 2,000 infections were found. As the demand for more testing rose especially since 70-80% of those infected are asymptomatic—India ramped up quickly and by the end of April, 8.3 lakh tests were done. This has doubled since. While there are

As infections soar...

0.06

0.39

5.22

76.64

India will need

Rises to

196.5 crore

if doubling

Isolation beds* (lakhs)

in 8 days

1.74 crore

if doubling

in 8 days

May 10

ICU beds*

300,000

150,000

75,000

100,000

80,000

60,000

40,000

20,000

10.

May 10

May 31

June 30

July 31

Test kits

____ Infections double in ____

0.06

0.27

2.16

18.51

(crore)

Current capacity

19 lakh beds

June 30

Current

capacity:

94,961

June 30

capacity: **47,481**

June 30

An additional problem is that

the facilities are needed in

6-8 cities only. Maharashtra,

for example, has 1.7 lakh

infections are in that city

isolation bed, but Mumbai

only has 3,422 while 62% of

*Based on 22-23% hospitalisation rates

Rises to

in 8 days

Ventilators* (numbers)

3.2 lakh

if doubling

in 8 days

May 10

*0.4% need ventilators

May 10

*1.5% need ICUs

if doubling

1.2 mn

(numbers)

0.06

0.21

1.20

7.18

July 31

2,77,624

July 31

77,044

(with 10-days

doubling)

(in million) 8-days 10-days 12-days

many who argue this is still inadequate— India does 1,189 tests per million people versus 26,310 in the US—Indian experts cite the low number of deaths and the number of people who test positive (4%) to say testing is adequate; even the current level of testing, however, requires a huge increase in test kits.

If the virus-spread doubles every 10 days—this is optimistic, given cases doubled every 12 days during the lockdown—we will have 2.2 million affected by the end of June and 1.8 crore by the end of July. Given we get around 4% positive cases, to detect so many people means India will need 5.5 crore test kits by the end of June and 47.4 crore by the end of July! Given the huge shortage even right now—it takes 9-10 days between the time a test is recommended and when the results come out—and the fact that most of the equipment needs to be imported, which takes several weeks, have these orders been placed? Using rapid antibody tests will reduce the need for RT-PCR kits/machines, but has the government figured out which suppliers are *kosher* and which aren't; you don't want to, like the last time around, wait for weeks to get Chinese antibody kits, and then announce

that they are duds and need to be returned. There is, believe it or not, no dashboard where anyone, including researchers and planners, can see just how many hospital beds, isolation wards, ventilators, PPE, etc, are available or needed. No state government provides this either, though a colleague, Ishaan Gera, managed to source one detailed report that the Maharashtra government had put on its website (*bit.ly*/2*SUJGTA*); many calculations in this column are based on that report. Around a fifth of those infected needed to be hospitalised in Maharashtra, for instance. While some of this will now be done at home assuming the cases are 'mild'—by the end of July, India will need 42 lakh isolation beds (we have just 19 lakh of all type of hospital beds). The Maharashtra example, sadly, showed that while the state had 177,129 isolation beds just 8.2% of them were occupied—just 3,422 were in Mumbai, which already had 7,792 infected people who needed to be hospitalised by then; in some hospitals, the number needing beds were 5-6 times the capacity.

It is not clear how PPE requirements are to be estimated, but the Maharashtra report documents a huge shortage in some individual hospitals—this will go up around 300 times by the end of July given the likely growth in the number of infected. So what is the plan to order the PPE and, as in the case of kits, several Chinese suppliers have been found to be sup-

plying useless masks here as well (read nyti.ms/35PZj3V on the US FDA action on this)? Using the Maharashtra number for ventilators—0.4% of the infected patients need ventilators—India will need 77,000 by the end of July. All of this rises manifold if the infection levels double faster; if infections double every eight days, the demand for isolation beds will rise to 1.7 crore by the end of July versus 42 lakh in the scenario where infections double every 10 days. The first step to addressing this yawning gap in infrastructure is to make the projections public, and not just at the all-India level, but for big cities where the most infections are taking place; when the gap is obvious, citizens will put enough pressure on the government to ensure solutions are put in place. The alternative is lakhs of Indians dying on the streets with no facilities to treat them; it will be too late by then.

TwistedTRACKS

Railway travel needs to resume, but doing it too early—even intra-city buses haven't started—risks infection-spread

HERE IS LITTLE DOUBT India needs to resume normal activities ASAP, and resuming train services—15 overnight trains are starting—is part of this. But each move has to balance the needs of the economy while keeping the spread of infection under check. That is why, though it caused tremendous hardship to migrant labourers who wanted to go home, the government did not run special trains for them initially. It was only after facilities were made to quarantine those going back home that this was allowed; by all accounts, though, there are yawning gaps in this as well since the quarantining doesn't happen in the city of disembarkation but, after a bus ride from the station, in the village the labourer hails from.

In this context, the trains—for non-migrants—are being started too early. There are large restrictions on economic activity in red zones, intra-city public transport is still banned, offices are to work with a third of their actual strength—all to maintain adequate distance between people. And yet, in the 3-tier trains, six people will be sitting virtually shoulder to shoulder; and four in the 2-tier berths. The Railways has got a sign off from the health authorities; as for quarantining people when they reach their destination —as is happening with flights from overseas—this has been left to state governments, not all of whom have issued directions on this. Ostensibly, prescreening of passengers will be done, but with 70-80% asymptomatic people, this is largely a farce.

CORONA TALK

THE RELUCTANCE TO HOLD DAILY COVID 19 BRIEFINGS IS A BIT BEFUDDLING. THE GOVT MUST GET THE ICMR EXPERTS BACK ON THE BRIEFINGS AND MAKE THESE A DAILY AFFAIR

An 'infodemic', waiting to explode!

PALLAVA

decades Views are personal

BAGLA

HE WORLD'S LARGEST, and possibly longest 'lockdown'continues, but is the communication of the corona pandemic in India running out of steam already? The pandemic may just as well morph into an'infodemic'!

The virus continues its shrill noise, but experts have fallen silent. This is so when India may still be seeing just the tip of the iceberg of infections, as per experts, and the worst is yet to come. The last full-fledged briefing by a battery of top Indian virologists was on March 17, with Dr Balram Bhargava, a cardiologist with Gandhian leanings and Director General of the Indian Council of Medical Research (ICMR), making a formidable and convincing push to make India understand the gravity of Covid-19.

While the virus now multiplies every day, the briefings on the corona pandemic only take place four days a week. No prizes for guessing, of late, no corona briefings have taken place on weekends and gazetted holidays. Wednesdays, too, were knocked out of the briefing calendar. It almost seems the virus takes a break, or has an off-day on holidays and Wednesdays, and this is an India-specific strain of the virus at work. Bizarre communication policy!

Moreover, technical experts are making scarce appearances at regular briefings. ICMR experts have been missing since that fateful day of April 20, when the smell of a first corona snafu—which some say was a hint of an alleged scam—emerged from the purchase of rapid antibody testing kits from China. These kits turned out to be duds, with the Union health minister announcing that these would be returned to China, and that India had not paid any money for these. The last time that Dr Balram Bhargava himself was seen in the regular briefing was on March 23. So for over two weeks now, no representative from the ICMR has been participating in the 4 pm media briefings. Only two Indian Administrative Service officers, one from the min-

istry of health, and one from the ministry of home affairs, field the questions. Technical, medical, and scientific questions remain unanswered. Strategic, coherent, clear, and comprehensive communication is key to success.

Science communicator for the last three

May 7 was Buddha Purnima, the silence of the corona briefing was felt very strongly as on a Buddha Purnima long back in 1974, India shattered the sound barrier and exploded a nuclear device at Pokhran. The sound of that atomic blast still reverberates 46 years later. This Buddha Purnima, the sound of silence on the corona briefing was loud. When no official briefing takes place and only a press note is issued, this fuels the rumour mills, which then take centre stage. The doubling rate of the coronavirus may still be around 10-12 days, but the doubling rate of rumours and disinformation is a magnitude higher.

When the corona pandemic started to hit India, ICMR promised a purely science, health, and medical briefing every Friday. Two such detailed briefings happened back to back, but now, it is for almost six weeks—45 days of the lockdown—that the ICMR briefing has not taken place. This vacuum is unacceptable in the world's largest democracy, where inculcating a scientific temper is an accepted principle.

One breath of fresh air is that Dr Harsh Vardhan, the country's health and science minister, makes it a point to relay live on Facebook most of his meetings with and updates from various hospitals and government departments. He is himself an ENT surgeon, an able communicator, and a highly respected voice on the Covid-19 pandemic.

What is even more amazing is the

absence of any ICMR representative from the four-days-a-week 4 pm briefing—whether they choose not to turn up or have been asked not to attend the briefings, with this change, it is now left to bureaucrats to update the country on the progress of the pandemic. India needs its talented health professionals

surprise when PM

Modi also skipped

his forceful address

extended for the

to talk to the people; bureaucrats, more often than not, parry and beat about the bush on technical questions than rather they conveying the facts. Even during the Kargil conflict of 1999, daily briefings were held over the two-month period, with a senior specialist from the Indian army taking lead, and, no, weekends did not mean that the briefings or the

war took a break. If the Covid pandemic is a 21st century war between India and an invisible enemy, the briefings should take place daily, along with medical experts at each briefing.

It also came as a big surprise when PM Modi skipped his forceful address to the nation when the 'lockdown' was extended for the third time on May 1. The 'lockdown' has been the worst crisis since the Kargil skirmish and the 1971 war, and the country wanted to hear some soothing, calming advice from the terrific orator that Modi is, and one in whom India has reposed trust. He was last heard talking to Indian citizens in his monthly 'Mann ki Baat' programme on April 26.

It was heartening to note that when it was whispered that 'social distancing' was bad phraseology, the govern-

ASHISH

Partner (business restructuring

services), Mazars. Views are personal

RATHI

ment promptly corrected it to 'physical distancing'. But, this sudden reluctance to hold daily briefings is a bit befuddling. If it is part of a game plan to ratchet down the panic on coronavirus, then it may be acceptable, but otherwise, it is a bad policy that needs to be corrected soon.

Communication is the key in trying to avoid knee-jerk reactions when panic takes over.

India trusts its physicians and doctors far, far more than its bureaucrats and politicians.

Missteps in effective communication of how India is tackling the coronavirus pandemic can lead to a lot of problems. The argumentative Indian is

a great listener. They heard the plaintive call of PM Modi for a 'Janata Cur-It also came as a big few', and India has, by and large, most obediently and quietly stayed at home underhouse arrest for the last seven weeks.

to the nation when It would be ideal to get the 'lockdown' was the health experts back on the briefings and make briefings a daily third time on May 1 affair. In any case, the virus is running amok today, humans are

arrested and the virus is free.

Also, a small suggestion: Instead of using the term vaishvik mahamari, a term that sends the chill down the spine, a simplified corona bimari could be used to reduce the panic since we now need to learn to live with the virus.

Get the experts talking again—locking up the voices that Indians trust is counterproductive to handling a medical crisis. Else, be prepared that the 'virus' of disinformation may multiply exponentially. We have miles to go before we can sleep in our efforts to contain the pandemic, else an infodemic may result, which may bruise many more people. The 'invisible enemy' can only be eliminated with proper communication; else, it may just become invincible.

Pave the road for Pre-Pack

A mix of out-of-court restructuring and formal insolvency process, where the terms of sale are pre-negotiated and finalised with approvals of creditors, Pre-Pack is built around value preservation and timely resolution

THE UNION CABINET has decided to put the Insolvency and Bankruptcy Code, 2016 (IBC) in abeyance by suspending the admission of new cases into insolvency for the next six months to address the hardship of businesses which risk being dragged into bankruptcy due to pandemic-fuelled distress. This move has resonated well with the banks, who are, in fact, suggesting a two-year suspension in light of what they estimate is going to be the time it would take for the markets to normalise and provide reasonable recovery.

While IBC in its current avatar would remain suspended for fresh cases, it becomes pertinent that alternative solutions to address the stress in the system be explored. Pre-packaged insolvency or more colloquially, "Pre-Pack" is one such promising solution.

Essentially, a pre-pack is a mix of an out-of-court restructuring scheme and formal insolvency process where the terms of sale are pre-negotiated and finalised with approvals of creditors prior to filing for insolvency with the court. After obtaining the approval of the court, the plan gets implemented through the mechanism of the IBC and is binding on all the stakeholders. Pre-Pack has been in existence in developed countries like the US and the UK for many years and has enjoyed a fair bit of success.

Why India needs Pre-Pack

Pre-Pack is strongly built around the tenets of value preservation and timely resolution, which form the

lifeblood of any insolvency law. The current insolvency regime, although a great improvement over its predecessors, leaves a lot to be desired

with respect to recovery rate, swiftness,

and ease of resolution. Asset stripping and value deterioration are few of the major concerns, as the current Section 29A bar, which disallows an exhaustive list of people from acquiring companies under insolvency, also bars erstwhile promoters. This leaves little incentive to the promoter to contribute positively towards the process, risking asset stripping while business-as-usual comes to a standstill. A pre-pack, on the other hand,

would check perverse behaviour and give incentive to the existing management to revive the company while ensuring business continuity, which would help preserve value and maximise recovery for the lenders. This is all the more relevant in certain industries, such as trading and services, which are traditionally asset-light.

Undue delays and litigation also remain a persistent issue in the current scenario. As per

the latest statistics, it takes approximately 394 days for resolution, which far surpasses the stipulated timelines. Pre-pack will cut these timelines significantly, while also cutting down costs of litigation and administration, and will decongest the overburdened NCLTs. It is noteworthy that in May 2019, a company in the US, called Sungard Availability Services, had its prepack confirmed within 19 hours, setting a record as the fastest ever bankruptcy case in the US.

Introduction of pre-pack would, however, be a fundamental shift from the current "creditor in control" model.

and brings with it its own set of challenges, which would necessitate significant changes to the framework. Legislation would have to be brought in to address the risk of lack of transparency and cramdown on the unsecured creditors or operational creditors as they would not be parties to the dialogue preluding the submission of plan. Principles of equity and transparency would also have to be built into the Code, tak-

The current

insolvency regime,

although a great

improvement over

its predecessors.

leaves a lot to be

desired with

respect to recovery

rate, swiftness and

ease of resolution

ing care not to shackle it to the point of inefficiency. Regulatory framework around the insolvency professionals would also need to be strengthened further to check the exercise of what could be significantly more power in the hands of insolvency professionals in a pre-pack.

The insolvency law has undergone several amendments since its inception in 2016 to keep pace with the changing landscape and pre-pack will be a major step in the direction of con-

tinuous evolution. Recently, the insolvency law committee was reconstituted to deliberate on the functioning and implementation of the Code, and in this regard, in April 2019, the ministry of corporate affairs had invited comments on implementation of pre-pack in India. It was also recently reported that a panel headed by former SEBI chairman UK Sinha is deliberating on the framework and it is expected that legislation may soon follow. In unprecedented and distressed times like these, when insolvencies are bound to increase, the introduction of pre-pack becomes more necessary than ever.

LETTERS TO THE EDITOR

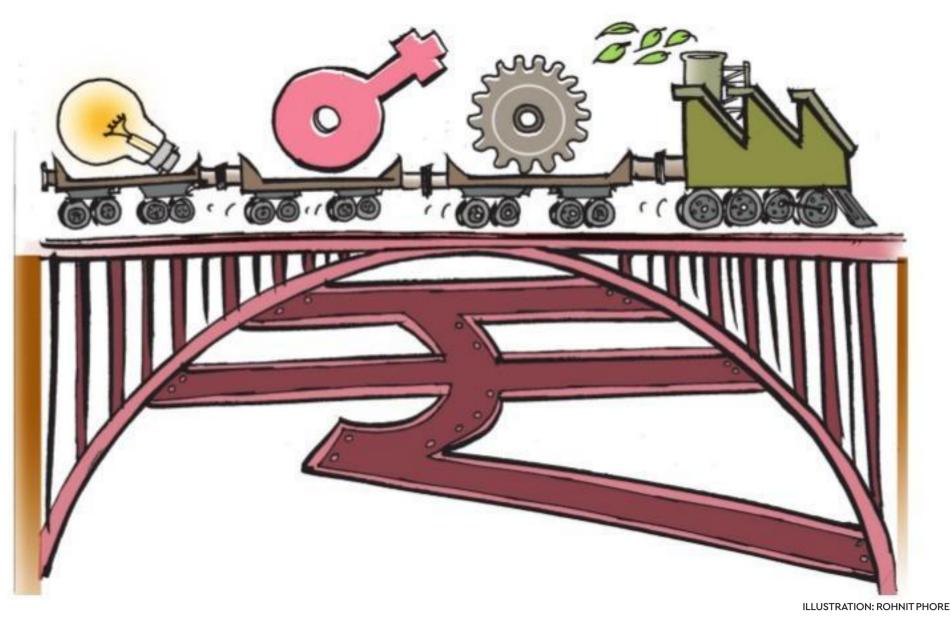
Coping with Covid-19

Nationwide lockdown 3.0 got imposed without an address to the nation and crystal-clear guidelines. Moreover, a large section of the resident population is still unaware of their zone-size and colour, due to the lacking awareness. Also, most of the red zones are least accountable and more than keen to start economic activity at full-scale, allowing government offices to operate in Delhi with 100% attendance. Further, the list of businesses/shops that are allowed to open and their functional timings, remains a mystery on the ground. On one hand, migrant workers are urged to stay put at their current location, but then some are allowed to travel via special trains. Other than being able to travel, another benefit of being a passenger over a migrant is that the two-week quarantine period is not needed. Another matter which demands less confusion is that weeks after the ICMR declared that most cases are asymptomatic, the super confident Delhi CM has reiterated the very statement. Unless, maybe he ignored the finding earlier and relied on his instincts. The decision by the administration to revise the discharge policy for Covid-patients, is more than transparent. In the absence of a vaccine, it is important to be prepared for the worst, especially when several experts in India Inc, have appealed that masses ought to adopt the new norms and learn to co-exist with the virus. The country needs a sufficient number of hospital beds at its disposal. India may have started off as a laggard in the corona-marathon, but we are fast catching up with the role model developed nations. It makes sense to discharge the mild cases, even without testing. That way, we can boost the cured count and reduce the total number of fatal cases. — Girish Lalwani, Delhi

Write to us at feletters@expressindia.com

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Reshaping fiscal stimulus

The fiscal stimulus programme will need to be bold and large, in the range of 10-15% of GDP, much like in China, Japan and the US. To minimise the downside risks associated with this, it should be made an integral part of a structural reform programme

ENTRAL BANKS CAN only provide money. They cannot spend it. Given the huge collapse in private spending, India can launch a fiscal stimulus programme to reverse the economic decline and job losses due to the lockdown associated with the coronavirus. The fiscal stimulus programme will need to be bold and large, in the range of 10-15% of GDP, much like in China, Japan and the US. A fiscal stimulus is not necessarily associated with rising inflationary trends, or macroeconomic stability, or loss in growth or jobs. To minimise the downside risks associated with fiscal stimulus, it should be launched as an integral part of a comprehensive structural reform programme aimed at reviving economic growth and increasing the pace of job creation. How will this be achieved? Fiscal stimulus will need to focus more on increasing investments in physical and human infrastructure, promoting entrepreneurship, and achieving gender equality and green growth.

Infrastructure and growth

A fiscal stimulus programme during a crisis often tends to crowd out capital investments in infrastructure to shift resources for immediate welfare programmes. While relief programmes are a

OVID-19 WAS first reported

by China on December 31,

2019, lifting the curtain on a

year that will go down in his-

toryas the Year of Covid-19. By

May 7, 2020, the world has seen the global

pandemic spiral up in rising graphs of infec-

tions and deaths. The experience has dif-

fered across continents, countries in the

same region, and even between states within

a country. The timelines of the epidemic

have been different, with the first case being

reported several weeks apart in different

countries. That makes comparisons diffi-

cult, if the variations in the reported starting

Covid-19 deaths in 26 countries from dif-

ferent continents, with higher numbers pur-

posively chosen from Europe and Asia. In

each case the date of reporting of the first

case was identified as the starting point.

Deaths per million population was chosen

as the statistic for tracking the temporal

trends within each country and for compar-

ing those trends across countries. Deaths per

million is a statistic that reflects deaths

attributed to Covid-19 in the population, while the Case Fatality Rate (CFR) relates to

deaths among diagnosed cases. In the case

of CFR, the denominator is very variable,

depending on the number of tests per-

formed and the criteria employed for test-

ing.CFR is very vulnerable to these variations

and is best reserved for comparing hospitals

treating the same disease conditions or

comparing the virulence of different dis-

eases, as when we compare SARS with MERS

vides a definable indicator that is not vul-

nerable to testing rates and captures the

effectiveness of both the population-

based containment measures as well as

the case management capabilities of the

healthcare system. These play out against

Deaths per million population pro-

at the end of the epidemic periods.

We analysed the time trends of reported

point are not taken into account.

short-term solution, economic growth remains the best solution for poverty alleviation. India's biggest constraint to poverty alleviation remains poor infrastructure and slow economic growth. Empirical evidence from 500 districts in India has shown that scaling up investment in physical and human infrastructure has been the biggest driver of economic growth, job creation and poverty reduction. Much like in China, infrastructure investment is a key driver of growth, and it plays a bigger role compared to other drivers of growth like Doing Business indicators.

India's infrastructure financing gap is huge, at over \$1 billion a day. It is growing exponentially. A fiscal stimulus could close this financing gap immediately. Shifting the responsibility to commercial banks as the source of debt funds to finance infrastructure projects has not worked in the past. Banks often tend to lack the experience in project financing, and infrastructure financing crowds out financing available to private entrepreneurs. Bank financing of infrastructure also creates asset-liability mismatches, given that banks attract short-term deposit and infrastructure projects need long-term investments.

India has many success stories with infrastructure projects. The Golden

Quadrilateral highway project implemented by Atal Bihari Vajpayee is the biggest success story that unleashed India's growth story. The next frontier for infrastructure investments through fiscal stimulus will be in rural areas, where 60% of the population lives. Rural areas also have bigger growth potential compared to urban areas, given that the manufacturing sector is moving out of costly and congested megacities to secondary cities and rural areas. However, unlike in China, India's manufacturing sector has been constrained by poor infrastructure in rural areas that need more investments, from roads to broadband communication.

A fiscal stimulus needs to be wellcoordinated. While the Ministry of Finance takes the lead, it can help coordinate with the line ministries and state governments to strengthen the institutional and legal framework for infrastructure projects. Problems of moral hazard and adverse selection can be resolved by reducing the opaque structures of projects, providing the information required to improve their risk-return profiles, and establishing project and sector-specific institutional frameworks with independent regulators.

Goods and services cannot be produced and delivered without roads, electricity and telecommunication. And moving people is as important, if not more important, as moving goods. Investing more in roads, railways, bridges and schools should be an integral part of fiscal stimulus agenda. If this is important in the current US context, the role of infrastructure is even more fundamental in India, where there's much more to be done than in the US and other advanced economies.

Entrepreneurship & job creation

Hundreds of millions have lost their jobs during the coronavirus crisis. India needs to create 10 million jobs every year to employ new people who join the labour force every year. Evidence from 500 districts in India has shown that there is a strong link between entrepreneurship and job growth. It is a worrying trend that there are too few entrepreneurs in India for its stage of development.

The link between entrepreneurship and job growth is not automatic. Cities and states that have invested in physical infrastructure and education have produced many more entrepreneurs. There are several policy levers that can be used in a fiscal stimulus programme to promote India's entrepreneurial growth. Instead of being preoccupied with chasing large firms from other locations, policymakers need to shift their focus to improving entrepreneurship in their states.

There are well-understood limits to the pace with which countries can accumulate physical capital, but the limitations on the speed with which the gap in knowledge can be closed are less clear. Because of the strong link between education and entrepreneurship, policymakers should remove any constraints that restrict the growth in the quality and quantity of local colleges and educational institutions. The entrepreneurial potential of India is very large. Imagine if India had more entrepreneurs: given the link between entry, young establishments and job growth, how fast would its growth and job creation then be?

Gender and growth

An economic downturn adversely impacts women more than men. India's rating in gender balance in economic participation and entrepreneurship is already amongst the lowest in the world. The coronavirus downturn has worsened it further. India's fiscal stimulus will need to focus on improving women's access to education and infrastructure. Due to the nature of household responsibilities, inadequate infrastructure particularly affects women. The lack of specific transport infrastructure and paved roads within villages is a big bottleneck for women, given the constraints in geographic mobility imposed by safety and social norms. Investment in local transport infrastructure will directly alleviate a major constraint for women to access markets.

Women will play a bigger role in India's future economic growth, if supported by the fiscal stimulus programme. This support can come in many forms: giving priority to women-owned enterprises in state procurement of goods and services, promoting female labour force participation in public sector jobs, reducing discrimination and wage differentials, and promoting women into leadership and managerial roles. Indeed, empowering half of the potential workforce will have significant economic benefits that go beyond promoting just gender equality.

Green growth

A key challenge for policymakers is how to prevent jumping from 'coronavirus frying pan into the climate fire'. The impact of climate change is being felt by everybody in India. More than 70% of India's population is exposed to outdoor air pollution, which has contributed to one in eight deaths and has reduced the average life expectancy of Indians by nearly two years. Extreme weather conditions, air pollution, crop failure, biodiversity losses and much more are affecting both human health and natural wealth.

It is estimated that nearly 70% of green growth could be achieved by improving energy efficiency. India has a mixed record on energy efficiency and green growth. Empirical evidence from 500 districts in India shows rising spatial disparities in energy efficiency. It is a worrying trend. More developed states have improved energy efficiency. But it has worsened in lagging states. Energy efficiency is much lower in rural regions compared to urban regions. A fiscal stimulus could play a key role in promoting green growth by investing more in rural areas and lagging states to halt the rising spatial disparities in green growth within India.

India has the potential to achieve double-digit growth, thanks to globalisation, the rise of the middle class and demographic dividend. But growth is not automatic. Globalisation does not automatically engender growth. It needs infrastructure—ports, roads, communication, education—to take advantage of trade. The link between demography and growth is not automatic. A demographic dividend could morph into a demographic disaster if people don't have jobs. India is well positioned to benefit from a bold fiscal stimulus programme.

● COVID-19 We're the world



Everyone is qualified to be happy, joyous

HE COVID-19 PANDEMIC, for all the trauma it has created/is creating, does have the collateral value that (more or less) everybody in the world now knows what spiritual leaders of all stripes have been saying forever—we are all in this together. The only way forward is to focus on what we share in common and delegate the differences—that had so taken over the foreground of the media—to the back of the bus.

There is infinity of stories anywhere you look telling how people are helping each other, engaging with their hearts and creating smiles even during terrible misfortune. The truth, of course, is that has always been the case—people have been supporting each other forever; but, likely because it's easier to make a buck from negative stories, media has been pushing mostly bad news for decades. (I remember when I lived in New York, I heard that the highest paid person at the *New York Post*—a sensationalist tabloid—came in about two hours before the afternoon edition hit the streets with the singular job of 'killing' the headline, i.e. to find a headline even more grotesque and horrifying. He was amazing at his job; my favourite was 'Headless Body in Topless Bar'.)

By contrast, today there are several media organisations focused on good news—check out thebetterindia.com, for instance. I remember 30 years ago when I tried to start a 'good news' paper with a journalist friend, the deepest scanning of the wire services came up with nada, nothing—actually three positive stories in two weeks. Today, social media, which I believe is finally living up to its star billing, is full of heart-warming, positive and, importantly, funny stories.

To be sure, there are some negative voices, some screamingly so. And, given, that our brains are hard-wired to respond to negative stimuli more quickly and more intensely than to positive ones, these charlatans appear to be in the ascendancy. The truth, though, is that at any given point in time far more good things happen than bad; there is far more joy than despair; far more wonder than disappointment. And, importantly, as wonderfully articulated by David Brooks in the New York Times, the "dehumanization (that the polarization industry has been trying to push) has always been a bit of a mirage. A new study from the group Beyond Conflict shows that Republicans and Democrats substantially exaggerate how much the other side dislikes and disagrees with them. The pandemic has been a massive humanizing force—allowingus to see each other on a level much deeper than politics see the fragility, the fear and the courage."

And, of course, you (Atul, amongst everyone else) have the singular responsibility to (a) believe that the world post-Corona will be fairer, stronger, lovelier, and (b) do your bit. The minimum bit is to count your own blessings, help in every way you can and pass on "only" good stories.

If you wish to raise the bar, here is another suggestion. On your birthday, wear a note pinned to your shirt saying "It's my birthday." This happened to me for the first time years ago when my kids gave me a birthday gift of a weekend in Goa with mywife; I was so excited I couldn't stop talking about it—I told the *dhobi* who came to the door, the liftman, everybody I met. Mywife, amused (and perhaps a bit exasperated) wrote a note saying"It's my birthday" and pinned it to my shirt, like I was a small boy going to school. It was fantastic. Dozens of people I didn't know came up and wished me; Jet Airways (remember them) gave me a gift; but by far the most important impact was on the hundreds of people I passed (at the airport, on the flight, in Goa), who may have been too shy to come up to me, but who all had a smile on their faces. It's a natural reaction if you are in a restaurant (remember those) and there is a birthday celebration at a neighbouring table, you may join in the song but at the very least you will get a little smile in your heart.

Imagine a world, then, where everybody wears "It's my birthday" note on their birthdays. Each of us would pass a few, a dozen or more birthdays every day of our lives. And each of us would be that little bit happier from it. So, go for it—it's not that difficult (however shy you are), and, if you can see how much it moves the needle of world joy, you will realise it is a small price to pay. So, remember, the mantra is love, joy and silliness. And, you are uniquely qualified.

Tracking Covid-19 deaths over time

We can draw assurance from data-based observation that India has fared well in containing the most dreaded manifestation of Covid-19—deaths per million population





the larger backdrop of socio-demographic, climatic and economic characteristics of the population, which differ from country to country. What matters most is the ability of countries to minimise the death burden due to Covid-19 at the level of the whole population, not just in hospitals.

The time trends (see table) show how different countries that commenced their Covid-19 journey within a week of each other fared over the next 30, 60 and 90 days. For countries which had a later starting date the 90-day period was still to be completed by the time the analysis was performed on May 7. However, the trends so far provide meaningful comparisons. Whether Covid-19 deaths are being underreported by some countries has been raised as a question. That requires analyses of total deaths in the population, especially the deaths not due to road traffic accidents (which would have been reduced due to

lockdowns). We rely on the Covid-19 deaths as reported; believing that under-reporting alone could not have given rise to the large differences that are clearly observed.

India has maintained a much lower mortality trajectory than Germany, Italy, Spain, Sweden, the UK and Belgium, which reported their first cases within the same 7-day window as India. The closest comparator in that time window, in terms of a low population mortality rate for Covid-19, is Malaysia, which reported the first case a few days ahead of India. Other countries sharing this time window of commencement showed a large rise in the mortality rate between 60 to 90 days after the first case. India and Malaysia too showed a sharp relative rise during this period, but with much lower rates in absolute terms. Was this an effect of the lockdown, superimposed on other favourable socio-demographic conditions? The European coun-

Time trends of different countries

	Date of	Cumulative	e deaths per	million (after f	million (after first case reported)			
	first case	First	First	First				
Countries	reported	30 days	60 days	90 days	Until May 7			
China	Dec 31, 2019	0.56	2.18	2.32	3.23			
Thailand	Jan 13, 2020	0	0.01	0.50	0.79			
US	Jan 20, 2020	0	0.45	91.79	196.97			
Singapore	Jan 23, 2020	0	0.34	0.51	3.42			
France	Jan 24, 2020	0.02	10.33	318.19	394.91			
Vietnam	Jan 24, 2020	0	0	0	0			
Australia	Jan 25, 2020	0	0.31	2.95	3.81			
Malaysia	Jan 25, 2020	0	0.46	2.88	3.31			
Germany	Jan 28, 2020	0	3.02	67.32	84.97			
Italy	Jan 29, 2020	0.28	151.07	440.58	490.85			
India	Jan 30, 2020	0	0.02	0.68	1.29			
Spain	Jan 31, 2020	0	139.63	509.54	553.06			
Sweden	Jan 31, 2020	0	10.89	233.19	291.21			
UK	Jan 31, 2020	0	18.09	319.33	443.04			
Belgium	Feb 4, 2020	0	87.23	670.00	719.52			
Egypt*	Feb 14, 2020	0.02	1.56	-	4.60			
Brazil*	Feb 26, 2020	0.27	15.60	-	37.30			
Pakistan*	Feb 26, 2020	0.04	1.16	-	2.66			
Denmark*	Feb 27, 2020	7.08	72.17	-	87.36			
Mexico*	Feb 28, 2020	0.06	10.14	-	19.47			
New Zealand*	Feb 28, 2020	0	3.94	-	4.36			
Nigeria*	Feb 28, 2020	0.00487	0.19	-	0.50			
Indonesia*	Mar 2, 2020	0.50	2.90	-	3.41			
Portugal*	Mar 2, 2020	13.72	95.38	-	106.76			
South Africa*	Mar 5, 2020	0.08	2.08	-	2.58			
Bangladesh*	Mar 8, 2020	0.07	1.13	-	1.13			

*These countries have not yet competed 90 days since their first reported case Note: Date of first case reported in China (Dec 31st 2019 is as per WHO COVID19 Situation Report-1 dated Jan 21st 2020)

tries which imposed lockdowns did not reap a similar level of benefit, possibly due to different background conditions. Con-

Sweden and Denmark offer an interesting comparison. Sweden, which chose not to impose a lockdown and opted for less strin-

text matters, modellers beware!

gent social distancing, was the poster child for the opponents of lockdown. However, the cumulative death rate started mounting between 60 to 90 days and is still rising. Denmark, whose death rate was higher than Sweden's at 60 days, pegged down the rate before the 90-day mark and now has fewer

deaths per million than Sweden. Denmark is on the road to releasing the lockdown. France experienced the steepest rise in death rate between 60-90 days. Singapore, which kept the lid tightly closed till 90 days, has seen a recent rise, albeit at very low levels of overall mortality. Vietnam is the superstar, which reported its first case on January 24

and hasn't reported a single death till May 7! The UK—which initially selected 'herd immunity'as its chosen route and shunned social distancing and lockdown—saw a sharp jump in death rates between 60 to 90 days, and has now gone into a lengthening lockdown. The US, which has had a chaotic mix of control measures—that varied from state to state and time to time—experienced a sharp rise between 60-90 days, and the rate was still rising sharply on May 7. The cumulative death rates per million, however, place it below the UK, France and Belgium. At the next G7 meeting, Germany can look at others in the eye and speak of how successfully the rise in the cumulative death rate was contained after day 90 and kept below the others. India can do that at the next G20 meeting, with a steady rate of rise recorded at very low levels of deaths per million.

These may be early days yet, to draw definitive conclusions or make firm predictions. As the virus prances across populations, lockdowns end and weather patterns change across the globe, we may see new trends emerge. Those trends would have to be analysed to examine which interventions worked well and which did not. They will also give us insights into the behaviour of the virus in different populations. For now, we can draw assurance from the data-based observation that India has fared well in containing the most dreaded manifestation and measure of Covid-19 deaths per million population. We need to keep that cumulative mortality rate pressed down with the weight of our collective resolve and competent response.

financiales.





International Tuesday, May 12, 2020



MOVING QUICKLY

Donald Trump, US president

The great people of Pennsylvania want their freedom now... The Democrats are moving slowly, all over the USA, for political purposes. They would wait until November 3rd if it were up to them. Don't play politics. Be safe, move quickly!

PANDEMIC HACKING

US to accuse China of trying to steal corona vaccine data

Iran and other nations are also looking to steal data and exploit the pandemic with attacks on

infrastructure, officials say

THE NEW YORK TIMES

May 11

THE FBI AND the Department of Homeland Security are preparing to issue a warning that China's most skilled hackers and spies are working to steal American research in the crash effort to develop vaccines and treatments for the coronavirus. The efforts are part of a surge in cybertheft and attacks by nations seeking advantage in the pandemic.

The warning comes as Israeli officials accuse Iran of mounting an effort in late April to cripple water supplies as Israelis were confined to their houses, though the government has offered no evidence to back its claim. More than a dozen countries have redeployed military and intelligence hackers to glean whatever they can about other nations' virus responses. Even American allies like South Korea and nations that do not typically stand out for their cyberabilities, like Vietnam, have suddenly redirected their state-run hackers to focus on virus-related information, according to private security firms.

Adraft of the forthcoming public warning, which officials say is likely to be issued in the days to come, says China is seeking "valuable intellectual property and public health data through illicit means related to vaccines, treatments and testing." It focuses on cybertheft and action by "nontraditional actors," a euphemism for researchers and students the Trump administration says are being activated to steal data from inside academic and pri-

Quick

MAPPING THE VIRUS

Global cases pass
4.1 million

Deaths exceed 283,000

Recoveries **1,350,673**

■ Sleuthing at funeral parlors to track nursing homes' toll

Europe faces more slog than snapback in economy
 Chinese city in northeast closed as infections rise
 Disneyland Shanghai opens to a world of masks,

■ Men have high levels of enzyme key to Covid-19 infection, study finds

■ Extra HIV deaths foreseen amid antiretroviral shortages

The US will get less than half of Gilead Sciences' worldwide donation of 1.5 million vials of its Covid-19 medicine over the next six weeks, which isn't expected to be enough to treat all the patients who would qualify for it Russian President Vladimir Putin ended his

national stay-at-home period after six weeks, putting the responsibility for restrictive measures on regional leaders, even as the number of infections surged past most European countries

Britons should wear face coverings in

enclosed spaces and prepare for a different kind of normal that may last for a year or more, Boris Johnson's government said as he published a road map for the national recovery from coronavirus

Deutsche Bank is offering a subordinated bond to boost its capital ratio as the bank girds itself for the deepest recession in almost a century. The bond, known as Tier 2, "will increase Deutsche Bank's total capital ratio" and

vate laboratories.

The decision to issue a specific accusation against China's state-run hacking teams, current and former officials said, is part of a broader deterrent strategy that also involves United States Cyber Command and the National Security Agency.

Under legal authorities that President Trump issued nearly two years ago, they have the power to bore deeply into Chinese and other networks to mount proportional counterattacks. This would be similar to their effort 18 months ago to strike

at Russian intelligence groups seeking to interfere in the 2018 midterm elections and to put malware in the Russian power grid as a warning to Moscow for its attacks on American utilities.

Iranian hackers were also caught trying

"improve its buffer versus regulatory capital

Spain recorded its lowest daily coronavirus

moves into the latest phase of a gradual

easing of lockdown rules. The number of

death toll in almost two months, as the nation

fatalities rose by 123 to 26,744 in the 24 hours

through Monday, the fewest since March 18

Sunday, according to health ministry data

requirements," the lender said

to get inside Gilead Sciences, the maker of remdesivir, the therapeutic drug approved 10 days ago by the Food and Drug Administration for clinical trials. Government officials and Gilead have refused to say if any element of the attack, which was first reported by *Reuters*, was successful.

Chinese direct investment in US down 90% in Q1: Report

REUTERSBeijing, May 11

CHINESE DIRECT INVESTMENT In the United States dropped to the lowest level since 2009 last year amid bilateral tensions, and the Covid-19 pandemic will continue to weigh on investment flows between the world's two biggest economies, according to a report.

By stymying dealmaking and hitting economic growth, the pandemic could dissolve the positive effects of the Phase 1 trade deal signed in January, said the report from research firm Rhodium Group and the National Committee on US-China Relations. Initial data indicates a "significant decline" in Chinese investment into the United States in the first months of 2020, said the report, with \$200 million in newly announced direct investments compared with \$2 billion on average per quarter last year.

But US companies announced \$2.3 billion new direct investment projects in China in the first quarter, only slightly down from last year's quarterly average, said the report.

US companies do not seem to be considering significantly reducing their China footprint, said the report.

SoftBank's telco sees cash flowing in amid outbreak

REUTERS Tokyo, May 11

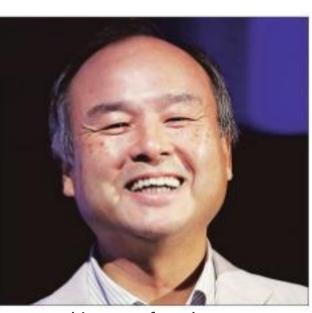
SOFTBANK CORP ON Monday forecast operating profit for the current financial year at 920 billion yen (\$8.6 billion), largely unchanged from a year earlier, as it continues to generate cash amid the coronavirus-induced economic downturn.

Japan's third-largest wireless carrier is a vital source of funds for highly leveraged parent SoftBank Group Corp, which is set to post a record annual operating loss next week as chief executive Masayoshi Son's tech investments curdle.

SoftBank Corp's expectation of lacklustre profit growth reflects how demand driven by the shift to teleworking to slow the spread of the virus is being offset by a drop in traffic by mobile customers in the retail network. SoftBank Corp reported a 32% rise in operating profit in the three months ended March to 116.6 billion yen, undershooting the 127 billion yen average of four analyst estimates in a Refinitiv poll.

The telco is seen as a target for SoftBank Group's plan to raise up to \$41 billion through asset sales to shore up its balance sheet, although analysts expect the parent to retain a controlling stake. It has already pledged part of its stake as collateral for loans.

pledged part of its stake as collateral for loans.
SoftBank Corp launched next-generation 5G services at the end of March but the industry faces new competition from e-commerce firm Rakuten.



Masayoshi Son, SoftBank CEO

2.8 bn 5G users by 2025: Ericsson

SWEDISH TELECOM EQUIPMENT maker Ericsson said on Monday it will lift its forecast for 5G subscriptions globally to around 2.8 billion by 2025 from 2.6 billion seen previously as a consequence of the pandemic.

The telecoms sector has been among few industries to experience a surge in demand despite the economic uncertainty linked to the pandemic, a result of more people work remotely from home to avoid contagion. —REUTERS

Hong Kong police arrest more than 200 in renewed demonstrations

ASSOCIATED PRESS Hong Kong, May 11

during anti-government protests in Hong Kong on Sunday night, police said, as authorities seek to prevent a revival of last year's massive demonstrations, including through the application of anti-social gathering regulations intended to contain the coronavirus outbreak.

Around 230 people between the ages

of 12 and 65 were arrested on a range of charges, including unlawful assembly, "possessing anything with intent to destroy or damage property" and failure to produce proof of identity, police said.

Another 19 people were ticketed for

Another 19 people were ticketed for having violated the Prevention and Control of Disease Regulation, which prohibits gatherings of more than eight people in any public space, the statement said. At one point, police used pepper rounds to disperse people who had surrounded officers, it said.

"Police condemn protesters for disre-



Hong Kong leader Carrie Lam

garding the Government's disease prevention and control measures, and participating in or organizing prohibited group gatherings," the statement said.

Protesters later chanted slogans and built barriers to block roads in Hong Kong's Mongkok district, and set fires on some streets, according to police.

HSBC Goldman, Barclays staff can return to offices

HSBC, GOLDMAN SACHS and Barclays Bank allowed more employees to resume working from their offices in Hong Kong Monday as the city relaxes social-distancing curbs after largely containing coronavirus infections.

HSBC said 30% of its Hong Kong staff can return, according to a memo seen by *Bloomberg News* and confirmed by a bank spokeswoman. Goldman Sachs has been gradually ramping up returns and now has a third of its employees, or almost 600 people, back as of today, a spokesman said.

At Barclays, about 270 workers, or 60% of staff, are working from their offices. —BLOOMBERG

for counter narcotics and global threats, according to three people with knowledge of the situation.

EMs have burnt \$240 bn

Former Trump aide

EZRA COHEN, A former intelligence

in 2017, is returning to the

in reserves: BofA

aide to President Donald Trump who

administration as a top official at the

Defense Department. Cohen, 34, has

been named deputy assistant secretary

left the White House amid controversy

returns to Pentagon

LEADING EMERGING COUNTRIES have burned through \$240 billion in foreign exchange reserves over the past two months, Bank of America said on Monday, as central banks look to prop up their currencies and economies in the face of Covid-19. China, Hong Kong, Saudi, Brazil and Turkey had all seen the biggest total drop in reserves.

Saudi Arabia triples VAT, cuts state allowances

SAUDI ARABIA ANNOUNCED a slew of austerity measures to cope with the impact of the coronavirus pandemic and an oil-price rout, tripling its value-added tax and cutting a cost-of-living allowance for government workers. The steps taken to shore up revenue and rationalise spending are valued at about \$26.6 billion in total.

South Korea scrambles to contain nightclub spread

REUTERS Seoul, May 11

on Monday to contain a new coronavirus outbreak, searching for thousands of people who may have been infected in a cluster of cases linked to nightclubs and bars in the capital Seoul.

South Korea has been lauded for its

quick, effective action on its epidemic, significantly reducing the rate of new infections in recent weeks, but the resurgence of cases has raised worries about a second wave of infections.

Officials reported 35 new cases as of

midnight on Sunday, the second consecutive day of new cases of that magnitude and the highest numbers in more than a month. Twenty-nine of the new cases were linked to several Seoul nightclubs and bars, many of them catering to members of the lesbian, gay, bisexual, transgender and queer (LGBTQ) community.

That has raised complications for officials trying to track those who might be infected in a nation where homosexuality is often taboo and LGBTQ people face discrimination, including job loss and hate speech.

Authorities have tested more than 2,450 people who went to the night spots in the Itaewon neighbourhood, but were still trying to track about 3,000 more. Hundreds of other people who came into contact with club patrons have also been tested.

"Our top priority is to minimise the spread of the infections," Prime Minister Chung Sye-kyun told a meeting with government officials, calling on authorities to work with police.

"We should quickly find and test them,

SECOND WAVE?



- Our top priority is to minimise the spread of the infections, says Prime Minister Chung Sye-kyun
- Outbreak linked to nightclubs in capital city Seoul
- Officials still trying to trace about 3,000 nightclub patrons
- Concerns within LGBTQ community about contact tracing
- Authorities have tested more than 2,450 people who went to the night spots

and speed is key."

The outbreak has highlighted a possible unintended consequence of South Korea's invasive tracing methods and its disclosure of some patient information, including their recent locations, as part of its approach to tackling the coronavirus.

Health ministry official Yoon Tae-ho acknowledged concern that individuals within the LGBTQ community could be outed and face discrimination if they came forward.

Russia overtakes Italy, Britain in Covid-19 cases

REUTERS Moscow, May 18

RUSSIA'S CORONAVIRUS CASES overtook Italian and British infections on Monday to become the third highest in the world after a record daily rise hours before President Vladimir Putin was due to review the country's lockdown regime.

The official tally surged to 221,344, meaning Russia now has more registered cases than Italy or Britain and only trails Spain and the United States, as the number of new cases of the novel coronavirus jumped by 11,656 in the past 24 hours.

More than half of all cases and deaths are

More than half of all cases and deaths are in Moscow, the epicentre of Russia's outbreak. On Monday, it reported an overnight increase of 6,169 new cases, bringing its official total to 115,909. The country's coronavirus response centre also reported 94 new deaths, taking the overall death toll to 2,009.

Wuhan reports first virus cluster since lifting curbs

REUTERS Beijing, May 11

WUHAN, THE EPICENTRE of the novel coronavirus outbreak in China, reported on Monday its first cluster of infections since a lockdown on the central Chinese city was lifted a month ago, stoking concerns of a wider resurgence of the disease.

The new infections sounded a note of caution amid efforts to ease coronavirus-related restrictions across China as businesses restart and individuals go back to work. Wuhan reported five new confirmed cases, all of whom live in the same residential compound.

One of them was the wife of an 89-yearold male patient reported a day earlier in the first confirmed case in the city in more than a month.

"At present, the task of epidemic prevention and control in the city is still very



The new infections sounded a note of caution amid efforts to ease coronavirus-related restrictions across China

heavy," said the Wuhan health authority in a statement. "We must resolutely contain the risk of a rebound."

SELECTIONS FROM

The **Economist**

WHEN OIL SUPPLY threatened to overwhelm storage tanks in Cushing, Oklahoma, in April, the pain was felt as far as Chongqing. Retail investors in the Bank of China's oil bao, or "treasure", a speculative vehicle linked to crude futures, took a hit as the May contract for West Texas Intermediate settled at an astonishing -\$37.63 a barrel on April 20th. The market's gyrations have led to consternation in China—regulators have reportedly called for an investigation—and revealed unexpected victims. In general, though, plunging prices have served Chinese buyers rather well

nese buyers rather well.

In 2017 China became the world's biggest importer of crude, surpassing Amer-

ica, and the second-largest importer of liquefied natural gas (lng), behind Japan. Dependence on foreign fuels has long been deemed a strategic vulnerability. But now oil and gas suppliers are toiling to secure Chinese buyers, not the other way round.

China's heft was set to grow even before

covid-19 kept cars parked and planes grounded. In the long term the growth of China's population and economy make it a likely source of rising demand, even if climate change clouds prospects for oil and gas elsewhere. Companies and petrostates have worked to secure their share of China's market: Russia's Power of Siberia gas pipeline opened in December; ExxonMobil's efforts include a 20-year deal to supply lng to Zhejiang Provincial Energy Group.

As the pandemic obliterates energy demand, China is revelling in a buyer's market. It has not been shy about squeezing suppliers. In March Kazakhstan's energy ministers aid the country had reduced gas exports to China by 20-25%, at China's request.

CUSTOM OF THE COUNTRY

FINANCE & ECONOMICS

With oil prices depressed, China presides over a buyer's market

Oil and gas suppliers are toiling to secure Chinese demand

China National Offshore Oil Corp reportedly invoked force majeure to halt lng shipments from bp, Royal Dutch Shell and Total, three European supermajors.

Chinese buyers have also been opportunistic. Although car, freight and plane travel dropped in the first quarter, crude imports rose by 5%. Neil Beveridge of Bern-

stein, a research firm, estimates that about 200m barrels of oil went into storage in China in the first three months of the year, as the government, refiners and other buyers stocked up on inexpensive oil. Refineries lifted run rates in March, benefiting from the gap between cheap imported crude and the state-mandated domestic-price floor of

\$40 a barrel, which in turn ensured a higher margin for refined products.

Oil suppliers continue to look to China, which has eased its lockdown before other markets. "China is leading demand at the moment, so everyone is trying to sell into that market," says Ben Luckock of Trafigura, a trading group. Even as covid-19 depressed global energy demand, seaborne oil exports to China in April reached a record level, according to Kpler, a market-data firm, and were 25% higher than last year's average. On May 1st independent refineries, known as "teapots", were processing more crude oil than in December. In April the Shanghai International Energy Exchange approved new storage capacity for Sinopec and PetroChina, national energy giants.

It is unclear if China will remain a bright spot. Despite analysts' best efforts—by, say, using satellite images to track outlines on storage tanks—no one knows precisely when China's oil stocks may near its capacity to store it, says Mr Beveridge. The Interna-

demand to be tepid in the second half of the year, as the global economy remains weak. "Crude imports are going to have to slow down a bit to run down some of the stocks," argues Chris Midgley of S&P Platts Analytics, a price-reporting firm.

tional Energy Agency expects Chinese

Meanwhile competition to sell to China continues. Saudi Arabia posted steep discounts for crude heading to Asia in May; rivals are nervously awaiting Saudi prices posted for June.

Complicating the outlook for gas exporters to China, the government is keen to support domestic gas and the cost of Chinese wells has dropped. The American Petroleum Institute (API), a lobby group, is urging officials to lean on China to import more American oil and gas, as agreed in a recent trade deal. "China has a growing demand for energy," says Frank Macchiarola of the api, "and we have a growing need for markets." Join the club.

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TUESDAY, MAY 12, 2020

ON GOLD PRICES

Hareesh V, head, Commodity Research, **Geojit Financial Services**

Gold prices may hold steady with positive bias as its safe haven demand remains on higher side due to fears of global recession.

CASH CRUNCH & COVID-19

Withdrawing from savings? Check tax impact

If you plan to withdraw funds from EPF, PPF, NPS or your fixed deposits, first check rules for permitted withdrawals, penal charges and taxation

SHAILESH KUMAR

THE COVID-19 PANDEMIC has led to a financial crisis. Many companies have cut salaries and even laid off employees. In order to fund their expenses, people now need to withdraw from savings made in various tax-saving deposits such as Public Provident Fund (PPF)/ Employees' Provident Fund (EPF) accounts, National Pension Scheme (NPS), National Savings Certificate (NSC), fixed deposits, etc.

While such withdrawals may be necessary, one needs to be mindful of tax implications, as it may lead to additional tax cost. Let us analyse tax implications of certain popular withdrawals:

Withdrawal from PPF, EPF accounts Both PPF and EPF falls under exempt-

exempt-exempt (EEE) tax regime. An EEE regime means that investments made up to ₹1.5 lakh in PPF/ EPF in a financial year is allowed as deduction under Section 80C,

YOUR QUERIES

| Dhaval Kapadia

Withdraw funds

check exit load

via SWP, lumpsum

redemption but do

• How can I withdraw money from my

You can withdraw your investments

lock-in period. You can withdraw via SWP

frequency. You may withdraw a lumpsum

amount via a redemption request as and

specified in their disclosure documents. Be sure that the units being withdrawn

• I plan to invest ₹10,000 every month

An asset allocation-based approach

followed. The allocation to equity (high

risk – high return asset class) should

depend on your risk appetite and time

horizon. For your equity allocation, you

may consider investing

across large caps (75%),

midcaps (15%) and

smallcaps (10%). You

can consider two funds

in the large-cap space,

and one fund each for

the midcap and small

—Mihir Anand

—Amit Kumar

cap exposure.

• My SIP for five years will end in June.

What do I have to do to continue the

You need to re-register an SIP to

continue the periodic investments, if a

fixed period was selected for investment

at time of registering for the SIP. You may

re-register online or through the physical

towards the end of your SIP term and also

an SIP registration form at your address.

• I am unhappy with my SIP returns

the cost of his investments via

for the past three years, should I stop?

disciplined purchases, particularly when

while prices are down. Hence, you should

continue your SIP if you are investing for

years) as you would benefit from buying

performance of the fund vis-à-vis that of

its peers. If a fund has been performing

poorly on a consistent basis, you may

switch to a better performing one.

the long term (more than seven to ten

units cheap. You should evaluate the

the market is down. You get more units

SIP enables an investor to average out

mode. Typically, AMCs send reminders

SIP for another five years?

for five years in equity MF through

SIP. How should I select a fund?

(mix of equity and debt) should be

MUTUAL

—D K Raghavan

—Srijit Roy

systematic investment plan as I am

periodically unless they are under the

(systematic withdrawal plan) route by

redeeming a fixed amount at a given

when required. Funds usually have

minimum withdrawal amounts

are not under exit load period.

facing some cash crunch now?

time of withdrawal (including principal and interest) are tax free.

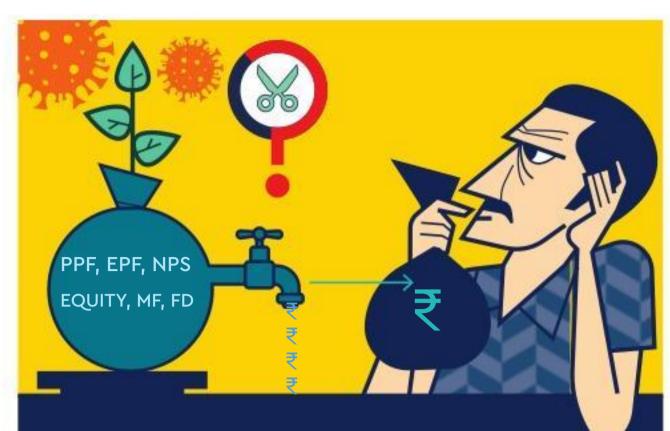
The normal lock-in period for investments in a PPF account is 15 years from year of initial subscription. However, one can make partial withdrawal after expiry of five years, to the maximum of 50% of balance standing at end of fourth year. Secondly, a PPF account holder is also allowed a premature closure of account after expiry of five years if that amount is required for treatment of life threatening diseases.

Similarly, contributions made to EPF have a lock-in period of five years. However, partial withdrawals may be made from EPF account before completion of five years in certain conditions, including a medical emergency. Further, as per relaxations granted by government in light of Covid-19 outbreak, partial withdrawal/advance from EPF account is allowed up to three months' basic and dearness allowance or 75% of the balance in the account, whichever is lower.

Permissible withdrawals from PPF and EPF before maturity are exempt from income tax and thus may be considered as a tax efficient option of withdrawing money for use in the present situations, subject to fulfilment of conditions for withdrawal.

Withdrawal from NPS

NPS also comes with EEE tax status. The scheme matures once an individual turns 60. On maturity, 60% accumulated withdrawal is tax exempt, while balance accumulated interest and payment at the 40% is required to be invested in annuity tax laws.



(which is also tax-exempt).

Covid-19 has been notified as a critical illness which is life-threatening in nature. Thus, partial withdrawals are now permitted to fulfil financial needs of subscribers of NPS, if required towards treatment of illness including COVID19 of the subscriber or his permitted dependents. Such partial withdrawal, permitted after three years of NPS subscription and not exceeding 25% of total contributions made by the subscriber, shall also be tax free under income Liquidation of investments in securities, mutual funds

Investors planning to sell off their holdings in listed equity shares or units of equity oriented mutual funds should remember that such activity will attract short term capital gains (STCG) tax at 15% and long term capital gains (LTCG) tax at 10% without indexation for LTCG above ₹1 lakh, based on the period of their holding such shares or units of mutual funds.

On sale of other securities and units of

non-equity oriented mutual funds, STCG is taxed at normal tax rate while LTCG is taxed at 20%.

Currently, there is no specific exemption under income tax laws from tax on STCG/ LTCG on sale of securities/ mutual fund units, though taxpayers may claim certain deduction, if they make further investments in specified bonds or assets. However, considering sale proceeds may be required to meet short-term finance requirements, such deduction may not be availed practically.

Withdrawal from fixed deposits

Interest earned on fixed deposits is taxed in the hands of taxpayers at normal tax rates. Principal amount withdrawn from fixed deposits does not have any income tax implication, though premature withdrawals from fixed deposits may attract some penal charges from the banks or post office.

Thus, taxpayers having investments in various financial instruments must consider tax implications as well as other restrictions on withdrawals, penal charges, etc., while withdrawing funds from their savings. The government may also need to come up with further relaxations in terms of overall cap, penal charges, tax exemption on capital gains, etc., in order to maintain and boost liquidity and to reduce hardship of its citizens.

The writer is director, Nangia Andersen Consulting. Inputs from Arpita Tyagi

2019a 2020e 2021e 2022e

5.22 12.25 20.74 24.33

7.81 15.71 21.55 31.97

27.6

1.6 3.0

16.3 13.9

7.3 11.2 11.7

YOUR MONEY

RACHIT CHAWLA

This is the time to buy stocks of great companies

STOCK MARKET INVESTORS are worried as businesses have come to a halt because of the lockdown due to the Covid-19 pan demic. Share prices have crashed and investors have lost money. However, investors should not take any knee-jerk decisions in these volatile times.

What not to do

If you are holding a stock in a good company that has shown progress over the years but is down now because of Covid-19 pandemic, you shouldn't be too eager to sell your stocks. Investors who are patient will reap the rewards later. One of the easiest ways to make money in the markets is to invest in growing companies and ignoring the ups and downs that will occur from time to time. Stock market rewards patient investors. In the global financial crisis of 2008, TCS fell by more than 50% within a span of two years. But once things stabilised, it made a comeback from ₹125 a share to ₹2,284 in 12 years with a CAGR of 30%.



Another great example is of Bajaj Finance, whose stock prices fell by over 80% during the span of one year from 2007 to 2008. However, in the current market, it is counted among the largest wealth creators in the country.

Another mistake is that people end up buying stocks in a company simply because the price has fallen. Buying cheap stocks will only lead to profit if the company is good enough to last long term. There are plenty of companies in existence today that will cease to exist within a decade and you would end up losing your money. So make sure that if you are investing, invest long term and in a company that is going to make a comeback.

What should you do

It is like they say, a crisis is also an opportunity. A pandemic of this scale is a one-off occurrence and it will create investment opportunities for people to generate a fortune over the next decade or so. One just has to trust the statistics. Moreover, there are companies that have faced such crises before and they've always came back stronger. Such companies can be easily identified by studying their stock trends which are always inching higher and higher. Even with the shutdown in place, people will be buying groceries and other household stuff and companies such as Hindustan Unilever that manufacture

If you are holding

stocks in a good

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shown progress

over the years but

is down now

because of Covid-

19 pandemic, you

shouldn't be too

eager to sell your

stocks

these products will continue to generate wealth as they have in the past.

Every crisis looks smaller in the hindsight. So four to five years from now, we'd all be looking at this time as an excellent buying oppor-

tunity. Those who do not invest for the fear of losing their money will come to regret their deci-

sion in the future. Some investors who own stocks in successful companies are selling those stocks now at cheaper prices because business outlook is poor this year. They should however, not forget the fact that in the long term, these companies are going to bounce back and the drops they are currently suffering would look negligible in a couple of decades. Such is the power of long-term investment. This present crisis has created an opportunity for smart

investors to buy stocks in great companies. A common mistake that investors make during times of crises such as this is that they end up investing in low-priced cheap, cyclical stocks—which hurts them in the long run. Those investors who remain calm and invest in great companies despite the current bleak scenario will reap the benefits n the future.

EDELWEISS

Investor

ICICI BANK RATING: BUY

Operating performance met estimates

Covid-19 related provisions impacted PAT; there's relative comfort on asset quality; FY21-22e PAT up 2-3%; TP revised to ₹415

IN Q4FY20, ICICI BANK reported PAT of ₹12.2 bn (down 70% q-o-q) as the bank made higher provisions for COVID-19 related contingencies and NPAs. The bank reported NII growth of 17% y-o-y (in line with our estimate). Non-interest income growth of 18% was driven by Treasury and retail fee income. With opex growing 16% y-o-y, core operating profits grew 17% y-o-y (in line with our estimate). Slippages remained elevated at 3.7% of loans (vs 2.5% in 9MFY20), led by two overseas corporate loans. Net stressed loans (down 4% q-o-q) stood at 4.4% of loans (4.7% in Q3).

COVID related provisions drove **total provisions:** The bank reported slippages of ₹53 bn (3.7% of loans) vs average ₹32 bn in the past seven quarters. 43% of the corporate slippages came from the earlier recognised stressed book. Two large international accounts drove the rest of the corporate slippages. Along with NPA provisions, the



bank also provided ₹27.3 bn (170bp of loans) related to COVID-19-linked contingencies. Credit costs thus increased to 373bp vs average 180bp in 9MFY20.

Standard and contingent provisions now stand at ₹79.4 bn (1.2% of outstanding loans). Net stressed book (net NPA, sub-investment grade exposures and security receipts) was down 4% q-og and now stands at 4.4% of loans (4.7% at end-Q3). ICICI Bank reported c30% of total loans are now under moratorium as

per RBI guidelines (at end-April 2020). Retail driving loan growth; operating trend in-line: Domestic loans grew by c13% y-o-y in Q4, led by retail loan book growth of 16% y-o-y. Further, nonmortgage and non-auto retail loans grew faster (c26% y-o-y), led by business banking, personal loans and credit cards. Average CASA grew at 12% y-o-y in Q4FY20. NIM expanded by 10bp q-o-q to 3.9%. NII growth of 17% y-o-ywas higher than loan growth. Fee income growth

remained healthy at 18% y-o-y. Core operating profits grew by 17% y-o-y as operating expenses also grew by 16% yo-y. Cost-to-income was stable at 44%. Conservative recent risk under-

HSBC EPS (prev) 5.22 15.66 20.42 23.61

0.0 -21.8

Financials & Ratios

HSBC EPS

Change (%)

Consensus EPS

Dividend yield (%) 0.4

ROE inc. gwill (%) 3.2

writing to help in the slowdown; maintain Buy: While we expect NIM to compress by c20bp over FY21-22e due to the large share of floating rate loans in a falling rate cycle, a higher focus on conservative credit underwriting in recent years should help the bank navigate credit quality stress in this volatile climate. We expect average standalone RoE of 11% with a loans CAGR of c12% over FY21-22e. Our FY21-22e PAT estimates are largely unchanged (up 2-3%). Our TP of ₹415 (₹396 earlier) implies 1.2x FY22e standalone bank BVPS. Maintain Buy.

HCLTECHNOLOGIES RATING: BUY

Another strong quarter for the company

2/6% due to Covid-19 pain; TP cut to ₹644; valuation's attractive; 'Buy' retained

mation deals, which would enable it to maintain the growth momentum.

face challenges in the near term due to the COVID-19-induced dislocation, but cloud-related acceleration in demand would keep momentum strong. We are trimming FY21/22 estimates by 2%/6% to build in near-term pain and also tweaking down the target multiple from 16x to 15x (the latter in line with

our cut for the sector). The stock is attractive at 11.5x FY22e EPS in our view. Maintain **Buy** with a revised TP of ₹644 (15x Q2FY22e EPS; ₹704 earlier) as we roll over the valuation to Q2FY22e EPS.

Mode-2 fires up again, offsetting Mode-1 and -3 weakness

Sequential flat revenue growth in spite of the COVID-19 dislocation is attributable to very strong 7% q-o-q growth in the Mode-2 business that largely offset the weakness in the Mode-1/Mode-3 business, down 0.4%/1% q-o-q. ER&D and Financial Services inched down 1.8% qo-q and 1.1% q-o-q, respectively, while

Source: Company data, Edelweiss research

Technology Services grew a robust 7.2% q-o-q. By vertical, Telecom slid 6.6% q-oq, whereas Life Sciences rose 2.3% q-o-q.

Robust margin performance, but COVID-19 will inflict pain HCL Tech, surprisingly, reported margin

expansion of 70bps q-o-q to 20.9% in

FY20 FY21E FY22E 7,59,432 7,97,969 1,76,552 1,88,414 1,13,116 1,19,736 41.7 40.8 44.1 12.6 12.3 11.6 8.3 7.4 7.1 2.0 1.7 1.7

Q4FY20 in spite of the disruption caused by COVID-19. The current pandemic would exert pressure on margins in the near term, and would be followed by a gradual recovery in FY22. We believe management would run a tight ship, thereby maintaining costs and margin that might be further aided by currency tailwinds. Hence, FY21 margins may not erode substantially.

Outlook and valuation: Cloud benefits but virus stings; retain Buy

HCLT has posted robust >10% organic growth in FY20 and is on a strong footing, but COVID-19 will cause short-term volatility.At 11.5x FY22e EPS, the stock is trading at an attractive valuation and a favourable risk-reward. Retain 'BUY/SP'.

FY21/22e estimates down

HCLTECHNOLOGIES (HCLT) delivered another strong quarter vis-à-vis estimates—USD revenues were flat q-o-q while CC revenues were up 0.8% q-o-q; Ebit margin expanded 70bps q-o-q to 20.9%, notably outperforming the estimate of 19.4%. Management abstained from issuing the guidance for FY21 citing uncertainty—in line with other IT players. The company signed 14 large transfor-

We believe the Mode-3 business will

Financials (₹ million) Growth Growth Year to Mar Q4FY20 Q3FY20 (%) Q4FY19 1,81,350 2.5 1,59,900 7,06,780 1,85,900 16.3 Revenue 31.2 47,200 44,700 5.6 35,970 1,66,930 Ebitda 22.7 3.8 1,10,940 Adj. Profit 31,610 30,460 25,760 3.8 22.8 Dil. EPS (₹) 11.6 11.2 9.5 Dil. P/E (x)EV/Ebitda (x) EV/Revenues (x)

financiales.

Advisory, Morningstar Investment Adviser

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The writer is director, Investment

(India). Send your queries to

The writer is founder & CEO, Finway

Money Matters

0.196%

6.167

0.25%

75.74

0.22%

1.0815

Inverted scale

G-SEC

6.167

Apr 24

global cues

76.46

€/\$

the dollar

Euro falls against

Quick

Ind-Ra expects

jewellery sales to

decline 25% in FY21

INDIA RATINGS AND Research (Ind-

Ra) on Monday said it expects jewel-

income. Jewellery demand, which is

primarily driven by marriage season

quarter, has been significantly washed

Bharat Fin aids transactions

worth ₹100 cr in 4 states

INDUSIND BANK-OWNED Bharat

Financial Inclusion said it has facilita-

ted financial transactions worth over

₹100 crore via its network of rural

distribution service points in Karna-

taka, Odisha, Maharashtra and Bihar.

and withdrawals in remote locations.

BSE StAR MF contributes

61% net equity Apr inflow

MUTUAL FUNDS DISTRIBUTOR plat-

₹3,806 crore as net equity inflow in

April, which is 61% of the MF indus-

contributed ₹56,038 crore, which is

try's total ₹6,212 crore. In 2019-20, it

66% of the mutual fund industry's net

inflow of ₹83,781 crore, the BSE said.

Indian Bank donates ₹40L

to Maha CM's relief fund

STATE-RUN INDIAN Bank has contri-

behalf of MD and CEO Padmaja Chun-

general manager in Mumbai, handed

over the demand draft for the amount

buted ₹40 lakh to the Maharashtra

CM's relief fund to fight Covid. On

duru, Sandeep Kumar Gupta, field

to deputy chief minister Ajit Pawar.

form BSE StAR MF contributed

These RDSPs offer services like deposits

and a couple of festivals in the first

to the nationwide lockdown and

overall reduction in disposable

out, Ind-Ra said in a report.

lery sales to decline 25% in FY21 due

₹/\$

Benchmark yield rises

due to selling pressure

Rupee depreciates on

Arkats TUESDAY, MAY 12, 2020



CREDIT CARD BOOST

Hardayal Prasad, SBI Card MD and CEO

It is a little early to say how the credit card industry is going to pan out. I have always been a big votary of digital payments. I think that opportunities will come back. Given whatever is the economic condition, I think transaction through credit cards will continue to see a rise.

REPO CUT IMPACT

ICICI Bank slashes rates on fixed deposits by up to 50 bps

One-year FD rate (%)

HDFC Bank

ICICI Bank

State Bank of India

Punjab National Bank

Bank of Baroda

FE BUREAU Mumbai, May 11

ICICI BANK ON Monday slashed interest rates on fixed deposits (FDs) by up to 50 basis points (bps), following similar rate reductions by its larger peer State Bank of India (SBI). The deepest cuts were made on deposits with maturities of less than one year, with FDs maturing in one year or longer took smaller rate cuts. A one-year fixed deposit with the private lender will now earn 5.7%, down from 5.8% earlier. SBI offers 5.5% on deposits of the same tenure, while one-year FDs with HDFC Bank yield 5.8%.

The rate cuts follow a massive 75 bps reduction in the repo rate on March 27 and record levels of surplus liquidity with banks. Last week, the amount of money banks parked with the Reserve Bank of India (RBI) under its reverse repo window had gone up to over ₹8.5 lakh crore in the absence of credit demand.

Analysts say that in addition to the rate cut and targeted long-term repo operations (TLTRO), the abundance of liquidity in the system is also a result of deposits with banks growing much faster than lending. For the

Source: Banks fortnight ended April 24, deposits grew 9.83%year-on-year(y-o-y)to₹137.11lakh crore, while outstanding credit in the system grew at a much slower 6.67% y-o-y to ₹102.17 lakh crore. "Banks continue to be risk averse and their credit dispersal remains restrained. The surge in the excess of bank funds being parked with the RBI (in the reverse repo facility) even at a low rate of return bears testimony to that," CARE

Acrisis in some categories of debt mutual funds as also falling equities have meant that banks have more room to lower deposit

Ratings said in a report on Monday. The

reverse reporate stands at 3.75%.

rates, given the risk aversion among savers. Certificates of deposit (CDs), too, have turned cheaper, with the one-month CD rate sliding to 4.7% in April from around 5.5% in October 2019. In April, rates on small savings schemes were lowered, effectively giving banks more elbow room to cut deposit rates. Depositors in India have been drawing negative real returns from their FDs for over six months even as consumer inflation has been falling. Bankers say that the near-term trajectory of deposit rates will depend on how other asset classes perform as also the impact of the government's increased borrowing limit on system liquidity.

Lenders extend ICA for Reliance Home Fin resolution till June 30

ANKUR MISHRA Mumbai, May 11

LENDERS TOTROUBLED mortgage financier Reliance Home Finance (RHF) have extended the inter-creditor agreement (ICA) till June 30, 2020, sources in the know of the matter told FE. "First we extended ICA till March in the hope of a resolution, but now it has been extended till June 30," the source added. The extension of ICA holds importance as it signals that banks are still hopeful about a possible resolution for RHF.

As per June 7 circular of the Reserve Bank of India (RBI), lenders need to extend the time period of the pact if an account has not been resolved within 180 days of signing ICA. The lenders had signed ICA in July last year to resolve RHF. "The resolution of the company depends on the kind of offerwe get from management, so far it has not been convincing," a lender told FE on the condition of anonymity.

Financial creditors have a total exposure of ₹3,986 crore to RHF. Bank of Baroda (BoB) is the lead creditor to the troubled home financier. The net loss of RHF doubled in the March quarter to ₹238 crore, compared to a net loss of ₹110 crore in the same quarter last year.

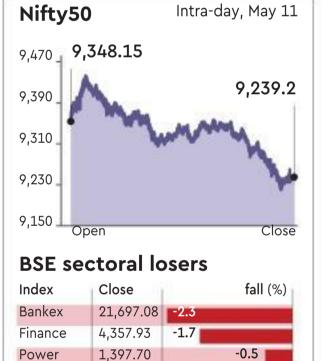
IDBI Trusteeship had earlier taken RHF to the NCLT Mumbai, claiming a payment of ₹2,850 crore with interest for the debentures issued by the company. The parent company, Reliance Capital had also been made a respondent in the application on the alleged ground of security provided on its assets up to ₹707 crore for the debentures of Reliance Home Finance.

SBI Mutual Fund, in November 2019. had completely written down its exposure to RHF, prompting steep cuts in several close ended hybrid schemes of SBI Mutual Fund

Benchmarks end flat on strong profit-booking

FE BUREAU Mumbai, May 11

INDIA'S STOCK MARKETS ended flat on Monday after shedding early gains. The market had started strong amid positive global cues but the last one hour saw strong profit-booking, which dragged down some of the index heavyweights. The benchmark Sensex was down 81.48 points or 0.26% to close at 31,561.22. The 50-share index Nifty was down 12.30 points or 0.13% to lose at 9239.2.



The Nifty50, which climbed 110.7 points during the day's trade, erased its gains by the end of the session. The market was dragged by banking and financial stocks, which remained under pressure for most part of Monday's trade. Concerns over rising slippages in banks kept these stocks under pressure throughout the second half. Deepak Jasani, head of retail research, HDFC Securities, said, "The benchmark indices failed to sustain early gains and ended with marginal loss after profit-booking in the afternoon erased all the intraday gains."

10,025.85

Healthcare 15,237.15

-0.4

According to the data on NSE, the F&O segment of the market witnessed volumes worth ₹8.29 lakh crore against the sixmonth average of ₹14.2 lakh crore. On the other hand, the cash market saw volumes worth ₹46,613 crore against the six-month average of ₹40,898 crore. Market experts said the rising Covid-19 cases in India have also made the investors tense. Going forward, the market is likely to keep its focus on a fiscal stimulus, which is anticipated this

week. Siddhartha Khemka, head — retail research, Motilal Oswal Financial Services, said, "In the near-term, we expect the market to swing either ways depending upon the spread and intensity of Covid-19 cases, development around vaccine and incremental government or regulatory actions to restart the economy." According to him, the investors would also track developments around the US-China trade tensions, key economic data and results of heavyweights.

Foreign portfolio investors (FPIs) who were sellers throughout March and April had turned into buyers as a chunk of shares of HUL were put on the block. On Monday, FPIs bought stocks worth \$70.6 million, according to provisional data on the exchanges, whereas domestic institutional investors sold stocks worth \$108.2 million. FPIs have bought stocks worth \$2.38 billion till May 8. According to a report by Jefferies, large deals such as that in HUL, RIL, Kotak Mahindra Bank, among others, have raised the issue of high equity supply in the weak market conditions."A mitigating factor is the potential increase in India weighting in MSCI EM as the default FII limit has been raised to the sectoral cap. While some companies might choose to bring the FII limit lower, we estimate that it should still warrant an approx 50 basis points increase for India in MSCIEM or passive inflows of more than \$1 billion," Jefferies said, adding that active benchmarked flows might be much larger but could take longer to take effect.

The biggest losers on the Niftywere ICICI Bank, BPCL, Dr Reddy's Lab, Kotak Mahindra Bank and HUL, down 4.6%, 3.1%, 2.9%, 2.5%, and 2.1%, respectively. The biggest gainers were Hero MotoCorp, Tata Motors, Bharti Infratel, Bajaj Auto and Maruti Suzuki, up by 6%, 5.92%, 5.91%, 5.8%, and 5.7%, respectively. Automobile stocks dominated the list of winners after the reports that certain auto dealerships have started opening. Sectorally, the biggest losers were Nifty Private Bank, Nifty Bank, Nifty Financial Service, Nifty PSU Bank and Nifty Pharma. The biggest gainers were Nifty Auto, Nifty Media, Nifty IT, Nifty Metal and Nifty Realty. Broader market indices were trading mixed with Nifty Midcap up by 0.5% and Nifty Smallcap was down by 0.1%.

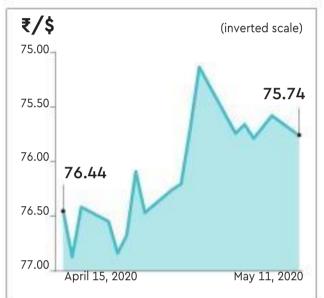
Meanwhile, markets in Asia ended the day higher after economies around the world have started exiting lockdowns. Exchanges in Singapore, Taiwan and Hong Kong were up between 0.7% and 1.5%. In Europe, bourses in the UK, Germany and Francewere down between 0.3% and 1.6%.

Rupee drops 19p to 1-week low of 75.73

PRESS TRUST OF INDIA Mumbai, May 11

THE RUPEE ON Monday declined by 19 paise to close at a one-week low of 75.73 against the US dollar due to fiscal deficit concerns as the government raised its market borrowing programme for 2020-21 in view of the Covid-19 pandemic. Forex traders said while positive domestic equities supported the local unit, market participants were concerned about the impact of increased borrowing on the fiscal deficit.

A foreign brokerage on Monday estimated the fiscal deficit to come at 5.8% of the GDP in 2020-21 against the budget target of 3.5% as the government increased the borrowing programme.



to 0.5% for the current fiscal.

The local unit opened at 75.55, then lost further ground and finally settled at 75.73 against the greenback, down 19 paise over its previous close of 75.54 on Friday. During the day, the local unit saw an intra-day high of 75.55 and a low of 75.77.

The dollar index, which gauges the greenback's strength against a basket of six currencies, was trading 0.33% up at 100.06. Brent crude futures fell 1.97% to \$30.36 per barrel.

The Financial Benchmark India (FBIL) set the reference rate for the rupee/dollar at 75.4411 and for rupee/euro at 81.7983. The reference rate for rupee/British pound was fixed at 93.4967 and for rupee/100

Analysts at Bank of America also revised down their GDP growth estimate Japanese yen at 70.93. ANALYST CORNER

SBI General Insurance profit rises 23% y-o-y in 2019-20



FE BUREAU Mumbai, May 11

SBI GENERAL INSURANCE saw its net profit increase 23.3% year-on-year to ₹412 crore in 2019-20. The general insurer also saw rise in its gross written premium (GWP) and made underwriting profits in the last financial year.

SBI General Insurance, which has a market share of 3.59%, saw its GWP at ₹6,840 crore in 2019-20 compared to ₹4,717 crore a year ago, a growth of 45%. Bancassurance has been traditionally a key strength, but SBI General Insurance has been able to maintain strong growth across other channels be it agency, OEM, broking, among others.

Pushan Mahapatra, MD and CEO at SBI General Insurance, said, "Growth has been evident across all lines of businesses. New tie-ups and improved business from existing tie-ups in motor, higher branch activations, better penetrations across the banca network, robust growth in corporate, SME and crop business has also contributed to the growth."

The general insurer saw fall in its underwriting profits at ₹61 crore in the last financial year compared to ₹79 crore in 2018-19. SBI General Insurance reported a combined ratio of 98% in FY 19-20. The combined ratio is a measure of the profitability of an insurance company's underwriting business. A ratio below 100% usually indicates that the insurance company generates a margin in its insurance operations, while a ratio above 100% usually indicates that insurance company is paying out more money in claims and operating expenses than it is receiving from premiums.

The solvency ratio for SBI General Insurance stood at 2.27 times in the last fiscal. "We have been focusing on digital transformation in last 2 years both in terms of customer facing digital assets as well as internal processes. This has improved our overall customer experience in terms of claim processing and policy issuance. We are also scaling up our product bouquet with instant insurance solutions for the ease of consumers," added Mahapatra.

Maintain 'reduce' on Shree Cement, fair value at ₹15,500 For FY20, cement Ebitda of ₹1,474/-

KOTAK INSTITUTIONAL EQUITIES

SRCM'S Q4FY20 EBITDA was ahead of our estimate led by lower costs and better volumes. Despite weak demand, sharp price hikes resulted in a record margin at ₹1,474/tonne (+52% y-o-y) in FY20. We expect industry demand to decline 15-20% y-o-y in FY21E due to Covid-19 disruptions. However, SRCM, with a strong balance sheet, should weather the storm. We have cut Ebitda by 23/11% for FY21/22E and revised fair value to ₹15,500 (₹16,600). Maintain 'reduce'.

SRCM reported Q4 sales of ₹3,220 crore (-2% y-o-y, +13% q-o-q), Ebitda of ₹1,080 crore (+27% y-o-y, +27% q-o-q) and net income of ₹590 crore (+83% yo-y, +90% q-o-q) against our estimate of ₹3,100 crore, ₹990 crore and ₹410 crore, respectively. Power is no longer classified as a separate segment. Cement realisation rose to ₹4,659/tonne (+4% y-o-y, +2% q-o-q) given the strong pricing environment in north India. Whereas costs at ₹3,097/tonne (-7% y-o-y, -3% q-o-q) were lower than our estimate mainly due to inventory adjustment and lower other expenses. Higher-than-expected volumes (-5% yo-y, +11% q-o-q; KIE: -10% y-o-y) resulted in a record Ebitda of ₹1,562/tonne (+35% y-o-y, 15% q-o-q).

tonne (+52% y-o-y) was led by +13% yo-y realisation partly offset by 2% y-o-y higher costs and 4% y-o-y decline in volumes. UAE division's revenue was ₹960 crore (+16% y-o-y) with Ebitda of ₹360 crore (-8% y-o-y) in FY20. Despite restart of operations from

mid-April 2020, we expect only a gradual ramp-up in plant utilisations in H1FY21E due to Covid-19. Given Covid-19 impact during peak demand months of April-May, we expect the industry to witness a 15-20% y-o-y demand decline in FY21E. However, given low utilisation for SRCM (60% in FY20), we estimate only a 10% y-o-y volume decline in FY21E factoring higher market share. Margins would suffer from negative operating leverage but should be partially offset by deflation in variable costs and stable prices. SRCM had planned to increase capacity from 40.4mtpa currently to 46.4 mtpa by H1FY21E. However, we expect a six-month delay and expect commissioning by 2HFY21E

We have cut our Ebitda by 23/11% mainly led by 17/13% lower volumes for FY21/22E. We revise our fair value to ₹15,500/share at an unchanged 10X EV/Ebitda March 2022E. We maintain 'reduce' on expensive valuations—20X/13X EV/Ebitda and US\$185/180/ton EV FY2021/22E.

Retain 'add' on United Spirits

CONSENSUS VIEWS TAX hikes as an incremental negative for USL. We do not agree in its entirety. Yes, higher taxes potentially leads to volume pressure and downtrading; however, growth in overall operating profit and importantly profit per unit of volume sold is more important, in our view (if the industry has consolidated market construct and high entry barriers). We remain confident of USL's ability to delivery profit growth ahead of revenue growth through positive operating leverage (in H2FY21) and likely deflationary cost environment. Sharp fall in crude prices potentially leads to lower prices for ENA and for glass (key inputs). Potential new models of distribution (online ordering and home delivery), if sustained, can be a structural positive for the industry. Retain 'add'.

We note the Catch22 situation that the state governments are currently in — need for liquor sales to boost state

revenues but at the same time difficulties in ensuring adherence to social distancing norms. We believe that the current situation presents an opportunity for the alcobev industry to get authorisation for online ordering and home delivery distribution route. If the new model of delivery is sustained, it can be a structural positive for the alcobev industry. Sharp fall in crude prices potentially makes ethyl alcohol blending for fuel as ineffective, thereby reducing demand and prices for ENA. We also expect margin tailwinds from potentially lower packaging material costs (glass prices). In the medium-term, tax hikes could

put pressure on volume growth and even lead to the resurgence of the dreaded "downtrading". However, this could potentially result in (relative) easing of competitive intensity as Pernod Ricard gets more impacted (which has a premium portfolio and not much presence in popular or mass segment). There is also the near-term fillip to sales through stock-up by consumers.

Insurers' new premium income dips 33% in April

FE BUREAU Mumbai, May 11

LIFE INSURANCE PLAYERS in the country saw first-year premiums decline 32.60% year-on-year (y-o-y) in April as India continued to remain under lockdown to contain the spread of the novel coronavirus. Insurers which were focused on selling term plans fared better in April compared to players dependent of bancassurance channel, industry experts said. Data from the Insurance Regulatory and Development Authority of India (Irdai) showed that first-year premium for the life insurance industry stood at ₹6,727.74 crore in April compared to ₹9,981.88 crore in April 2019. State-run Life Insurance Corporation of India (LIC) also sawits first-year premium down 32.01% to

₹3,581.65 crore in April. Rushabh Gandhi, deputy chief executive officer of IndiaFirst Life, says the life insurance industry has de-grown in April due to the extended lockdown in the country. "Bancassurance companies were adversely



affected as banks were guided to conduct select core banking activities only. Branch walk-ins have also fallen thereby limiting cross-sell opportunities," said Gandhi.

Players like Bajaj Allianz Life Insurance, Edelweiss Tokio Life and Tata AIA Life, among others, saw growth in the range of 26-47% in first-year premium in April. Aditya Birla Sun Life Insurance saw its firstyear premium at ₹261.75 crore against ₹118.83 crore in April last year, clocking a growth of 120.28%. While players like HDFC Standard Life, ICICI Prudential Life and Kotak Mahindra Life saw first-year premium decline 53-62% in April. But SBI Life Insurance saw a flattish growth in April.

According to a Kotak Institutional Equities report, SBI Life's individual annualised premium equivalent (APE) declined 73% (yo-y)."The company has a high share of ULIPs and dependence on bancassurance channel. Additionally, protection product is yet to pick up pace through the agency channel. SBI Life's ability to manage end-to-end digital product delivery will remain crucial in the current environment," said the report. APE is a measure of new business written by a life insurance company.

While there is a lot of attraction towards term plans and guaranteed products, investors prefer to stay away from ULIPs. "For saving and investment plans, investors are waiting for the situation to normalise. We are hopeful that the demand for Ulips will pick up once the market stabilises over the next few months. The announcements made in the Budget are not the reason for the low April numbers — the drop is purely because of the lockdown," added Gandhi.

ICICI SECURITIES

financiales.