

SECTOR WATCH

AVIATION

Series of crashes to push insurance premium, renewal costs for airlines

Global aviation insurance market hit by underwriting losses in last 4-5 years

MAJOR HULL-LOSS ACCIDENTS IN LAST 16 MONTHS

DATE	AIRCRAFT	AIRLINE
01/13/18	Boeing 737	Pegasus Airlines
02/11/18	Antonov An148	Saratov Airlines
02/18/18	ATR 72	Iran Aseman Airlines
02/28/18	Airbus A320	SmartLynx Airlines Estonia
03/12/18	DHC-8	US Bangla Airlines
05/18/18	Boeing 737	Cubana
10/29/18	Boeing 737 MAX	Lion Air
02/23/19	Boeing 767	Atlas Air (Amazon)
03/09/19	Douglas DC-3	LASER Aereo Colombia
03/10/19	Boeing 737 MAX	Ethiopian Airlines
05/03/19	Boeing 737	Miami International Airlines
05/05/19	Sukhoi SuperJet 100	Aeroflot

Source: Aviation Safety Network; dates in mm/dd/yy format

GEORGE MATHEW & PRANAV MUKUL

MUMBAI/NEW DELHI, MAY 6

FOUR MAJOR aircraft accidents across the world in the last seven months have sent wake turbulence towards Indian aviation companies, which face hefty hikes in insurance renewal costs for the current year.

The recent crashes involving two Boeing 737 MAX aircraft operated by Lion Air and Ethiopian Airlines, followed by a water landing of a Miami International Airlines-operated Boeing 737 and crash landing of a Sukhoi SuperJet 100 flown by Aeroflot are set to push insurance renewal costs up between 10-100 per cent.

Sources in the insurance sector pointed out that the aviation insurance market has been hardening for the last one year and the recent accidents will further push up the premium, with experts saying insurance costs could double in some cases in the next few months.

India's national carrier Air India's insurance renewal cost recently almost doubled to around \$28 million this year, as a host of adverse factors put an end to the days of discounts in the segment.

Global aviation insurance market has been hit by underwriting losses during the last four or five years.

In the last sixteen months, the aviation industry has seen at least 12 major accidents resulting in loss of hull, meaning damage to the aircraft beyond repair. These include the Boeing 737 crash in May last year operated by Cuba's national carrier Cubana, resulting in the death of 112 people.

In February this year, a Boeing 767 cargo plane operated by Atlas Air for e-commerce giant Amazon crashed killing all three on board.

"Besides, the current

grounding of Boeing 737 MAX due to the software glitches that led to two crashes has complicated the situation in the international aviation reinsurance market. While re-insurers led by AIG have been trying mobilise global premiums of over \$1.8 billion to make up losses, they have been hardly able to garner \$1 billion which is not taking care of losses.

"So all the airlines which have claims have been saddled with 50-100 per cent rise in premium, while the airlines which do not have claims are facing 10- 20 per cent hike. The situation is not going to be calm down soon," said a source in the London insurance market.

India has several large aviation insurance accounts including IndiGo, Vistara, Air Asia, SpiceJet and GoAir that face a tough market when they become due for renewal over the next few months, aviation insurance analysts observed.

"Aviation insurance cost was already on the rise. The crash of the Aeroflot plane due to lightning strike on Monday will put further pressure in the insurance market," said one source.

On March 10, an Ethiopian Airlines passenger jet bound for Nairobi had crashed minutes after take-off, killing all 157 people on board, raising questions about the safety of the Boeing 737 MAX 8, a new model that also crashed in Indonesia in October.

GIC Re has a 3 per cent exposure in Ethiopian Airlines insurance cover and would be settling the claims proportionately soon for the crashed aircraft.

Insurers typically form a consortium to share the risks of large claims, with the lead insurer taking a larger proportion of the risk. The insured value of the plane itself was likely around \$50 million (£38 million).

BOTH THE BENCHMARK INDICES NEARLY 1% DOWN

Sensex, Re fall as US-China trade tensions re-emerge

ENS ECONOMIC BUREAU

MUMBAI, MAY 6

THE RUPEE and the benchmark Sensex on Monday plunged after US President Donald Trump threatened to raise tariffs on China, triggering a global rout in risky assets.

The rupee fell by 18 paise to close at 69.40 against the US dollar as renewed trade war worries made the forex market nervous.

The BSE gauge Sensex opened on a weak note at 38,719.33 against its previous close of 38,963.26 and lost further ground as the trade progressed and hit a low of 38,509.79 during the day before finally settling at 38,600.34, down 363 points or 0.93 per cent.

The broader NSE Nifty started off the session on a bearish note at 11,605.80 and fell to a low of 11,571.35 before settling the day at 11,598.25, losing 114 points or 0.97 per cent.

Trump on Sunday said he would raise tariffs on \$200 billion worth of Chinese goods this week and target hundreds of billions more soon. On Friday, he had cited good progress in trade talks and praised his relationship with Chinese President Xi Jinping.

"Everyone expected talks were heading in the right direction and almost close to finishing.

EXPLAINED

Weak ₹, mixed bag of quarterly results also impact sentiment

MARKETS SLID as unexpected threat to US-China trade tariffs influenced investors to book profit. Weak rupee and mixed bag of quarterly results further impacted the sentiment while consolidation in oil prices and 10-year yield are the positive triggers for the Indian market, analysts said.

Chinese bourses sank led by Shanghai Composite Index that plunged 5.58 per cent. Benchmark indices of Japan, Hong Kong and South Korea also witnessed sharp declines. European equities were also trading significantly lower in early trade.

This was totally out of the blue and the reaction is that we have more risk aversion today," said an analyst. Besides, the rupee fall and mixed quarterly results further hit the investor's sentiment in the domestic equity market.

In the Sensex pack, private sector lender Yes Bank emerged as the top loser with 5.30 per cent fall after ratings downgrade. Other major laggards were Tata Motors, Bajaj Finance, Tata Steel, HDFC and IndusInd Bank with losses up to 4.49 per cent.

Sectorally, BSE consumer durables, metals, realty, capital goods and auto indices fell up to

2.82 per cent. The broader BSE midcap and smallcap indices too ended up to 0.85 per cent lower.

Vinod Nair, head of Research, Geojit Financial Services, said, "Markets slid as unexpected threat to US-China trade tariffs influenced investors to book profit. Weak rupee and mixed bag of quarter results further impacted the sentiment while consolidation in oil prices and 10-year yield are the positive triggers for the Indian market. Any further escalation in trade tensions may impact the flow of foreign funds to the domestic market which may lead to sideways movement in

'M&A DEAL VALUE IN HOSPITAL SECTOR JUMPED BY 155% IN FY19'

₹7,615 cr: Total value of M&A transactions in the hospital sector in FY19 recorded an increase of 155 per cent amounting to Rs 7,615 crore, the highest value in the sector in over five year

₹2,991 cr: In FY18, total value of M&A transactions was worth Rs 2,991 crore

70%: Hospital industry is capital intensive on account of high real estate and significant medical equipment costs and the private sector accounts for almost 70 per cent of healthcare spend in the country

Despite the stress on performance due to regulatory restrictions, the value of merger and acquisition (M&A) deals in hospital sector jumped by record 155 per cent at Rs 7,615 crore in FY19, according to a report by rating agency Icria

LARGEST TRANSACTIONS: Two largest transactions in FY19 were acquisition of stakes Fortis Healthcare for around Rs 4,000 crore, Max Healthcare for Rs 2,351 crore

FORTIS' ACQUISITION: The acquisition of shares in Fortis Healthcare had been done at a price of Rs 170 per share, against the then prevailing market price of Rs 144 per share, noting that as this was a primary infusion, the post-money valuation stood at Rs 152 per share.

MAX HEALTHCARE: The agreement to acquire shares in Max Healthcare was announced with equity value of Rs 4,298 crore for the



healthcare business against the then prevailing market value around Rs 2,170 crore of Max India, which also includes the health insurance business under Max Bupa Health Insurance as well as Antara Senior Living

HEALTHY APPETITE: Premium paid reflects the healthy appetite for quality healthcare assets from the global reputed investors, despite the recent under performance of the sector

ICICI Bank standalone profit down 5%

ENSECONOMIC BUREAU

MUMBAI, MAY 6

ICICIBANK, which has suffered reverses following a spike in bad assets and also the dismissal of its chief executive Chanda Kochhar over governance issues, posted a five per cent fall in standalone net profit at Rs 969 crore for the three months ended March 2019 as against Rs 1,020 crore a year ago.

However, aided by the subsidiaries, the bank posted a 2.45 per cent rise in consolidated net profit for the March quarter at Rs 1,170 crore against Rs 1,142 crore in the same period a year ago.

For the full year, its profit plunged to Rs 3,363 crore from Rs

The bank posted a 2.45 per cent rise in consolidated net profit for the March quarter at ₹1,170 crore

6,777 crore in FY 2018.

The net NPA ratio decreased from 2.58 per cent as of December 2018 to 2.06 per cent as of March 2019. The provision coverage ratio on non-performing loans, including cumulative technical/prudential write-offs, increased by 440 bps sequentially to 80.7 per cent on March 31, 2019, further strengthening the balance sheet.

Excluding cumulative techni-

cal/prudential write-offs, the provision coverage on non-performing loans was 70.6 per cent as compared to 47.7 per cent as of March 2018. The gross additions to NPA were Rs 3,547 crore. However, gross NPAs declined from Rs 54,062 crore in March 2018 to Rs 46,291 crore by March 2019.

During the quarter, the bank wrote off Rs 7,300 crore of loans and the overall provision coverage ratio improved to 80 per cent from 60 per cent. Share of the advances to companies rated BB and below dipped marginally to Rs 17,525 crore.

The bank classified a Rs 276-crore exposure to the crisis-ridden IL&FS as non-performing during

the quarter, for which it has a provision of Rs 145 crore. It also has a non- fund exposure of Rs 545 crore to the group and has set aside Rs 468 crore as provisions against it.

The bank witnessed a 14 per cent growth in corporate advances during the year, 20 per cent in small businesses, while the overseas book shrunk. It refused to share an outlook for FY20, maintaining that it will grow faster than the industry. The bank saw a 16 per cent deposit growth in FY19 and the share of the low-cost current and savings account deposits stood at 49 per cent. Its standalone capital adequacy stood at 16.89 per cent, including 15 per cent in tier-I.



Members of US and China delegation led by Chinese Vice Premier Liu He, US Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer, after their meeting in Beijing. AP file photo

As recently as Friday, Trump had cited progress towards a deal.

The United States is demanding sweeping changes to China's economic policies, including better protection of US intellectual property, ending forced technology transfers and cyber theft of American trade secrets. Washington also wants more access to China's vast markets for US companies, curbs on industrial subsidies and increased purchases of American products.

Trump appeared to defend his decision in a tweet early on Monday, lashing out over the US trade deficit with China. He also said he spoke with Japanese Prime Minister Shinzo Abe on trade in a "very good conversation." "With China we lose 500

India, US to explore 'suitable solutions' to outstanding trade issues: Govt

ENS ECONOMIC BUREAU

NEW DELHI, MAY 6

INDIAN COMMERCE Minister Suresh Prabhu and US Commerce Secretary Wilbur Ross Monday discussed "various outstanding trade issues" and agreed to explore "suitable resolutions", according to the Ministry of Commerce.

"Both sides agreed to engage regularly at various levels to resolve outstanding trade issues by exploring suitable solutions, which are mutually beneficial and promote economic development and prosperity in both countries," stated the ministry in a release following the meeting.

"Both sides agreed to deepen economic cooperation and bilateral trade by ensuring greater co-operation amongst stakeholders, including Government, businesses and entrepreneurs," it added. The bilateral meet has taken place ahead of the US Trade Winds Business Forum and India initiative, which will take place in Delhi until May 10, 2019.

While the ministry did not elaborate on which outstanding trade issues were discussed specifically, the US Commerce Secretary earlier on Monday reportedly said that he would be taking up issues related to Foreign Direct Investment in India's new e-commerce policy draft.

The draft has been one of several points of contention between the two countries, with the US terming aspects of the policy as "most discriminatory and trade-distortive".

India's e-commerce rules have reportedly hit local operations of US e-commerce giants like Amazon and Walmart.

Apart from this issue, the US has been at loggerheads with India over price caps on high-priced life saving and essential medical devices like stents and knee implants in 2017. India, on the other hand, has been considering its next step after the US in March decided to "terminate" its status as a beneficiary of the

■ **US Commerce Secretary earlier on Monday reportedly said that he would be taking up issues related to FDI in India's new e-commerce policy draft**

■ **The United States has been at loggerheads with India over price caps on high-priced life saving and essential medical devices**

Generalised System of Preferences programme for failing to provide assurances that the US would get "equitable and reasonable" access to Indian markets in numerous sectors.

Under the programme, certain products can enter the US duty-free if beneficiary developing countries meet the eligibility criteria established by the US Congress. The US' 60-day notice to India expired on May 3 and exports worth \$5.6 billion from India, including raw materials, articles of iron or steel, aluminum, furniture, electrical machinery and intermediaries across sectors such as organic chemicals and engineering goods are expected to be impacted.

India has also been mulling retaliatory tariffs on 29 products like almonds and apples since 2018 after the US raised import duties on steel and aluminum exported from the country. However, the finance ministry here deferred its decision to impose these retaliatory tariffs once again on May 3.

The extension came in the backdrop of the United Nations Security Council's designation of Jaish-e-Mohammed chief Maulana Masood Azhar as a global terrorist after three countries, including the US, pressured China to lift its hold on a proposal to do so. India had been pushing for the international listing of Azhar following the Pulwama attacks earlier this year. **WITHPTI**

Ratan Tata invests in Ola Electric Mobility

PRESS TRUST OF INDIA

NEW DELHI, MAY 6

RIDE HAILING major Ola Monday said Ratan Tata, Chairman Emeritus of Tata Sons, has invested in its EV business - Ola Electric Mobility (OEM).

This investment, which is part of OEM's series A round of funding, is in Tata's personal capacity, Ola said in a statement.

Details of the funding were not disclosed.

"His investment in Ola Electric will bring his deep experience and mentorship to the company's ambitions to make electric mobility viable at scale," it added.

Tata is also an early investor in ANI Technologies, Ola's parent company. He had invested in ANI Technologies in July 2015.

In March this year, OEM had announced raising Rs 400 crore in a funding round led by Tiger Global and Matrix India.

"The electric vehicle ecosystem is evolving dramatically

every day, and I believe Ola Electric will play a key role in its growth and development," Tata said.

Ola Electric is currently running several pilots involving charging solutions, battery swapping stations, and deploying vehicles across two, three and four-wheeler segments.

Bhavish Aggarwal, co-founder and CEO of Ola said Tata has been a mentor to him personally, and an inspiration in shaping Ola's journey over the years.

"I'm very excited to welcome him on board Ola Electric as an investor and a mentor.... We are privileged to have his guidance and support once again, as we work towards our goal of a million electric vehicles in India by 2021," he added.

OEM was initially established to enable Ola's electric mobility pilot programme in Nagpur.

In 2018, Ola subsequently announced 'Mission: Electric' to bring 1 million electric vehicles on Indian roads by 2021.

Trump tariff threat leaves US-China talks in limbo as markets slip

REUTERS

BEIJING/WASHINGTON, MAY 6

US PRESIDENT Donald Trump's escalation of a trade war with China left plans in limbo on Monday for high-level negotiations later this week to end the dispute.

Stocks around the world tumbled and oil prices hit a one-month low after Trump tweeted on Sunday that he would raise tariffs on \$200 billion worth of Chinese goods to 25 per cent from 10 per cent by the end of the week, and would "soon" target the remaining Chinese imports with tariffs. The announcement ended a four-month truce in a trade war that has cost the world's two

largest economies billions of dollars, slowed global growth and disrupted manufacturing and farming. It was unclear on Monday whether Chinese Vice Premier Liu He would travel as planned to Washington for talks scheduled to start on Wednesday. A Washington-based source familiar with the talks said the Chinese side was reconsidering whether Liu would attend after Trump's tweet.

"The atmosphere of the negotiations has changed," said a Chinese official with knowledge of the talks, and how they would proceed was being re-evaluated.

"All that depends on the attitude of the United States," the official said. A Chinese delegation was still preparing to go to the

United States for trade talks, Chinese Foreign Ministry spokesman Geng Shuang said earlier on Monday in Beijing, without saying whether Liu would be part of it. A spokesman for the US Trade Representative's office did not immediately respond to a query about the status of the talks in Washington and Liu's attendance.

Trump's comments on Sunday came as a surprise after he and members of his team had repeatedly said the two sides were making progress on a deal. Tensions between the two countries had eased as talks progressed after Trump and Chinese President Xi Jinping agreed to a truce in the trade war in late November.

McD, Bakshi working on out-of-court settlement

PRESS TRUST OF INDIA
NEW DELHI, MAY 6

ESTRANGED PARTNERS McDonald's and Vikram Bakshi Monday told the NCLAT that they are working towards an out-of-court settlement to end their over five-year-old dispute.

Counsels for McDonald's India Pvt Ltd and Vikram Bakshi told a two-member National Company Law Appellate Tribunal (NCLAT) bench, headed by Chairperson SJ Mukhopadhyay, that they are trying to work out a settlement.

The bench directed that either of the parties may file an affidavit including the terms of the settlement being arrived at on the next date of hearing on May 13.

"... parties submit that they are negotiating for settlement but the impugned order may come in their way of settlement. In the facts and circumstances, we allow the parties to reach settlement uninfluenced by any of the order passed by the Tribunal or this Appellate Tribunal," said NCLAT. The Tribunal also gave them additional time to file the affidavit.

"Post both the appeals 'for orders' on 13th May, 2019 and earlier date (8th May) fixed stands modified," it said.

Emission fiasco: No coercive action against Volkswagen, says SC

PRESS TRUST OF INDIA
NEW DELHI, MAY 6

IN A relief to German auto major Volkswagen, the Supreme Court on Monday restrained the Centre from taking any "coercive" step against it for non-submission of Rs 500 crore fine imposed by the National Green Tribunal (NGT) for damaging environment through use of "cheat device" in its diesel cars in India.

The court order came on the eve of the deadline set by the NGT for Volkswagen India Private Limited, Indian subsidiary of German auto major, to deposit the fine with the Central Pollution Control Board (CPCB).

"Issue notice. In the meantime, no coercive steps shall be taken against the appellant viz., Volkswagen India Private Limited," a bench of justices S A Bobde and S Abdul Nazeer, said.

The bench was hearing separate appeals filed by the auto major and the Inter Continental Association of Lawyers against the March 7 order of the NGT imposing the Rs 500-crore fine. The company has already deposited Rs 100 crore with the CPCB.

Senior advocate A M Singhvi, appearing for the auto major, said that the company was being penalised on the basis of a set of

Services sector activity at 7-month low in April: PMI

PRESS TRUST OF INDIA
NEW DELHI, MAY 6

THE COUNTRY'S services sector activity fell to a seven-month low in April owing to softer rise in new business and disruptions arising from the elections, a monthly survey showed Monday.

However, predictions that economic conditions will normalise after the elections underpinned optimism regarding the outlook and supported a stronger upturn in employment.

The seasonally adjusted Nikkei India Services Business Activity Index, fell from 52 in March to 51 at the start of the 2019 financial year, pointing to the weakest upturn in output since last September. Despite the moderation, the services PMI was in the expansion territory for the 11th straight month. In PMI parlance, a print above 50 means expansion, while a score below that denotes contraction.

"Although the Indian private sector economy looks to be settling into a weaker growth phase, much of the slowdown was linked to disruptions arising from the elections and companies generally foresee improvements once a government is formed," said Pollyanna De Lima, Principal

Despite the moderation, the services PMI was in the expansion territory for the 11th straight month; a print above 50 means expansion, while a score below that denotes contraction

Economist at IHS Markit, and author of the report.

However, poll was not the only reason cited for the slowdown. In the service sector, competitive conditions and a shift towards on-line bookings among customers reportedly restricted new business gains and in turn growth of activity, Lima said. On the employment front, buoyed by ongoing improvements in new work and optimistic growth projections, service providers placed more people in jobs during April.

Meanwhile, the seasonally adjusted Nikkei India Composite PMI Output Index, that maps both the manufacturing and services industry, fell from 52.7 in to 51.7 in April, indicative of a slight pace of expansion in aggregate activity that was weaker than seen on average over the series history.

'Fall in ITRs in FY19 due to inclusion of past AY's return filings'

PRESS TRUST OF INDIA
NEW DELHI, MAY 6

THE INCOME Tax Department Monday sought to justify a sharp 6.6 lakh drop in the number of I-T returns (ITRs) filed online during 2018-19 saying the number shown on its e-filing website for the financial year included returns of previous fiscal years.

While the tax department's e-filing website showed returns filed in 2018-19 fell to 6.68 crore from 6.74 crore in the previous fiscal, the Central Board of Direct Taxes (CBDT) in a statement on Monday clarified that the returns filed included those of previous assessment years, excluding which returns filed in 2018-19 showed an almost 19 per cent rise.

But the tax department had in the past taken returns filed in a fiscal year as a composite number to show an year-on-year increase.

The last such statement by the department had come on April 2, 2018, stating the number of ITRs filed in 2017-18, and it did not issue a statement this year on returns filed in 2018-19. The CBDT said the 6.74 crore income tax returns filed in the 2017-18 fiscal included 5.47 crore ITRs for Assessment Year (AY) 2017-18.

ON THE BACK OF ONE-TIME GAIN OF ₹2,022 CRORE

Bharti Airtel records surprise Q4 net profit of ₹107.2 crore

Company had posted a net loss of around ₹1,200 crore in preceeding quarter

ENS ECONOMIC BUREAU
NEW DELHI, MAY 6

BHARTI AIRTEL on Monday was able to beat analysts estimates by posting a surprise consolidated net profit of Rs 107.2 crore, during the January-March quarter, up 24.36 per cent compared to the preceding quarter, on the back of a one-time gain of Rs 2,022 crore.

Before this exceptional gain, the company posted a net loss of around Rs 1,200 crore, wider than Rs 1,041 crore, (before exceptional gain) in the preceding quarter.

For the last more than four quarters, Bharti has been posting a consolidated net profit on the back of exceptional gains.

Bloomberg consensus estimates had pegged the company's consolidated net loss at Rs 966 crore during the quarter.

FOURTH QUARTER REVENUES AT ₹20,602 CR

■ Revenues in Q4 grew 1.83 per cent on sequential basis to Rs 20,602 cr, which was slightly below expectations; Ebitda at Rs 6,631 cr was up 5.14 per cent compared to the preceding quarter

■ Bharti did not disclose its average revenue per user during the quarter but analysts estimate that it would certainly be higher than Rs 104 it announced in the preceding quarter

Revenues during the quarter grew 1.83 per cent on a sequential basis to Rs 20,602 crore, which was slightly below expectations. Ebitda at Rs 6,631 crore was up 5.14 per cent compared to the preceding quarter and above estimates, while margin was 32.2 per cent against 30.7 per cent in the preceding quarter, again above estimates.

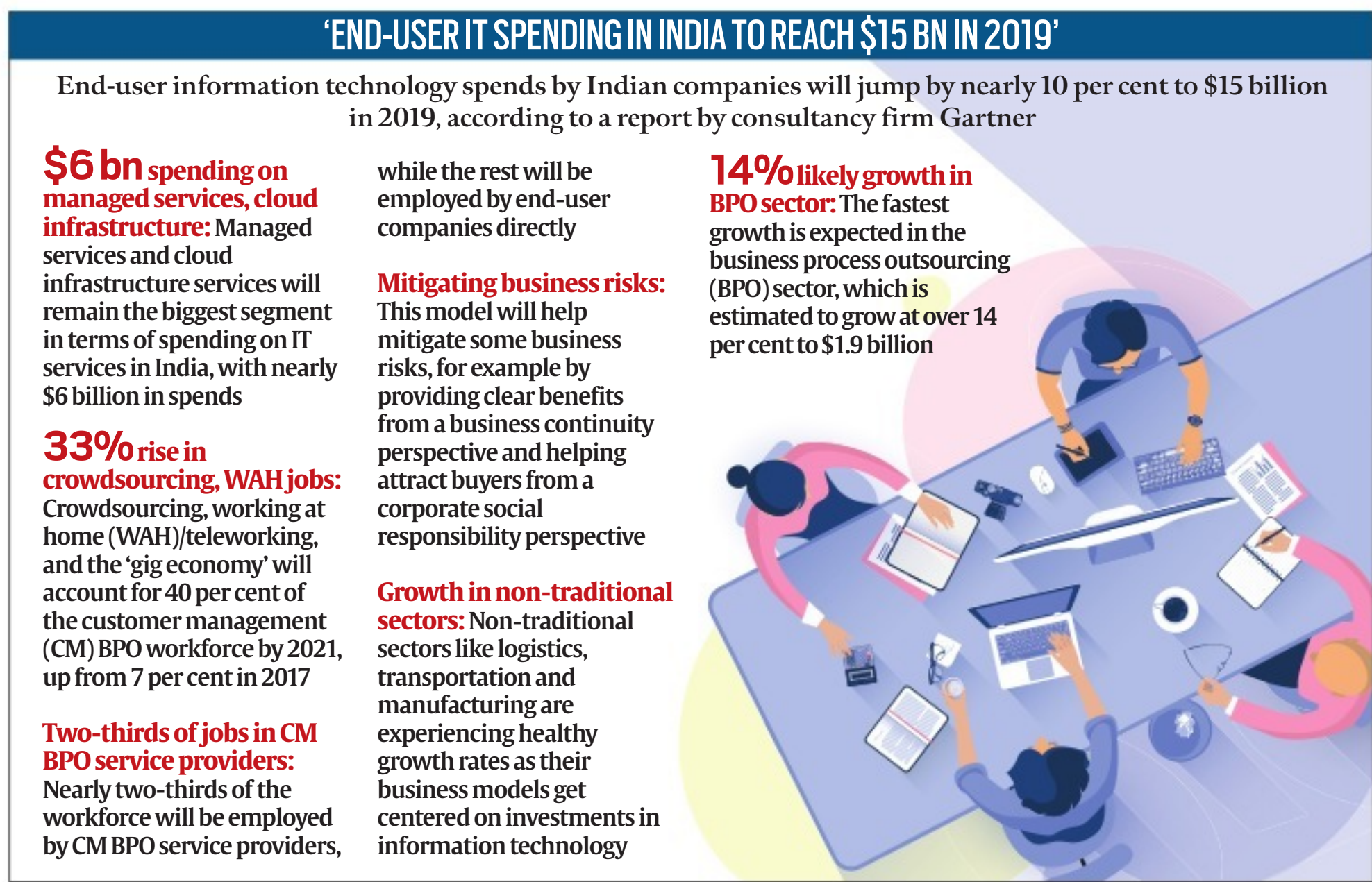
The India mobile services revenue were up 4.35 per cent sequentially at Rs 10,632.3 crore. Incumbent operators like

Bharti Airtel have been facing competitive pressure from Reliance Jio for last several quarters and have been trying to bring about measures to make up for the loss accruing to them by providing below cost tariffs. In one such measure, in October 2018, Bharti Airtel decided to weed out those customers from its network who do not recharge every month for a minimum Rs 35. The most striking aspect about this measure was that during the December quarter

the company lost 48 million users and now trails Reliance Jio in terms of total subscribers.

Though the company did not disclose the subscriber numbers during the end of March quarter, analysts estimate that it must be lower than 284 million it reported at the end of December quarter. Bharti did not disclose its average revenue per user (ARPU) during the quarter but analysts estimate that it would certainly be higher than Rs 104 it announced in the preceding quarter. Roughly, it could be around Rs 120 as the company had announced an exit ARPU of Rs 118 at the end of the December quarter.

In the January-March period, Bharti's competitor Reliance Jio posted disappointing numbers on almost all fronts by missing analysts estimates. Vodafone Idea is yet to announce its earnings for the quarter. **FE**



Potential applicants seek Orchid Pharma FY19 financials before submitting resolution plan

ENSECONOMIC BUREAU
CHENNAI, MAY 6

THE POTENTIAL resolution applicants for Orchid Pharma, which is undergoing a fresh round of bidding process, have sought provisional financials of the company for 2018-19 to be shared with them prior to submission of the resolution plan. The last date for submission of the resolution plan by potential investors is May 10.

According to an Orchid Pharma filing with the stock exchanges, the committee of creditors (CoC) of the company, in a meeting held on May 3, had been informed that the potential applicants want to possess provisional financials for the year ended March 31, 2019, before submission of resolution plans.

However, the resolution professional (RP) said the statutory audit for 2018-19 would not be completed before the due date for submission of resolution plans, as the audit is for the entire fiscal. As Orchid Pharma is a listed entity and the details sought for are price sensitive, the RP informed the CoC that the financial

information requested for would be uploaded on the firm's website. The RP has also informed the CoC that the US Food and Drug Administration had issued a notice on April 24, 2019, for inspection of the company's facility in Alathur, Kanchipuram, during July 22 to 31, 2019.

The National Company Law Tribunal (NCLT) on February 28 had cancelled the resolution plan of US-based Ingen Capital Group, as the investor failed to implement the plan approved by the tribunal earlier. The drugmaker has a total debt of Rs 3,200 crore from

a consortium of 24 banks.

The NCLT allowed 105 days for a fresh corporate insolvency resolution process (CIRP), considering the time lost from the date of previous expression of interest, that is November 16, 2017, to the date of annulment of the approved resolution plan of Ingen Capital. It had also reinstated the RP and the CoC to ensure running of the firm as a going concern.

SV Ramkumar, the RP, had invited resolution plans from eligible participants on April 10, and the last date for submission of resolution plans is May 10, 2019. **FE**

'SEBs to sink into deeper debt as they miss Uday scheme targets'

PRESS TRUST OF INDIA
MUMBAI, MAY 6

TOTAL DEBT of state-owned discoms is set to increase to pre-Uday levels of Rs 2.6 lakh crore by the end of this fiscal year, as many states have limited fiscal headroom to continue to support them, says a report.

According to Crisil, which analysed 15 states which account for 85 per cent of the aggregate losses, discoms have to become commercially viable through prudent tariff hikes and a material reduction in aggregate technical and commercial (AT&C) losses.

Under the agreement the states had signed under Uday scheme with the Centre in FY16, discoms were to initiate begin reforms by reducing AT&C losses by 900 basis points to 15 percent by FY19, and also implement regular tariff hikes of 5-6 percent per annum. In lieu, the states took over three-fourths of discom debt, thus reducing their interest burden.

"While discoms enjoyed the benefit of debt reduction, structural reforms have been slow. AT&C losses came down by only 400 bps by December 2018 from pre-Uday levels and average annual tariff increase were a paltry 3 per cent.

L&T buys shares of Mindtree via open mkt

PRESS TRUST OF INDIA
NEW DELHI, MAY 6

LARSEN & Toubro Monday bought shares worth about Rs 113 crore of Mindtree through open market transactions.

According to the bulk deal data available with the NSE, L&T bought over 11.52 lakh shares, or 0.75 per cent, worth Rs 112.91 crore with the average price being Rs 979.94 per scrip.

However, the seller could not be ascertained immediately. Last week, L&T had purchased around 20 per cent stake of V G

Crude prices rebound from one-month low

REUTERS
NEW YORK, MAY 6

OIL FUTURES edged higher in volatile trade on Monday as rising tensions between the United States and Iran buoyed prices, which earlier touched a one-month low after US President Donald Trump said he may raise tariffs on Chinese goods.

Brent crude futures rose 54 cents to \$71.39 a barrel as of 1:42 pm EDT (1742 GMT). The global benchmark earlier sank to \$68.79 a barrel, its lowest since April 2. US West Texas Intermediate

BRIEFLY Bigbasket now valued at over \$1 billion

Bengaluru: A group of investors, including South Korea-based Mirae-Naver and China's Alibaba Group, led a \$150 million funding round in online grocery company Bigbasket, valuing the startup at over \$1 billion, the company said on Monday. Bigbasket, which sells everything from groceries and fresh produce to pet food, competes with Amazon.com Inc and Walmart Inc's Flipkart in many categories. **REUTERS**

IOB to raise ₹850 crore via non-core assets

Chennai: Public sector lender Indian Overseas Bank (IOB) on Monday said it plans to raise about Rs 850 crore this fiscal from the sale of non-core assets including properties and investments. The bank, which is burdened with a major chunk of sticky assets, is currently exploring options for stake sales in joint venture and other entities to augment resources, which could help raise over Rs 445 crore.

Chandrasekhar sells shares in Republic TV

New Delhi: Rajeev Chandrasekhar, BJP politician and Rajya Sabha member from Karnataka, will sell his shares in journalist Arnab Goswami's Republic TV in which he had invested more than Rs 30 crore through different companies. Chandrasekhar had joined Goswami on the board of ARG Outlier Media Private Limited, which was launched with English news channel Republic TV in 2017, and later started a Hindi news channel named Republic Bharat. In a press statement, the company said it will now become Republic Media Network. Goswami has agreed to buy back shares from Chandrasekhar's Asianet News Media. **ENS**

HDFC Bank to mull stock split later this month

New Delhi: Private sector lender HDFC Bank Monday said its board will consider splitting the bank's each share into two with a face value of Rs 1 later this month. Presently, one share of HDFC Bank has a face value of Rs 2. Its shares closed at Rs 2,328.40 apiece on the BSE. **PTI**

'Google set to launch privacy tools in Chrome to limit online tracking'

REUTERS
BENGALURU, MAY 6

ALPHABET INC's Google is set to roll out a dashboard-like function in its Chrome browser to offer users more control in fending off tracking cookies, the *Wall Street Journal* reported Monday, citing people familiar with the matter.

Cookies are small text files that follow internet users and are used by advertisers to target consumers on the specific interests they have displayed while browsing.

While Google's new tools are not expected to significantly cur-

tail its ability to collect data, it would help the firm press its sizable advantage over online-advertising rivals, the newspaper said.

Google's three billion users help make it the world's largest seller of internet ads, capturing nearly a third of all revenue, ahead of rival Facebook Inc's 20 percent, according to research firm eMarketer.

Total digital ad spending in the United States will grow 19 percent to nearly \$130 billion in 2019, according to eMarketer.

Google has been working on the cookies plan for at least six years, in stops and starts, but ac-

celerated the work after news broke last year that personal data of Facebook users was improperly shared with Cambridge Analytica.

The company is mostly targeting cookies installed by profit-seeking third parties, separate from the owner of the website a user is actively visiting, the Journal said.

Apple Inc in 2017 stopped majority of tracking cookies on its Safari browser by default and Mozilla Corp's Firefox did the same a year later.

Google did not immediately respond to a *Reuters* request for comment.

change of runway, landing on one air traffic control advised had naval equipment on it, reducing the available runway length by 1,200 feet, Landsberg said.

"We don't know what they were thinking or why they made that choice. That will be one of the things we look to find out, as we go through the cockpit voice recorder," Landsberg added.

The flight data recorder had been recovered but the cockpit voice recorder remained underwater in the tail of the aircraft. "When we recover it will give us much more information on what the crew was thinking," he said.

Thrust reverser was 'not working' on Boeing plane that slid off runway

PRESS TRUST OF INDIA
MIAMI, MAY 6

A FEATURE that helps aircraft slow down on landing was broken on a Boeing 737 that skidded into a river in Florida, a top transportation safety official said Sunday.

The plane carrying 143 people slid off the runway after a hard landing Saturday at a naval air station in Jacksonville during a lightning storm. Police said 21 people were taken to hospital with minor injuries but no fatalities or critical injuries were reported.

Transport safety officials said

one of the thrust reversers which are supposed to help to slow the aircraft down was not working.

"The aircraft had been in maintenance and the maintenance log noted that the left-hand thrust reverser was inoperative," Bruce Landsberg, vice chairman of the National Transportation Safety Board, told reporters Sunday.

He said investigators would be examining the maintenance of the aircraft in the weeks prior to the accident "and the condition of the thrust reversers will obviously be of interest."

The pilot also requested a