GOLD ₹40,688 | RUPEE ₹71.19 | OIL $64.31 | SILVER ₹47,285

*Indian basket as on January 21, 2020

SENSEX: 41,115.38 ▼ 208.43 NIFTY: 12,106.90 ▼ 62.95 NIKKEI: 24,031.35 ▲ 166.79 HANG SENG: 28,341.04 ▲ 355.71 FTSE: 7,610.93 ▲ 0.23 DAX: 13,571.99 ▲ 16.12

*International market data till 1900 IST

INSURANCE WATCH

SANDBOX PILOT PROJECT

Insurers set to launch 'pay as you use' motor policy, app-based multi-vehicle cover

GEORGE MATHEW
MUMBAI JANUARY 22

33 PROPOSALS APPROVED

■ The Insurance Regulatory and Development Authority of India had recently approved 33 proposals — out of 173 proposals it received — from various non-life insurance companies under the regulatory sandbox structure

VEHICLE OWNERS will soon get various unique options when they apply for the insurance policy and pay the premium as they will be priced on the basis of the distance covered while driving the vehicle or by computing the driving behaviour, and even get an app-based single policy for multiple vehicles.

Insurance companies are getting to ready to launch innovative schemes like 'pay as you use' or 'pay how you use' under pilot projects through the sandbox route. The Insurance Regulatory and Development Authority of India (Irdai) had recently approved 33 proposals — out of 173 proposals it received — from various non-life insurance companies under the regulatory sandbox structure. As per the sandbox guidelines, the product can be launched only as a pilot and the period for launch and completion is from February 1, 2020 to July 31, 2020 as per Irdai operational guidelines.

The regulatory sandbox project has provided the insurance industry with flexibility to explore new products and services that suit the latest technology and data-driven world. This methodology allows insurers to launch and test a product with a select group of people for a period of six months. Based on the results of the pilot run and the feedback, Irdai will allow the product to be launched commercially for the public.

In India, the premium for a motor insurance policy for the own damage (OD) part is based on the age, make and model of the vehicle. "'Pay as you consume' model' will help us change this and charge premium based on kilometres utilised by the insured or the amount of time they intend to drive the car. This will encourage more people to opt for motor OD insurance since majority of the vehicles only have third party liability policy as mandated by law," said Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance.

"We have always believed in not only staying relevant, but be ahead of the curve in terms of mitigating the evolving risks through our innovative insurance solutions," he said. Bajaj Allianz plans to introduce 'pay as you consume' cover for motor insurance.

ICICI Lombard General Insurance has received permission for 'pay-as-you-use' and 'pay-how-you-use' policies for private cars. It is also developing a single-owner multiple-vehicle motor floater policy. In the case of 'pay-as-you-use' and 'pay-how-you-use' policies for private cars, the insured gets an option to pay their premiums on the basis of the distance covered or by computing the driving behaviour. The motor floater policy will now offer an option to customers to have a single policy for multiple vehicles by having different sub-limits for each vehicle.

Sanjay Datta, chief— underwritings, claims and reinsurance, ICICI GIC said, "The sandbox route is a progressive step by the regulator to facilitate innovation in the insurance sector. We are excited to have received five approvals for our tech-enabled product ideas. We look forward to offer consumer differentiated and convenient experience through this new-age offerings."

Edelweiss General Insurance has received the nod from Irdai for its app-based multi-vehicle, usage-based floater policy for motor OD. The product is an innovative concept that allows the customer to cover any damage to his vehicles through a floater policy.

The policy will cover all risk for all vehicles and the cover can be switched on or off as per the requirement of the customer with the flexibility of adding and deleting vehicles as required.

The policy is a floater for multiple vehicles and usage-based. What this means is that there will be premium savings for the customer as compared to having multiple policies for their vehicles. The app allows for claims to be settled through live video, uploaded either by the customer or the garage.

"The emerging era of shared mobility makes it a very relevant product for vehicle owners today where they can pay as per the usage of the vehicle and/or driving behaviour. Further, as the policy covers multiple vehicles in one, it saves you time and any hassle involved with buying multiple policies for multiple vehicles," said Shanai Ghosh, CEO and executive director, Edelweiss General Insurance.

The innovative products approved by the regulator are likely to price the product on the basis of usage. This means the more a customer uses his vehicle, he will have to shell out more as premium and vice versa. For the sandbox, an applicant should have a net worth of Rs 10 lakh and a proven financial record of at least one year.

ADJUSTED GROSS REVENUE PAYOUT DEADLINE TODAY

Call on separate civil suit on payment of AGR dues: DoT in 'wait & watch' mode

AASHISH ARYAN
NEW DELHI, DECEMBER 27

WITH THE deadline for payment of adjusted gross revenue (AGR) dues ending on Thursday, it is unlikely that a contempt of court case will automatically and immediately be triggered against both telecom and non-telecom companies if they fail to pay, senior officials of the ministry aware of the development told *The Indian Express*.

Officials of the Department of Telecommunications (DoT) said that as they were the respondents in the AGR case, there was no question of a contempt of court case being started immediately.

The DoT will have to move a separate civil suit seeking the apex court's directions on what it should do going ahead, if it seeks to recover the dues from all the companies, the officials further said.

The Department is also likely to adopt a "wait and watch" stance, as the SC has agreed to hear next week the telecom operators' plea seeking permission to negotiate with the DoT on payment schedule, one of the sources quoted above said.

According to October 24, 2019 judgment of the SC, both telcos and non-telecom companies were required to clear their AGR dues within three months, the deadline for which expires on Thursday.

Of all the telcos which were saddled by the SC's October 24 judgment on AGR, Bharti Airtel and Vodafone Idea face the biggest liabilities. While Vodafone Idea may have to shell out as much as Rs 53,000 crore, Bharti Airtel will have to pay nearly Rs 35,590 crore.

Though both the companies have raised adequate funds from the market to fund the payment of AGR dues, it is likely that Vodafone Idea will wait till its plea in the Supreme Court is heard, company sources said.

"We have approached the Supreme Court and they have agreed to hear us. Now, if the matter is sub-judice, where does the question of payment come up? We will wait till we are heard by the court," one of the sources said.

Vodafone Idea refused to comment on the issue, and did not respond to the queries sent by *The Indian Express* till the time of press.

Meanwhile, senior officials of Bharti Airtel were huddled in a meeting till late night, still undecided on the issue. The company too refused to respond to queries till the time of press.

Both Vodafone Idea and Bharti Airtel had approached the apex court on Monday seeking its permission to "work out feasible terms mutually with DoT (Department of Telecommunications)" to ensure that they remain a "going concern".

Vodafone Idea had, in its plea, said that it was "facing a huge financial stress and is not in a position to make either up front payment of the amounts due or provide any financial bank guarantees to securitise the amounts due".

The telecom operator had, in its plea, also said that while its total cumulative losses over the past ten years were nearly Rs 55,000 crore, it had suffered a total loss of Rs 50, 898 crore in the July-September quarter alone in 2019, on account of factoring in of AGR. That loss had "eroded the net worth and the cash balance", the company had said in its plea.

On the other hand, Bharti Airtel, in its plea, stressed upon the larger ramifications, the financial viability of the companies impacted by the AGR judgment, and large scale job losses which could happen if no relief was given.

"The payment of the due amounts, totalling to over thousands of crores, without proper assessment and financial calculations, and appropriate time period for payment, will not only cause irreparable damage to the appellants (Bharti Airtel), but to the telecom industry with large leading to possible disruption of a public utility service owing to bad financial position of telecom companies," the Bharti Airtel plea read.

EXPLAINED

All eyes on Telecom Department's next move

WITH MINIMAL threat of a contempt petition being immediately and automatically initiated, the ball is now almost entirely in the government's court. The companies, both telecom and non-telecom, would be hoping that the DoT does not move the Supreme Court with a contempt petition immediately if they fail.

The DoT's move is also likely to be based on directions from the Finance Ministry and the impact the payment or non-payment of AGR dues is likely to have on fiscal deficit numbers of the central government.

₹48K CR SOUGHT FROM OIL; ₹5,481 CR FROM DMRC

Oil India, DMRC move SC; say DoT's AGR demand will force stop operations

AASHISH ARYAN
NEW DELHI, JANUARY 22

HUGE ARBITRARY DEMAND: OIL INDIA

■ In its petition seeking the modification of the Supreme Court's October 24 judgment on AGR, Oil India has said that the Department of Telecommunications' "huge arbitrary demand was based on wrongful interpretation and erroneous calculation"

■ Delhi Metro Rail Corporation said the demand would lead to "evaporation of the financial structure" of the company, which would in turn "lead to the DMRC operation coming to stand still to the great detriment of the commuting public"

STATE-RUN OIL India has said that Department of Telecommunications' (DoT) demand seeking Rs 40,108 crore as adjusted gross revenue (AGR) and other telecom dues "would lead to permanent shutting down" of the company.

Apart from Oil India, state-run Delhi Metro Rail Corporation (DMRC) also moved the Supreme Court with a similar but separate plea, and said that the DoT demand of Rs 5,481 crore would lead to "evaporation of the financial structure" of the company, which would in turn "lead to the DMRC operation coming to stand still to the great detriment of the commuting public".

In its petition seeking modification of the SC's October 24, 2019 judgment on AGR, Oil India has said that the DoT's "huge arbitrary demand was based on wrongful interpretation and erroneous calculation".

"The demand of DoT significantly erodes the net worth and market valuation of the applicant (Oil India) and would have an adverse impact on the investor perception of the company. That in the applicant's (Oil India) case, the demand by the DoT amounts to Rs 40,108 crore, and as on 31.03.2019, the net worth of the appellant (Oil India) was Rs 28,000 crore," the company said in its plea to the apex court.

In the last financial year (FY), the total revenue of the company stood at Rs 13,734 crore, while its net profit was Rs 2,590 crore. The total AGR demand raised against the company by DoT is nearly three times at Rs 48,000 crore.

On October 24, the court had agreed with the DoT's definition of AGR, and said the companies, both telecom and non-telecom, must pay all dues to the government along with interest and penalty. While telcos were directly hit, the non-telecom companies were also impacted by the SC judgment on AGR.

Both Oil India and DMRC have sought modification of the October 24 judgment to the extent that non-telecom public sector units with national long distance calling licenses were exempted from paying the AGR dues. In an earlier petition, state-run RailTel too had sought a similar modification of the AGR payment orders.

Following the SC judgment, the DoT had issued demand notices to various public sector units (PSUs), including Oil India, DMRC, RailTel, GAIL India, among others. Most the non-telecom PSUs have denied that they owe any monies to the DoT, and said they have already paid the amounts due to the government. The DoT, however, is of the view that the clarification on whether PSUs such as GAIL owe any money or not must come only from the SC.

DoT officials have, however, said that they could not give any relief to these companies and that they must seek the relief only from the SC.

"Notices were sent and they have sent their replies, which we are examining. It will be premature for us to say anything right now. We believe that they will have to go to the Supreme Court and seek clarification on whether they are included or not (within the definition of AGR)," a senior DoT official had told *The Indian Express* last month.

'India needs $2.64 tn investment to meet SDGs by 2030'

To meet the United Nations' sustainable development goals (SDGs), India needs a $2.64 trillion investment, according to the Standard Chartered SDG Investment Map

$2,633.9 BILLION OR $2.64 TRILLION: Total investment that India needs to make by 2030 to meet SDGs, split into:

$1,558.8 billion for clean energy	$505.5 billion for transport infrastructure	$377.4 billion for digital access	$192.2 billion for clean water and sanitation

$10 trillion Investment opportunity for private sector in emerging markets as a whole

$1.12 TRILLION: Potential investment opportunity for the private sector in the total $2.64 trillion of investment needed; split into:

- ■ $701.5 billion for clean energy
- ■ $226.5 billion for digital access
- ■ $176.9 billion for transport infrastructure
- ■ $19.2 billion for clean water and sanitation

THREE INFRASTRUCTURE-FOCUSED GOALS WHERE PRIVATE SECTOR CAN CONTRIBUTE MOST BETWEEN NOW AND 2030:

SDG 6: Clean water and sanitation

SDG 7: Affordable and clean energy

SDG 9: Industry, innovation and infrastructure

$1.124 TRILLION: Investment opportunity for private sector players in India SDGs, which account for over 10 per cent of the total $9.668-trillion opportunity for private investors across all emerging markets

$701.5 BILLION: Investment opportunity for private sector in the country is investment in achieving and maintaining universal access to electricity, which is the seventh SDG

Source: Standard Chartered/PTI

Govt staggers GST return filing deadline to ease load

ENS ECONOMIC BUREAU
NEW DELHI, JANUARY 22

3 DATES FOR DIFFERENT CATEGORIES OF TAXPAYERS

■ For about 8 lakh taxpayers with turnover over ₹5 crore, the last date of filing would remain the 20th of every month

■ For those below the turnover threshold, they have been further divided into two groups of 46 and 49 lakh taxpayers belonging to two sets of states and union territories whose deadline will now be 22nd and 24th of every month respectively

■ However, experts said that while excess load is a problem on the last day of filing, when the system shows that its busy preventing return-filing, this is only a part of the problem

AFTER TAXPAYERS complained of technical glitches in filing the monthly summary GST returns (GSTR3B), the government on Wednesday said that it would allow staggered filing on the basis of turnover and location to ease the load on the system which is witnessed closer to the filing deadline on 20th of every month.

For about 8 lakh taxpayers with turnover over Rs 5 crore, the last date of filing would remain the same. For those below the turnover threshold, they have been further divided into two groups of 46 and 49 lakh taxpayers belonging to two sets of states and union territories whose deadline will now be 22nd and 24th of every month respectively.

However, experts said that while excess load is a problem on the last day of filing, when the system shows that its busy preventing return-filing, this is only a part of the problem. There are other structural problems as pointed out by the Comptroller and Auditor General (CAG) in its report tabled in Parliament earlier this year.

"These design problems include time lag in payments to appear, multiple OTPs are sent for a single filing, data takes time to reflect, preview of returns show wrong numbers, data uploaded using API/GSP takes additional time to reflect, system frequently log out the user," Rajat Mohan, senior partner at AMRG & associates said.

The CAG report had said: "Inadequacies in the system show that there was a failure in not just system design, but its testing by GSTN and acceptance by the tax departments before a pan-India roll out. As such, the executive who have endorsed the system as developed is equally accountable for the problems being faced."

The government said that the first category of 46 lakh taxpayers would be from Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Chandigarh, Uttarakhand, Haryana, Delhi, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha.

The second set of 49 lakh assessees would be from Chhattisgarh, Madhya Pradesh, Gujarat, Daman and Diu, Dadra and Nagar Haveli, Maharashtra, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu, Puducherry, Andaman and Nicobar Islands, Telangana and Andhra Pradesh.

"For further improving the performance of GSTN filing portal on permanent basis, several technological measures are being worked out with Infosys and will be in place by April this year," the government said in a statement. **FE**

Domestic stock mkts to be open on Budget day

ENS ECONOMIC BUREAU
NEW DELHI, JANUARY 22

DOMESTIC STOCK markets will remain open for trading on February 1, a Saturday, when the Union Budget will be presented.

Markets are generally closed on Saturdays and Sundays, except for special circumstances.

In separate circulars issued on Wednesday, BSE and National Stock Exchange (NSE) said the markets would be open for trading on February 1 on account of Union Budget presentation.

Finance Minister Nirmala Sitharaman is to present the Budget for 2020-21.

The decision has been taken following requests made in this regard by market participants as Budget contains several market-moving announcements, according to sources quoted by *PTI* as saying.

Trading would be conducted during normal hours from 9 am to 3.30 pm, as per the circulars. In 2015, stock exchanges were open for trading on February 28, Saturday, when then Finance Minister Arun Jaitley had presented the Budget.

Stock markets have always been open on normal timings since budget presentation timings were changed from 5 pm to 11 am in 2001. **WITH PTI**

MARKET VALUATION NOW MORE THAN FORD MOTOR CO AND GENERAL MOTORS CO COMBINED

Tesla value hits $100 bn, triggers $346 mn payout plan for Musk

AGENCIES
NEW YORK, JANUARY 22

TESLA'S MARKET value hit $100 billion for the first time Wednesday, triggering a payout plan that could be worth billions for Elon Musk, founder and chief of the electric carmaker.

Shares of the electric carmaker were up 8.1 per cent at $591.78 in late morning trading, continuing their furious rally that has more than doubled the share price in the last three months.

Under a compensation plan approved by Telsa's board in 2018, Musk is to be paid in stock awards based on the value of the company, which could be worth as much as $50 billion if Tesla reaches $650 billion. Musk agreed to the plan, which would pay him nothing until Tesla's value reached $100 billion.

The package, using shares which "vest" based on certain criteria, gives Musk stock worth around one percent of the company for each of 12 milestones over a 10-year period. For achieving the first milestone, Musk will get shares worth $346 million if Tesla shares hold above $100 billion over six months, based on the formula.

THE PACKAGE PLAN

■ Founder and chief of Tesla Elon Musk will get shares worth $346 million if Tesla shares hold above $100 billion over six months, based on compensation plan approved by Tesla's board in 2018

In announcing the plan in March 2018, the company said Musk "would receive no guaranteed compensation of any kind - no salary, no cash bonuses, and no equity that vests simply by the passage of time" without the rise in value. In 2019, Tesla sold some 367,000 vehicles, a rise of 50 per cent from the prior year.

That is a fraction of the 10 million sold by leading global automakers Toyota and Volkswagen, but investors have pushed up Tesla's value in the expectation that it is changing the industry.

Tesla has begun manufacturing in China and has announced a new plant in Germany that could start production by 2021.

The Tesla Model 3 electric car is designed to be more affordable than its earlier models — around half the cost of the $70,000 models — and is fuelling expectations of stronger growth. Analyst Dan Ives of Wedbush Securities offered an upbeat view of Tesla in a research note Wednesday.

"In our opinion, the company has the most impressive product roadmap out of any technology/auto vendor around (which the market cap reflects vs its traditional auto competitors) and will be a 'game changing' driving force for the EV (electric vehicle) transformation over the next decade with Model 3 front and centre," Ives said.

The milestone comes less than a month after Tesla's stock crossed $420, the price at which Chief Executive Officer Elon Musk had tweeted he would take the electric-car maker private. Musk tweeted he had "funding secured" to take the company private in August 2018, when its shares were trading in the mid-$330s, only to later give up under investor pressure and regulatory concerns. **REUTERS & AFP**