

Companies

TUESDAY, MARCH 31, 2020



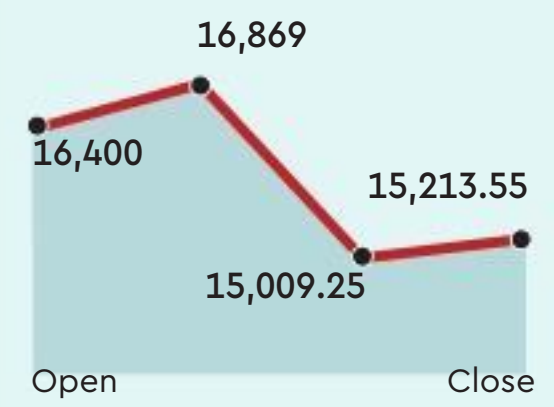
OLA OFFERS ESSENTIAL SERVICES

Bhavish Aggarwal, Ola co-founder and CEO
@bbhash
Thank you Sir! We're humbled to join hands with GoK and other state Governments in offering all support we can in these times.
@Olabacs driver-partners and @Olafoods_india kitchen staff are proud to join various essential service providers....

Street Signs

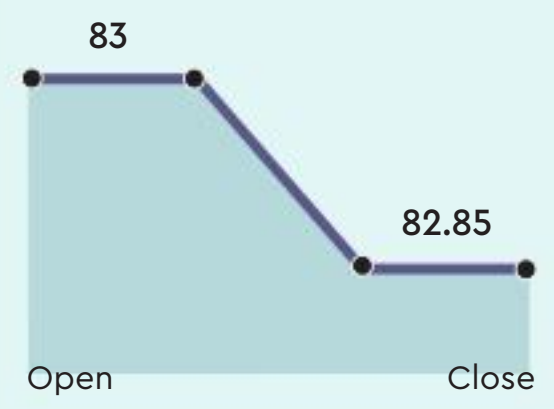
Abbott India

Shares surge as its parent firm gets USFDA nod for rapid Covid-19 test kit **7.65%**



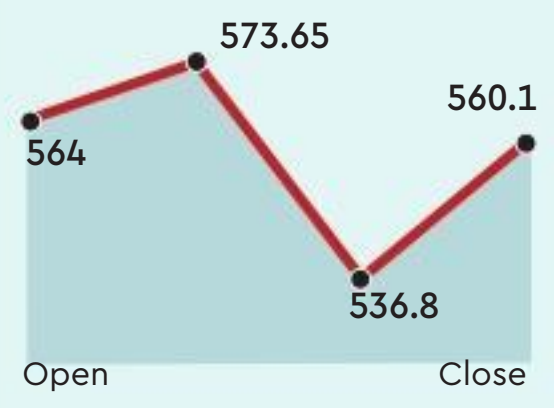
Future Retail

Stock hits lower circuit after S&P Global downgrades its USD notes to 'B-' from 'BB-' **4.99%**



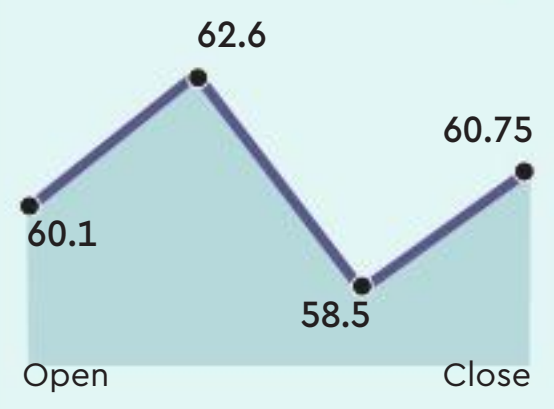
LUPIN

Stock gains as its inhalation research centre in Florida gets EIR from FDA **2.28%**



Motherson Sumi

Scrip slides after Moody's withdraws its 'Baa3' issuer rating **3.88%**



Quick View

TVS Motor, group units pledge ₹25 cr to PM's relief fund

TVS MOTOR COMPANY and its group companies, TVS Credit Services, Sundaram-Clayton and others, on Monday announced their commitment to donate ₹25 crore to the PM's relief fund (PM-CARES) to strengthen the battle against Covid-19. This is in line with the company's continuous endeavour to ensure prosperous and sustainable communities. It is in addition to the ongoing activities being already undertaken through Srinivasan Services Trust (SST).

Zoomcar assisting essential service providers

INDIA'S LARGEST SELF-drive mobility platform, Zoomcar, has come forward to ease the emergency transportation woes faced during the lockdown period. While Zoomcar grounded its fleet in accordance with the government's shutdown order, the company is utilising select vehicles to ensure emergency mobility for the front line workforce.

K7 offers cybersecurity products for use at no cost

CHENNAI-BASED CYBERSECURITY firm K7 Computing has offered to provide its cybersecurity products at no cost for laptops, desktops and android mobile phones, and endpoint protection in the organisations in the wake of Covid-19 triggered cyber attacks.

India Yamaha extends customers' benefits

INDIA YAMAHA MOTOR (IYM) said, as part of its Yamaha Lifetime Quality Care approach, the company would extend the benefits committed by it for an additional 60 days (till June 2020) from the date of expiry as a show of gratitude towards long-lasting relationship with customers.

DEBT REPAYMENT

Mistry group seeks to raise up to \$1 bn pledging Tata Stake

BIJOU GEORGE & ANTO ANTONY
Mumbai, March 30

THE SHAPOORJI PALLONJI Group, controlled by billionaire Pallonji Mistry and his family, is in preliminary discussions to borrow as much as \$1 billion to repay maturing debt using part of its stake in Tata Sons as collateral, said people with knowledge of the matter.

Mistry, whose son Cyrus was ousted as chairman of Tata Sons in 2016, is the biggest single shareholder in India's largest conglomerate, and is seeking a loan as the coronavirus outbreak delays a plan to sell assets, the people said, asking not to be identified as the discussions are private.

Mistry is trying to use his 18% stake in Tata Sons, which is estimated to be worth as much as \$14 billion, as the Covid-19 pandemic stalls economic activity across the world. However, he may face a hurdle: the shares in the unlisted Tata holding company are closely held and illiquid. A legal battle between Tata Sons and Cyrus Mistry following his ouster may also deter potential creditors.

A representative for Shapoorji Pallonji Group declined to comment. Mistry's Shapoorji Pallonji & Company had



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₹90.2 billion (\$1.2 billion) of debt as of September 30, according to rating assessor ICRA.

The company planned asset sales, including solar power plants and road assets, in a bid to reduce debt by as much as ₹40 billion, a person with direct knowledge of the matter said in August.

Founded in 1865, the Shapoorji Pallonji group, which has built some of Mumbai's landmarks, including the Reserve Bank of India building, is still better placed than most of its corporate peers, with total revenue of \$7 billion for the year ended March 2019.

—BLOOMBERG

HC bars sale of shares pledged by Biyani firm

PRESS TRUST OF INDIA
MUMBAI, MARCH 30

THE BOMBAY HIGH Court on Monday restrained IDBI Trusteeship Services and UBS Bank from selling shares pledged by Kishore Biyani-led Future Retail FCRPL (Future Corporate Resources Private Limited) amid a share market collapse due to the novel coronavirus outbreak.

Justice K K Tated on Monday heard an application filed by FCRPL and Rural Fair-price Wholesale (RFWL) seeking urgent relief in relation to the threatened sale of shares pledged to IDBI Trusteeship Services by a Debenture Trust Deed dated January 12, 2018, and April 10, 2019, in wake of the widespread market crash following emergency measures taken by the government to tackle the Covid-19 pandemic.

According to the plaintiff, the outstanding amount payable to IDBI is ₹610 crore. As per the Debenture Trust Deed, the plaintiffs pledged 8% of their equity shares with the defendant.

The plaintiffs argued that if shares are sold in this situation, irreparable loss would be caused to them. "It is to be noted that when the Debenture Trust Deed was executed, the market value of the shares were ₹350 per share. Because of Covid-19, share market has collapsed and the per share value has come to below ₹100," the court said in its order.

"Considering the present situation of the market and Covid-19, I am of the opinion that the plaintiffs require interim protection till next date," the court said, and posted the matter for further hearing on May 4.

Companies urge govt to extend current FY to June

RISHI RANJAN KALA
New Delhi, March 30

THE MINISTRY OF corporate affairs (MCA) has received representations from industry bodies and companies for extension of the current financial year to June 30 from March 31, as the current scenario on account of the Covid-9 outbreak has impacted crucial audit exercises like physical verification of inventories and fixed assets, among other statutory issues.

Companies have also requested the government to provide a relaxation in the corporate social responsibility (CSR) spends for FY20 and FY21 considering that firms would be stretched for capital in view of the severe economic slowdown, which has followed the outbreak of the novel coronavirus.

Sources said companies requested for a relaxation in Section 2 (41) of the Companies Act, which deals with financial year. Before the 2013 amendment to the Act, firms were allowed to determine any period as financial year. However, the Companies Act, 2013, introduced the concept of a uniform financial year — from April 1 to March 31.

Nangia Andersen director Sandeep Jhunjhunwala said, "Extension of financial year is quite crucial now given that necessary audit procedures including physical verification of inventories and fixed assets and, most significantly, validation of going concern position of an enterprise is non-viable now".

The same source said, "Another relaxation sought is on Section 135 of the Companies Act, which deals with CSR activities.



They have asked to make CSR spends non-mandatory for FY20 and FY21. Whatever has been spent for FY20 to be considered as sufficient compliance as firms are facing pressure on their operating margins now."

On Section 125, which deals with Investors Education and Protection Fund (IEPF), the companies have urged that its balance could be used for Covid-19 eradication initiatives. IEPF has been created for promotion of investors' awareness and protection of their interests. Last year, MCA said the size of IEPF Fund is around ₹4138 crore. Besides, companies have also transferred about 65.02 crore shares valued at around ₹21,232 crore.

On CSR and IEPF contributions, Jhunjhunwala said, "In this period of slump, working capital management is the foremost apprehension for business enterprises and hence government should consider relaxing mandatory CSR spend limits for FY20 and FY21. In fact, whatever has already been spent for FY20 may be considered as sufficient compliance of CSR spends. At this hour of need, the balances in IEPF could also be utilised for Covid eradication initiatives."

Retail stores choke on drying stocks, staff crunch

ASMITA DEY
New Delhi, March 30

LEFT WITH BARELY 10 days of supplies, most retail stores are running out of essentials as staff crunch and scattered instances of mismanagement on ground continue to disrupt the supply chain. Industry sources told FE that D-Mart, which runs more than 200 stores pan-India, has only about five to seven days of stock in store while its staff attendance is down by 80%. "FMCG brands need to start supplying," one of the sources said.

Manufacturing units of most consumer goods companies are operating at partial capacity amid the lockdown. Last week, ITC said the company's factories producing essentials are running with limited manpower. Dabur said it has got approvals and will restart production of hygiene products — sanitisers and hand wash — soon.

Praveen Khandelwal, secretary general at the Confederation of All India Traders (CAIT) said while wholesalers have stocked up enough supplies to last for about 15-20 days, a truncated workforce is hindering their supplies to retail stores. "Retailers have stock that will last only for three to four days. There is an urgent need to refill their stock," Khandelwal told FE. CAIT has

a network of 1 crore kirana shops selling essential commodities across the country. Another issue is lack of coordination between the police and the district administration on the ground, which is restricting movement of goods. "To transport goods, wholesalers need passes. In some states, they are facing challenges to get passes," Khandelwal added.

Arvind Mediratta, MD and CEO at Metro Cash & Carry India, said although the central government's intervention helped in movement of goods across borders, new issues have cropped up — in some cities, local authorities have their own set of guidelines to be followed like restrictive time of opening stores, no permission to business customers to visit the company's stores for their stock fulfilment. "This is hindering their stock replenishment more than ours and ultimately creating panic among citizens," Mediratta told FE. The firm caters to nearly 8 lakh kirana stores.

Aspokesperson at Spencer's Retail said the company has increased restocking high-velocity products in food, grocery, personal care and home hygiene segments. "We have planned our inbound in depots and stores in a way that we do not expect any kind of supply issues during the lockdown period," the person told FE.

SUPPLY CHAIN UPSET

- D-Mart has only about five to seven days of stock in store while its staff attendance is down by 80%
- ITC said the company's factories producing essentials are running with limited manpower
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Prashant Tandon, co-founder and CEO at online firm 1mg Technologies, said interstate movement is not gathering pace as intra-city did, "stifling middle-mile and last-mile reach beyond big metros. With distributors facing manpower constraints, availability of medicines might get difficult in the next seven-10 days. Additionally, there were still certain instances of

delivery personnel being stopped in Haryana and New Delhi," Tandon said.

Online meat delivery company Zappfresh has been able to resume operations in four (mostly in Delhi-NCR region) of the eight cities it delivers as some states are taking stringent measures to streamline delivery services of essential goods. In the operational cities, there is hesitation on part of delivery boys to get to work, the firm said.

Kumar Rajagopalan, CEO at Retailers Association of India (RAI) said the association is undertaking steps to ease the supply situation along with its partners and the government — RAI has implemented Project 'Food Soldier', a three-pronged approach to mitigate bottlenecks in the supply chain, solve the manpower shortage at the store-level and ensure that consumers get their essentials supply at their doorsteps. Steps are being taken to deploy the workforce employed with non-food retailers in stores selling essentials. RAI is also in discussions with online food delivery firms like Swiggy to do last-mile delivery of products. "With the steps being taken, the situation should improve in the next three to four days," Rajagopalan said.

A Mother Dairy spokesperson said the firm's booths are fully operational and geared up to meet any surge in demand.

CavinKare launches hand sanitisers starting at ₹1

HOME-GROWN DIVERSIFIED FMCG firm CavinKare, responding to the Covid-19 crisis and requirement, has come up with quality hand sanitisers starting at ₹1. "This is not merely a product launch, but service that we are launching for the safety of every citizen across urban and rural areas of our country," said CK Ranganathan, CMD.

The company has introduced hand sanitisers under its personal care brands, Chik, Nyle, and professional brand — Raaga. Chik presents hand sanitisers in 2 ML sachet starting at ₹1, which can be used at least twice. This packs are affordable for everyone and will be sold nationwide through Kirana stores. Nyle with its unique formulation will, initially, cater to its segment with the 5-litre pack followed by smaller formats. Raaga will cater to the salon segment in the country.

Ranganathan said: "Considering most people don't have access to quality hand sanitisers during this time, it is our responsibility to make the essential product accessible and affordable to every individual with utmost quality. The concept of launching the sanitiser in a sachet as well and making them available in a typical FMCG Kirana outlet is an ideal step to ensure safety of the masses at this crucial time."

CavinKare has introduced these quality hand sanitisers in various SKUs across three brands. The company's decision is well within the government's current stipulated pricing norm, duly followed across all other SKUs such as 10 ML, 50 ML, 90 ML, 400 ML, 800 ML and 5-litre pack.

While the 5-litre pack has already been introduced in markets nationwide, the other SKUs will be launched soon.

—FE BUREAU

Apollo Hospitals partners with hotels for isolation rooms

FE BUREAU
Hyderabad, March 30

APOLLO HOSPITALS HAS teamed up with Hindustan Unilever, State Bank of India, Oyo Rooms, Lemon Tree, Ginger hotels and Zomato to launch an initiative on isolation care called Project Stay I (stay isolated). Project Stay I helps create isolation rooms in hotels with light medical supervision for quarantine and create a barrier before people come into the hospitals.

The objective is to create isolation and quarantine facilities away from hospitals in

cities across the country and reduce the burden on those providing acute care. This model is scalable, replicable and uses technology of telemedicine effectively. These isolation rooms will be rolled out in Hyderabad, Chennai, Mumbai, Kolkata, Bengaluru and Delhi with 500 units, and will add up 50 rooms every three days, to reach an eventual target of 5,000 across the country. The ramp up in the number of rooms will be calibrated according to the need. The spread of services to cities will be

based on government requests, support of local healthcare providers and support for CSR activities. "There will also be a rise in the number of individuals requiring to be quarantined due to contact with Covid-19 patients. This will put a huge load on the government facilities for

quarantine. This is the time for the private sector to step up to the challenge to aid, augment, and support our government," Dr Sangita Reddy, joint MD, Apollo Hospitals Group said. Project Stay I will reduce the load on the

healthcare system by creating clean isolation and quarantine facilities for individuals who have no need for active medical intervention. The model has a combination of self-paying and CSR-funded customers.

"We've seen with other countries that people needing intensive medical care can very quickly outrun the available facilities. This partnership is a step towards addressing that challenge and the model provides an excellent way to respond quickly to people in need and curtail further spread of the disease," Kaushik Shaparia, chief country officer, Deutsche Bank India, said.

L&T sets aside ₹500 cr/month for 160k contract workers

FE BUREAU
Mumbai, March 30

LARSEN & TOUBRO (L&T) has set aside an outlay of over ₹500 crore every month to support about 160,000 contract workers, to continue paying their wages during the ongoing lockdown and provide them food and basic amenities at labour camps, while maintaining the Covid-19 prevention and containment protocol.

The heavy-engineering major will also donate ₹150 crore to the PM-CARES Fund, the company said in a statement.

L&T is considering to transform all company-owned training centres and select establishments into isolation wards. Exploring scopes to supply critical healthcare equipment to hospitals engaged in treating coronavirus patients, it has also committed to offer services of its community health and medical centres 24x7 and use ambulances to transport patients to nearest hospitals.

L&T Smart World & Communication, one of its business units, has installed smart technologies in over 20 major cities including Mumbai, Pune, Nagpur, Prayagraj, Ahmedabad, Visakhapatnam, Hyder-



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abad. These technologies will help various state governments and local authorities fight the disease effectively.

AM Naik, L&T group chairman, said: "We are helping India's fight against Covid-19 by way of immediate funding,

and through a range of welfare initiatives, including converting our training schools into isolation centres. We are also leveraging our engineering and construction expertise to help the authorities deal with the crisis."

RIL tops hospital with ₹500-cr aid to PM's CARES Fund

BILLIONAIRE MUKESH AMBANI on Monday gave an additional ₹500 crore to the Prime Minister CARES Fund on top of the multi-crore initiative of the country's first Covid-19 hospital as he leads the Indian industry in pledging resources to fight the crisis. Ambani's RIL said besides donating ₹500 crore to the PM-CARES Fund, it will also provide ₹5 crore each to the governments of Maharashtra and Gujarat to support their fight against the pandemic.

These are in addition to the 100-bedded dedicated coronavirus hospital in Mumbai, manufacturing 1 lakh protective face masks per day, 50 lakh free meals to the needy through NGOs and fuel to emergency vehicles carrying coronavirus patients.

—PTI