

INTERNATIONAL WOMEN'S DAY

Don't shy away from money matters

Invest aggressively to deal with the challenges posed by a longer average life span and an often-curtailed work span

JIMMY PATEL

While women are known to be diligent savers, they often do not take the lead when it comes to investing for life's key financial goals. This task is often delegated to their husband or father. However, many issues unique to women's lives make it imperative that they become active on this count, and achieve financial independence at the earliest.

Longer life span but shorter career: Women, on an average, have a longer life span than men. It, therefore, becomes necessary that they plan for a bigger retirement corpus. They also need to be hands-on in handling financial matters, and not depend entirely on their husband or father, given the uncertainties of life.

While women live longer than men, they tend to work for a shorter span than men. Taking time off to raise a couple of babies chops off several years from their working lives. Many women are also forced to opt out of regular jobs due to the need to look after ageing parents or in-laws. All this means that every rupee that a woman earns and saves must be deployed in the best possible avenue.

Excessive caution can become a hurdle: Many surveys have also documented the fact that the majority of women tend to play it safe when it comes to investing their hard-earned money. While it is good to be cautious, deploying the entire corpus in fixed-income instruments will mean that the portfolio will not be able to earn inflation-beating returns. Women should invest a part of their portfolio in market-linked instruments to meet their long-term goals. Remember that time is the best antidote to the volatility in equities.

Women need to take control of their personal finances to ensure economic empowerment and financial independence. They need to participate more actively in discussions involving financial matters — household budgets, buying a new house or car, home décor, festival shopping,



child's future needs, etc. And to accomplish many of life's vital goals, they need to develop a financial plan. Here's a five-step approach that women (and even men) can follow:

Set 'smart' goals: The goals that are set need to be S.M.A.R.T.—specific, measurable, adjustable, realistic and time-bound. Goals also need to be segregated into short-, medium- and long-term. Without this exercise, it would be like sailing without a mariner's compass.

Determine the amount you need to invest: You need to put away a portion of your salary every month to achieve your goal. Depending on the corpus required, the time at your disposal, you need to calculate how much you will have to put away every month. Take a realistic rate of return

when doing this calculation. Do factor in the impact of inflation as it tends to erode the purchasing power of money. Investing in an ad hoc manner, or blindly aping what your friends, colleagues, and neighbours are doing will not help.

Invest prudently in productive avenues: While there are a variety of investments avenues available, mutual funds have proven themselves to be a potent avenue for wealth creation, provided the category and the financial well-being of your dependants.

Systematic Investment Plan (SIP) has emerged as a worthwhile mode

HARD TRUTHS ABOUT WOMEN AND FINANCES

■ Fewer women than men take independent investment decisions

■ Many take their own investment decisions only due to circumstances, such as divorce or husband's death

■ Men dominate decisions regarding investing, or buying a car or house

■ Women have a larger say in buying gold or jewellery, day-to-day household purchases, and purchase of durables

■ Very few women decide on their own to invest in market-linked instruments

Source: DSP Winvestor Pulse 2019 Survey

goals appear from time to time that require a course correction on your part. Your child may have planned to go to a college within the country, but may now want to study abroad. Such changes require a higher monthly investment.

Build an emergency corpus: Life at times throws unpleasant surprises at us. So, around 6-12 months of unavoidable expenses, including EMIs, should be maintained as an emergency fund (also known as contingency fund) in a savings account or a liquid fund. Keep in mind that with a financial plan in place and investments assigned and aligned to every financial goal, gaining financial security is possible. Financial independence is quantifiable and can be achieved if one works diligently towards it.

Invest time in gaining financial knowledge: A lot of times, the lack of awareness about personal finance creates financial insecurity. The financial pinch is felt when women find themselves stranded if they are divorced or widowed. Due to lack of knowledge, they are cheated out of their rightful legacies, or are mis-sold financial instruments.

These hurdles can be overcome by learning more. As Benjamin Franklin said: "An investment in knowledge pays the best interest." Doing this will elevate your morale and self-confidence and ward off many fears that prevent women from investing actively.

In case you need help, do not hesitate to seek professional guidance from a competent financial advisor, who can guide you in an independent, ethical and unbiased manner. Able guidance makes it possible to take the right steps to attain financial independence.

Finally, mothers must act as role models for their children. When the latter see that their mothers are financially independent, they will also be inspired to be self-sufficient in life when they grow up.

The writer is MD and CEO, Quantum Mutual Fund

BS TUTORIAL

Jayant Pal

1. Who is the first woman to be featured on a US dollar note?

A. Billie Jean King

B. Harriet Tubman

C. Jackie Kennedy Onassis

D. Ayn Rand

2. Who is the first tennis player to earn US \$100 million in prize-money?

A. Ivan Lendl

B. Roger Federer

C. Novak Djokovic

D. Rod Laver

3. The term Google Tax is a misnomer because _____.

A. Google is exempt from paying this tax

B. It earns most of its income from 'search', not advertising

C. It has a permanent establishment in India

D. It applies only to hardware companies.

4. The Boston Tea Party was a protest against _____.

A. Taxation imposed by the British

B. Tax payable by slave-owners in Boston

C. Export duties imposed on tea

D. Zero import duty imposed on coffee.

5. Which global fast-food chain has the maximum number of restaurants?

A. McDonald's

B. KFC

C. Subway

D. Starbucks

Solutions

1. B. She was an anti-slavery activist, whose image will be featured on the US \$20 note from 2020.

2. C. He achieved this feat in 2016. However, Roger Federer recently became the first tennis player to attain the status of a billionaire.

3. C. This tax is levied on payments made by Indian advisers to companies who do not have a permanent establishment in India.

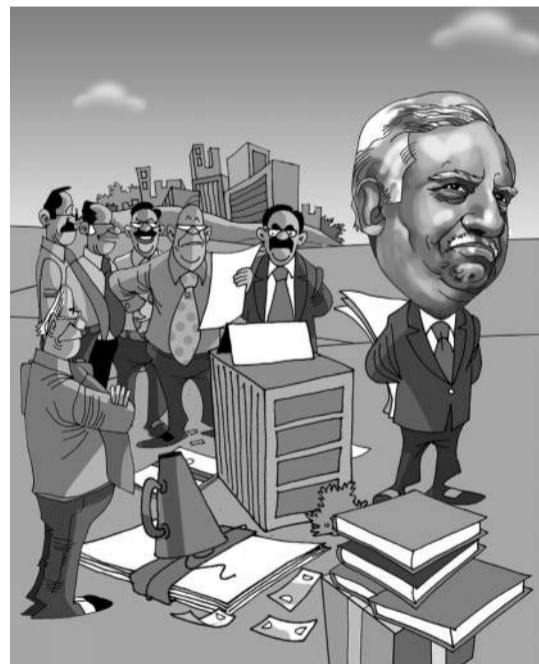
4. A. The British Parliament raised import duties via the Tea Act in 1773. Protesters boarded three ships in the Boston Harbour and threw 342 chests overboard.

5. D. As of June 2019, Subway operated around 43,000 restaurants.

ECONOMY

PEOPLE IN THE NEWS

BINAY SINHA



The Enforcement Directorate has raided the house of Naresh Goyal, former chairman of Jet Airways, and registered a fresh case of money laundering against him



Ritesh Agarwal-led Oyo Hotels is cutting its global workforce by about 5,000 to 25,000 people, with the deepest reductions in China after business there crumbled in the wake of the coronavirus outbreak

Govt removes cap on bids for renewable energy projects



SHREYA JAI
New Delhi, 7 March

There will be no tariff cap on renewable energy project auctions, with the government deciding to do away with the upper ceiling — a move it hopes will boost investment in solar and wind power projects.

The Ministry of New and Renewable Energy (MNRE) has issued a directive to Solar Energy Corporation of India (SECI), NTPC and state government departments.

Business Standard has reviewed the notice, which was issued recently.

The move comes after industry requested the government to remove ceiling on the bidding. Several states and SECI have a capped tariff rate, beyond which companies cannot quote while bidding for solar and wind power projects.

The tariff caps ranged from ₹2.9 per unit by SECI in some solar power tenders in 2019 to ₹3.5 per unit by some states such as Maharashtra, Rajasthan and Uttar Pradesh. This led to a lot of tenders going undersubscribed or drawing no interest from industry which found the caps to be too low. The prevailing market conditions made the projects unviable for companies, said an executive. The lowest bid in solar and wind has been in range of ₹2.4 per unit.

Some industry executives, however, called this decision ill-timed. "Industry had been asking for a cap when market conditions favoured higher tariff. Now when the tariff has come down, the government has removed the cap — killing two birds with one stone," said a senior executive of a leading renewable company.

In a recent tender floated by SECI for 1,200 Mw of solar power plants, the tariff discovered was ₹2.5 per unit, the lowest in past two years. Industry executives said comparatively relaxed norms in the tender was the reason for low tariff.

In the same notice, MNRE also directed SECI, NTPC and the state power departments to procure renewable energy either through single renewable source or various combinations of renewable sources with or without storage as per their procurement policies.

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SBI readies ₹10k-cr war chest for YES

"The interest of SBI shareholders will not be compromised," he said.

He also ruled out merging YES Bank with SBI. Kumar said YES Bank would be treated as any subsidiary or associate bank in the SBI stable. SBI would maintain an arm's length distance with YES Bank and would let its independent board run the bank, he said.

The SBI chairman, however, assured depositors of YES Bank that their money was safe and that once the moratorium was lifted, they would be able to access their funds freely. On a lighter vein, Kumar said he told the same to his nephew also who had an account with YES Bank. "Yesterday, when all this news was there, I received the first call from my nephew. He has an account with YES Bank. I have asked him not to worry".

Gold-silver ratio nears 30-year high

While projecting further rise for gold, the consultancy said, "We are also sceptical that fiscal/monetary stimuli introduced by policymakers will be sufficient to rescue the global economy. Prior to the virus outbreak, not only had nominal interest rates been kept at historically low levels across key reserve currencies, central banks' balance sheets have also ballooned since 2008. As a result, despite some near-term market relief, the boost from additional rate cuts and/or monetary easing on the underlying economy should be limited." On the other side, silver prices are not showing signs of any noteworthy improvement, indicating that the gold-silver ratio in the near term will rise further and silver will underperform gold.

During January and February 2020, the combined silver Eagle sales (coins) totalled just 4.50 million ounces, compared with 6.18 million ounces over the same period in 2019. This indicates that sale of silver coins is weak.

A key challenge concerns the trend in the silver price, which was largely range-bound over the first 5-6 weeks of this calendar year. From an investor standpoint, this price performance was quite unattractive, especially in the light of rally in gold. To some extent, according to an analyst with a global research firm, "This reflected disillusionment with silver's price prospects and concerns that it will suffer as global growth concerns deepen."

Eventually, he expects silver prices to recover when US silver coin and bar demand improved. This, in turn, should lead to an upside break out in silver prices, which in turn will encourage retail buying on two counts. First, some of the gold buying of institutional investors will move to silver. Second, as positive price expectations emerge, some retail investors may buy into a rising market, with a view to gaining exposure to silver before

prices strengthen further. This could be possible only in second half of CY2020 from when the ratio is expected to start falling.

Companies with \$10-bn net worth...



BPCL employees, however, can bid. They will be given the option to match the highest offer if their bid is within the 10 per cent band.

The selected bidder will have to make an open offer to public shareholders for acquiring another 26 per cent. The open offer price (payable in Indian rupee) will be the highest of the negotiated price under the sale, weighted average price paid by the acquirer and persons acting in concert in 52 weeks preceding the public announcement for open offer, highest price paid by the acquirer for any acquisition during 26 weeks preceding the announcement or the weighted average price over 60 trading days prior to the date of announcement. Under the guidelines of the Securities and Exchange Board of India (Sebi), the acquisition of an aggregate of 25 per cent or more shares or voting rights in a listed entity would trigger an open offer.

Unlike the Air India sale, employees would not be given any stock option in the case of BPCL. But they can bid. For that, at least 15 per cent of the employees should participate in the bidding process. They can form a consortium with companies or financiers, but such partners cannot bid separately.

The strategic disinvestment includes sale of the government's entire stake in BPCL comprising 1.14 billion equity shares and 52.98 per cent of BPCL's equity share capital. The divestment will also mean transfer of management control. BPCL's equity of 61.65 per cent in Numaligarh Refinery will be sold separately to a state-run oil and gas company, the bidding for which will be conducted in two stages. For the BPCL sale, bids will be allowed from consortiums of maximum four players, with the lead member having at least 40 per cent holding in the partnership. Each member in a consortium must also have a minimum net worth of \$1 billion. The transaction adviser for the deal is Deloitte Touche Tohmatsu India.

The investor will get access to diversified business areas of the company — including refinery, retail, lubricants, aviation, gas and liquefied petroleum gas (LPG). BPCL's share of the country's refining capacity is pegged at 15 per cent, while it has 25.77 per cent in the retail market, 25.67 per cent in LPG, 24.94 per cent in aviation and 22.29 per cent in lubricants. With more than 50 LNG consumers, BPCL's total refining capacity stands at 38.3 million tonne per annum (MTPA). According

to the data available with the Petroleum Planning and Analysis Cell, BPCL has 15,184 fuel retail outlets and 58 ATF stations across the country. The company has investments in upstream sector too with participating interests in 25 blocks. While 13 of these are located in India, another 12 are overseas.

Empty offices, full homes: Internet...

They'll vary by region and time of day, depending on traffic patterns, unlike single events that we all experience, for example the disruptions caused by the recent launch of Walt Disney Co's Disney+ or glitches on Amazon Prime Day.

Even if home connections are robust, not every company is ready to handle a sudden surge of employees trying to log in to the office network from outside. Many employers use virtual private networks, or VPNs, as secure, dedicated channels for remote users to access the same network they normally have at work.

Typically businesses allocate enough network capacity to accommodate the everyday needs of a small number of employees working remotely, but a large-scale shift could cause temporary trouble. Adding VPN capacity could take hours or days or maybe even weeks for some companies, according to networking experts. Preparation can help. For a decade or more, big employers have been developing contingency plans and business-continuity strategies. Information-technology departments have developed checklists or backup procedures and employees have been briefed, or even participated in mock emergencies, to test remote connections at home or in temporary offices.

"We're in a far better place than we were five or 10 years ago, in terms of network preparedness," Pierce said.

ED expands probe against Rana Kapoor

The private lender's debt exposure was to the tune of ₹3,700 crore in DHFL debenture between April 2018 and June 2018, and also in July 2018. The ED is also examining the loan documents of YES Bank and the terms on which it sanctioned ₹750 crore to Dheeraj Wadhawan's RKW Developers for a project near Mumbai's Bandra Reclamation. The agency came across this transaction during its probe into the DHFL promoters' role in financing funds to gangster Iqbal Memon (alias Iqbal Mirchi), in a money-laundering case registered against the housing finance firm and many others.

Sources said the agency might also register a separate case against Rana Kapoor, depending on the outcome of the search operation. However, for a separate case, a police complaint has to be registered for predicate offence to probe the matter under the Prevention of Money Laundering Act (PMLA).