

A KISHORE & M GUPTA
Corona welfare has little for the urban economically-vulnerable

EDITORIAL
 Till corona threat over, letting factories restart is a bad idea, it undoes all the work done so far

TURBULENT TIMES
SpiceJet sends most of staff on unpaid leave, to cut pay by up to 30%

POST-PANDEMIC PROJECTIONS
World Bank says 11 m may end up in poverty in East Asia & Pacific

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NIZAMUDDIN CLUSTER

Race to trace Tablighi meet contacts

50 test positive in a single day in Tamil Nadu

EXPRESS NEWS SERVICE
 New Delhi, March 31

MORE THAN A dozen states and Union Territories are scurrying to identify, quarantine, and test people who attended a gathering of almost 4,000 people at Markaz Nizamuddin, the headquarters of the Tablighi Jamaat in Delhi, in the middle of March.

With Telangana reporting on Monday five Covid-19 deaths, and Tamil Nadu on Tuesday stating 50 of 52 Covid-19 positive cases were of people who were part of the congregation, fear of a rapid spread has prompted all states to undertake a massive contact tracing programme.

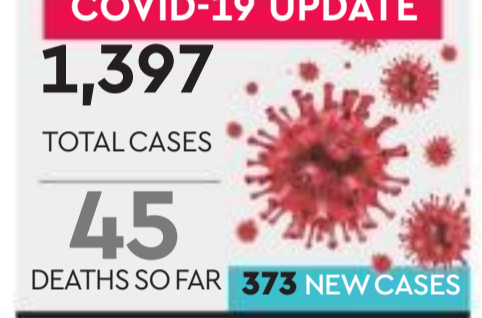
While Delhi itself evacuated 1,548 people over the last three days, Andhra Pradesh has identified 711 persons who were at Markaz Nizamuddin. Of this, it has quarantined 122 at various local private hospitals and isolation facilities, 207 at govern-

ment hospitals, and 297 in their homes. The remaining 87 are untraceable and teams are searching for them. "We are trying to gather information if anyone else travelled to Nizamuddin for the meeting," minister Purni Venkataramiah said.

From neighbouring Telangana, at least 400 persons participated in the meeting, a state government official said. A group of 10 Indonesians accompanied a group from Karimnagar on their return from New Delhi. While one Indonesian tested positive on March 17, the remaining nine tested positive the next day after they were moved to Gandhi Hospital at Hyderabad.

According to officials who traced the movement of the group, the entire group travelled in a second class coach (S9) of AP Sampark Kranti Express.

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First link on March 17; list of foreigners took till 21st to draw up

DEEPTIMAN TIWARY
 New Delhi, March 31

THE CONNECTION BETWEEN a Tablighi Jamaat congregation at Nizamuddin in Delhi and the spread of Covid-19 first emerged on March 17, after a case was detected in Telangana. However, it was only by March 21 that the ministry of home affairs (MHA) was able to draw up a list of over 800 foreigners associated with Tablighi activities across the country.

"Information about a Tablighi-associated Covid patient in Telangana first came to us on March 18. An Indonesian who had attended the Tablighi conference at Nizamuddin had travelled to Telangana and tested positive on March 17.

Continued on Page 2



People who were among those who attended the religious gathering at Nizamuddin mosque in early March, are taken to a hospital for Covid-19 test, in New Delhi on Tuesday

Govt exaggerates: 30% migrants infected!

FE BUREAU
 New Delhi, March 31

INDIA MAY HAVE 1,423 confirmed cases of those infected by the coronavirus but, going by what Solicitor General Tushar Mehta told the Supreme Court,

as many as 30% of Indians could be carrying the coronavirus! Later, when asked about this, Mehta said the statement was just a hypothetical one, it was not based on facts!

While explaining to the SC that it was critical these work-

ers not be allowed to go back to their homes in rural India, Mehta said there was a possibility that three out of every 10 migrant workers moving from cities to rural areas were carrying the virus and this posed a threat to rural India as the pandemic could spread there as well. If 30% of migrant labour carry the virus, that means at least 30% of the general population is infected.

Mehta was speaking in case on the extremely poor handling of the migrant workers fleeing the cities, and the build-up of thousands of them at the borders, without any food or shelter, and the fact that hundreds of them walked for miles in the absence of any public transport.

Continued on Page 2

RELIEF TO EXPORTERS

Trade policy sops to stay till FY21 end

BANIKINKAR PATTANAYAK
 New Delhi, March 31

THE COMMERCE MINISTRY on Tuesday extended the validity of the current foreign trade policy (FTP) for 2015-20 by another year to FY21 end. The move is aimed at softening the blow to exporters already grappling with a massive cancellation of orders in the wake of the Covid-19 pandemic, a senior official told FE.

The extension will enable exporters to continue to get incentives under existing programmes — including the Merchandise Exports From India Scheme (MEIS), interest equalisation scheme and transport subsidy scheme (for farm exports) — for one more year. However, a decision on extending the Services Exports Promotion Scheme is yet to be made, the ministry said.

The pandemic has also forced the government to review its FTP architecture for the next five years, given the country now needs fresh policy responses to counter the damaging impact on both internal and external trade even after it recedes.

The decision to extend FTP validity comes after commerce and industry minister Piyush Goyal held a meeting via video conference, the second time since March 27, with various

■ Commerce minister Piyush Goyal held a meeting with various export promotion councils on Tuesday

■ FTP extension will enable exporters to continue getting incentives under MEIS, interest subvention, transport subsidy, interest equalisation schemes and so on

■ Exporters say roughly over a quarter of their orders have been cancelled

■ Exporters received ₹40,000-crore benefits under MEIS in FY19



export bodies to address issues faced by them. Already, exporters that FE spoke to say roughly over a quarter of their orders have been cancelled for reasons, including their inability to source supplies due to a lockdown and the buyers' reluctance to get delivery at a later date.

Continued on Page 2

1,548 evacuated; police files FIR against cleric

SOMYA LAKHANI
 New Delhi, March 31

OVER THE PAST three days, 1,548 people have been evacuated from the Markaz Nizamuddin, the headquarters of the Tablighi Jamaat outfit, Delhi chief minister Arvind Kejriwal said Tuesday. Of these, 441 are symptomatic and have been

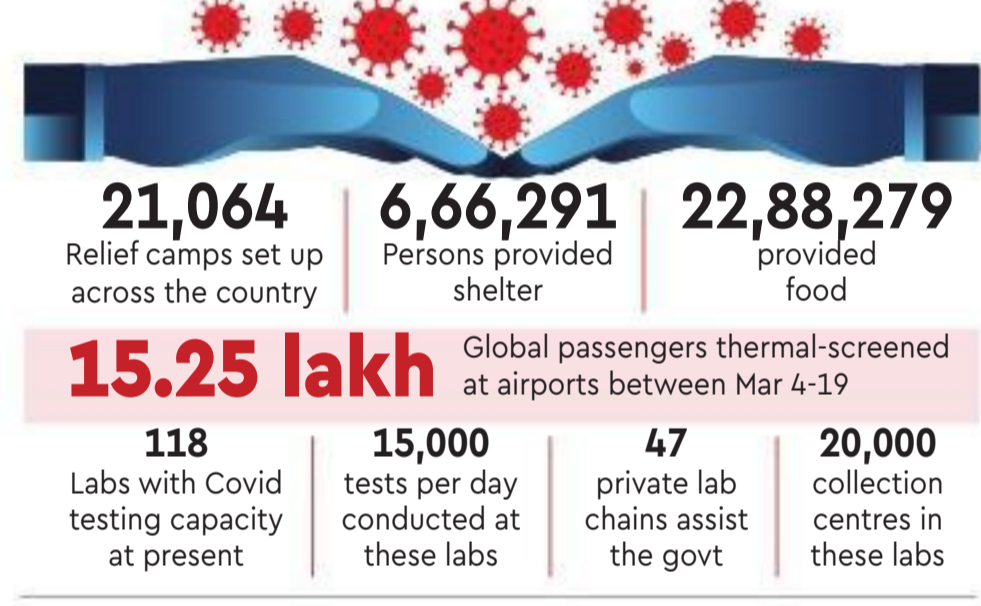
sent to the hospital for coronavirus testing, while others have been quarantined.

Meanwhile, Delhi police on Tuesday booked the cleric who led the gathering. The case will be investigated by the crime branch, said the police PRO Mandeep Singh Randhawa.

Nizamuddin West continued to be under strict lockdown —

with heavy police deployment — a day after 18 people from the area tested positive for Covid-19. At least 24 of the 97 coronavirus cases in Delhi are from this area. The CM said the city should brace for a surge in cases as some of the 441 symptomatic people evacuated from the Markaz are expected to test positive.

With PTI inputs



Govt cuts interest rates on small savings schemes by up to 1.4%

The government on Tuesday slashed interest rates on small savings schemes, including the National Savings Certificate and Public Provident Fund, by up to 1.4% for the first quarter of 2020-21, in line with moderation in bank deposit rates.

| Instruments | Rates of interest (%), 2020 | Compounding frequency |
|------------------------------|-----------------------------|-----------------------|
| | Jan 1-Mar 31 | Apr 1-Jun 30 |
| Savings deposit | 4.0 | 4.0 |
| 1-year time deposit | 6.9 | 5.5 |
| 2-year time deposit | 6.9 | 5.5 |
| 3-year time deposit | 6.9 | 5.5 |
| 5-year time deposit | 7.7 | 6.7 |
| 5-year recurring deposit | 7.2 | 5.8 |
| Sr Citizen Savings Scheme | 8.6 | 7.4 |
| Monthly income account | 7.6 | 6.6 |
| National Savings Certificate | 7.9 | 6.8 |
| Public Provident Fund | 7.9 | 7.1 |
| Kisan Vikas Patra | 7.6* | 6.9** |
| Sukanya Samriddhi Yojana | 8.4 | 7.6 |

*will mature in 113 months, **will mature in 124 months
 Source: Finance ministry

OPEN TO FPIs

H1 gross borrowing at ₹4.88L cr; no spike in yields seen

FE BUREAU
 New Delhi, March 31

THE CENTRE ON Tuesday said it will borrow 62.6% of its budgeted full-year gross borrowing target through bonds in the first half of FY21. Around 63% of the bonds on offer will be fully available to be tapped by foreign investors. The government expects this would only have downward pressure on interest rates.

Analysts say the plan is unlikely to upset the bond market and cause a spike in yield. However, given the pandemic and consequent disruption in the economies across the globe, there may not be adequate appetite for such a large number of government bonds at this juncture. The benchmark 10-year bond yield was down 7 bps on Tuesday at 6.14%.

The gross borrowing in the April-September period will be to the tune of ₹4.88 lakh crore, against the full-year target of ₹7.8 lakh crore, including the repayment of loans. Net market borrowing for FY21 is pegged at ₹5.36 lakh crore.

Continued on Page 2

| Gross market borrowing (H1, ₹ lakh crore) | % share* |
|---|----------|
| FY19 | 2.88 |
| FY20 | 4.42 |
| FY21 | 4.88 |

*in annual borrowings

₹3.06 lakh cr
 or 63% of H1FY21 bond issuance fully open for foreign investors under a new window, the move seen putting downward pressure on yields

₹1.2 lakh cr
 Ways and Means Advances in H1 FY21, 60% higher than in H1FY20

DISINVESTMENT

FY20 receipts ₹15k cr short of RE, clouds over ambitious FY21 plan

PRASANTA SAHU
 New Delhi, March 31

WITH COVID-19 RUNNING down the stock market, FY20 disinvestment receipts are understood to have fallen short of the revised estimate (RE) of ₹65,000 crore by ₹14,700 crore or 23%. The government could not execute some of the

planned transactions, including sales of minority stakes in half a dozen CPSEs, as a result of the market turmoil.

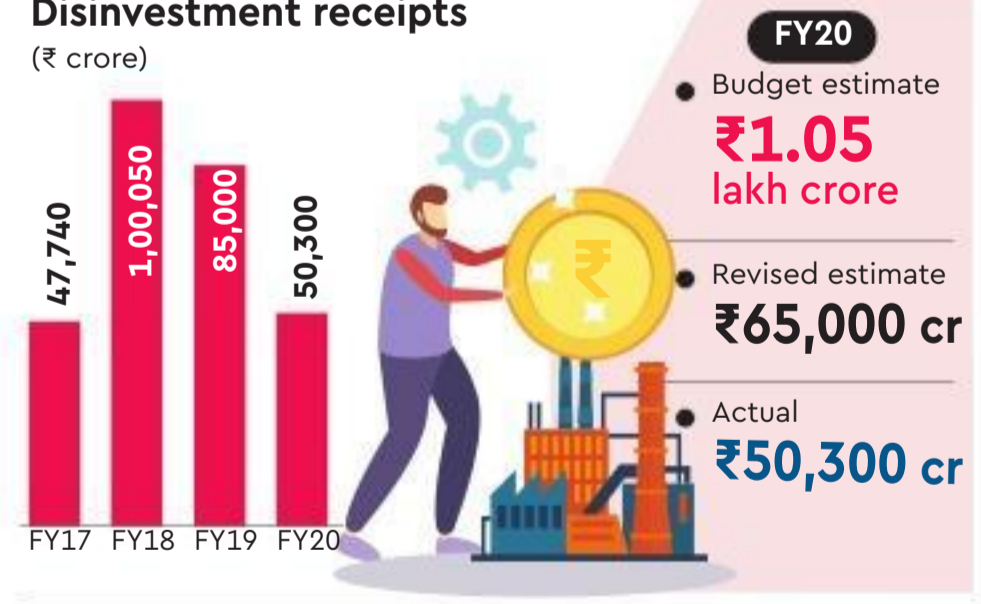
Also, government officials admit on condition of anonymity that the massive plan to raise ₹2.1 lakh crore via the disinvestment route in FY21, may have to be pared down substantially.

This marks a reversal of the trend seen in the last two years which saw the government netting higher amounts than the budget estimates (BEs) via the sale of its stakes in firms through various means.

The RE for disinvestment receipts in FY20 was 38% lower than BE of ₹1.05 lakh crore. In FY19, the Centre had collected ₹85,000 crore via sale of government stakes in companies against the original target (budget estimate) of ₹80,000 crore. In FY18, it had collected ₹1,00,045 crore compared with BE of ₹72,500 crore and RE of ₹1,00,000 crore.

"There will likely be a big change from budget assumptions (about disinvestment receipts) made for FY21... these may have to be revised," a finance ministry official told FE.

Continued on Page 2



Wealth check

FE BUREAU

Top 10 billionaires lose \$47 bn

Although the cut in the corporate tax rate in September last year sent the markets soaring, they subsequently crashed in March in the aftermath of the coronavirus pandemic, leaving India's wealthiest a lot poorer. The top 10 billionaires lost a combined \$47.15 billion in 2019-20.

| Billionaires' wealth (\$ bn) | |
|------------------------------|--------------|
| ■ MUKESH AMBANI | 38.2 ▼ -20.5 |
| ■ AZIM PREMJI | 14 ▼ -4.3 |
| ■ SHIV NADAR | 11.7 ▼ -4.1 |
| ■ UDAY KOTAK | 10.8 ▼ -3.9 |
| ■ RADHAKISHAN DAMANI | 10.5 ▲ 0.81 |
| ■ LAKSHMI MITTAL | 8.4 ▼ -4.7 |
| ■ CYRUS POONAWALLA | 8 ▼ -0.74 |
| ■ SUNIL MITTAL | 6.9 ▼ -1.1 |
| ■ GAUTAM ADANI | 6.4 ▼ -4.9 |
| ■ DILIP SHANGHVI | 5.4 ▼ -2.1 |

Source: Bloomberg

LOCKED DOWN

Mobile sales hit as buyers stay away

RISHI RANJAN KALA
 New Delhi, March 31

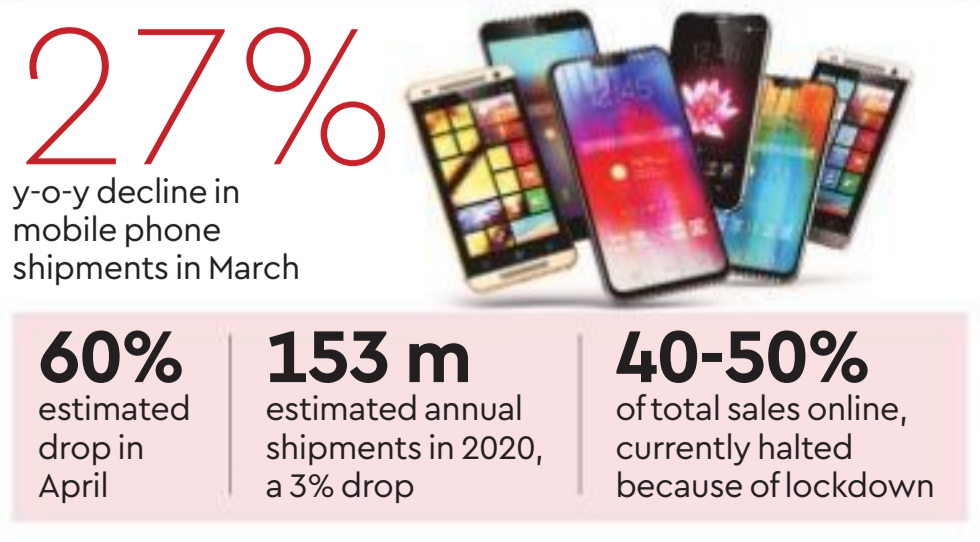
WHILE THE OUTBREAK of Covid-19 and the ensuing lockdown across the country has pushed up mobile talktime and data usage, it has taken a toll on sales of handsets. Shipments are expected to decline by around 27% on a year-on-year (y-o-y) basis during March and a sharper 60% in April, according to analyst estimates.

Sales have also taken a hit as online channels, which account for 40-50% of total sales, are closed at the moment as mobile handsets do not fall in the list of essential commodities. Counterpoint Research has

estimated that annual shipments are expected to decline 3% y-o-y to 153 million units in 2020. This is lower than 158 million units shipped during the 2019 calendar year (CY), when India surpassed the US as the world's second-largest smartphone market.

"The effect on India was relatively mild until mid-March. But the outbreak is spreading and the country has been locked down. We estimate the Indian smartphone market will experience a decline of 3% y-o-y to reach 153 million units in 2020, Counterpoint Research associate director Tarun Pathak told FE.

Continued on Page 2



SHARED VENTILATORS

Start-ups can help govt breathe easier

ISHAAN GERA
 New Delhi, March 31

GIVEN THAT THE estimated 40,000-50,000 ventilators in India would not be enough in case the Covid-19 numbers reach levels that the worst-affected countries have witnessed, the government is working on all possible solutions, including enlisting automakers, PSUs and the Defence Research Organisation (DRDO), to ramp up their manufacturing.

Even with that, the requirement could surpass availability if the pandemic ends up affecting lakhs, as projected by some mathematical models. So, DRDO will be working with multiple private sector



ILLUSTRATION: ROHINIT PHORE

firms to create a splitter for ventilators so as to allow many patients to simultaneously use a single ventilator.

Many start-ups, however, have been fielding such innovations for quite some time. AgVa Healthcare, founded by Dr

Deepak Aggarwal of AIIMS, and Diwakar Vaish, a robotics specialist, had in 2018 announced a low-cost ventilator that could be cheaper than a flagship premium smartphone. The company used technology to compress a ventilator to small form-factor and bring down the cost to a tenth of an existing, traditional ventilator — it uses an android tablet to control the ventilator.

Maruti Suzuki India has tied up with AgVa and would be creating ventilators based on the latter's technology. MSI said it would achieve a production volume of 10,000 units per month. "We are targeting 20,000 units in production. Since our first iteration, we have added new features. The new ventilators are very rugged

and have features which can match a ₹15-lakh ventilator," Aggarwal, co-founder, AgVa Healthcare, said. The company claims to have customised it to deal with viral shedding by Covid-19 patients. "We have also installed a medical-grade negative ion generator (not there in any ventilator). Negative ions inactivate the virus in respiratory tubing and airways, and a positively charged collection mechanism collects them," Aggarwal said.

The company has also tied up with Andhra Pradesh MedTech Zone, an enterprise under the Andhra Pradesh government to create capacity for 5,000 more units.

Continued on Page 2

Economy

WEDNESDAY, APRIL 1, 2020

Quick View

Withholding tax orders validity

THE FINANCE MINISTRY on Tuesday extended the validity of all lower withholding tax orders by three months till June 30 in view of hardships caused due to Covid-19 pandemic.

June 13 new BPCL bid deadline

THE GOVERNMENT ON Tuesday extended the deadline for bidding to buy its entire 52.98% in BPCL by over a month to June 13.

3.2L isolation beds in railway coaches

ON ITS PLANS to offer 20,000 coaches as isolation wards for coronavirus patients, the railways on Tuesday said these coaches can accommodate up to 3.2 lakh possible beds.

SC TO GOVT

'Ensure basic amenities for migrants'

FE BUREAU
New Delhi, March 31

THE SUPREME COURT on Tuesday asked the Central government to ensure that basic facilities like food, water and medicines are provided to the migrant workers, who have been stopped from crossing inter-state borders, and are now temporarily kept at shelter homes in the wake of the Covid-19 outbreak.

A bench, headed by Chief Justice S A Bobde, asked the government through video conferencing to rope in community and religious leaders and also trained counsellors to talk to the migrant workers who are fleeing cities for their native villages.

It also asked the Centre to not use force against the migrants. "Let volunteers manage the shelters, not the police. There should be no use of force or intimidation," the CJ said.

Observing that "panic will destroy more lives than the virus", the apex court directed the government to set up an expert committee to address



Migrants walk along the Mumbai-Ahmedabad highway on Monday due to coronavirus lockdown

queries of citizens regarding the coronavirus threat and also a dedicated portal within 24 hours to disseminate authentic information and prevent the spread of false and incorrect information through social media platforms. It also gave nod to the authorities to take strict action against those spreading fake news.

The bench also ordered the government to do follow-ups on persons who were identified as infected and quarantined. The next date of hearing is on April 7.

Solicitor general Tushar Mehta told the apex court that 'I have instructions to state that no one is now on the road. Anyone who was outside has been taken to the available shelters. The mass migration from cities to villages had to be stopped'.

The Centre said that no migrant worker was stranded on the road and that 6.68 lakh have been provided temporary accommodation with 22.88 lakh being provided food across the country.

"We are considering provid-

Centre wants no media outlet to use Covid-19 info without ascertaining facts

THE CENTRE sought a direction from the Supreme Court on Tuesday that no media outlet print, publish or telecast anything on coronavirus without first ascertaining facts from the mechanism provided by the government.

It said that in an unprecedented situation of this nature, any deliberate or unintended fake or inaccurate reporting either in electronic, print, social

media or web portals has a serious and inevitable potential of causing panic in large sections of the society.

"Considering the very nature of the infectious disease which the world is struggling to deal with, any panic reaction by any section of the society based upon such reporting would not only be harmful for such situation but would harm the entire nation," it said.

— PTI

ing counselling to address the panic. Over 22.8 lakh people are being provided with food. These are needy persons, migrants, and daily wagers," Mehta said.

He told the SC that there was a possibility that three out of every 10 migrant workers moving from cities to rural areas was carrying the virus and the gov-

ernment would stop migrant workers from returning to their homes since it was risky for them and for the people in the villages.

The Supreme Court had on Monday sought a report from the government on steps taken about the large-scale inter-state movement of migrant workers.

World will go into recession with likely exception of India, China: UN report

YOSHITA SINGH
United Nations, March 31

THE WORLD ECONOMY will go into recession this year with a predicted loss of trillions of dollars of global income due to the coronavirus pandemic, spelling serious trouble for developing countries with the likely exception of India and China, according to a latest UN trade report.

With two-thirds of the world's population living in developing countries facing unprecedented economic damage from the Covid-19 crisis, the UN is calling for a \$2.5 trillion rescue package for these nations.

According to the new analysis from United Nations Conference on Trade and Development (UNCTAD), the UN trade and development body titled 'The Covid-19 Shock to Developing Countries: Towards a whatever it takes' programme for the two-thirds of the world's population being left behind, commodity-rich exporting countries will face a \$2 trillion to \$3 trillion drop in investments from overseas in the next two years.

The UNCTAD said that in recent days, advanced economies and China have put together massive government packages which, according to the Group of 20 leading economies (G20), will extend a \$5 trillion lifeline to their economies.

"This represents an unprecedented response to an unprecedented crisis, which will attenuate the extent of the shock physically, economically and psychologically," it said.

It added that while the full details of these stimulus packages are yet to be unpacked, an initial assessment by the UNCTAD estimates that they will translate to a \$1 trillion to \$2 trillion injection of demand into the major G20 economies and a two percentage point turnaround in global output.

"Even so, the world economy will go into recession this year with a predicted loss of global income in trillions of dollars. This will spell serious trouble for developing countries, with the likely exception of China and the possible exception of India," the UNCTAD said.

From the Front Page

Race to trace Tabligh meet contacts

THEY FIRST GOT down on March 13 at Ramagundam in Peddapalli district of Telangana. "They visited several local mosques and travelled in a six-seater autorickshaw, and participated in at four meetings. We traced the auto driver and put him in quarantine but he tested negative," a police officer said.

In Tamil Nadu, officials said 1,031 people attended Delhi conference in the second week of March. "All of them have been returned but we are yet to trace about 300 of them as police could trace only their phone numbers. Many phones are switched off, some had returned to Tamil Nadu and could not be traced in their addresses. About 400 people from Tamil Nadu are still stranded in Delhi and the local government is taking care of their health and isolation," said K Shanmugam, state chief secretary.

Tracing these people and quarantining them has become the top most priority of the state, Shanmugam said. "We will do it in two or three days. We have to contain them, screen all their contacts to prevent the further spread of the virus," he said.

Closer to Delhi, the Uttar Pradesh police have found that 157 persons from 19 districts in the state attended the congregation, six of whom have tested positive for coronavirus.

On Tuesday, police team raided the residence of all 157 persons to check their locations and found just nine have so far returned from Delhi. Their medical examination was conducted and they were sent for quarantine.

Over the last week, the J&K administration has embarked on a mission to find how many visited the Tablighi Markaz in Delhi. It has prepared a list of 800 persons, which includes those who were in contact with the persons present in the gatherings. Official sources said the administration has already contacted over 350 persons and put them under quarantine while the search for others is on.

In West Bengal, the home department and the health department were presently tracking such people. Sources said as many as 73 persons from the state attended the event. "The process of identification is on, and they are being quarantined for 14 days, and will be tested for Covid-19," said an official.

According to officials in Uttarakhand, they have record of 26 people who had attended religious programme of Tablighi Jamaat's Markah in Delhi earlier this month. Among them, 24 are from Haridwar while two are from Dehradun. Officials said that all 26 are in

Delhi at present. "Since they are still in Delhi, there is no possibility of transmission from them in Uttarakhand. They are identified and an alert to the Central government has been sent," said an official.

First link on Mar 17; list of foreigners took till 21st to draw up

FROM THE NEXT day, intelligence agencies and the ministry began tracing all foreigners associated with the Tablighi Jamaat in various parts of the country, an MHA official said.

According to the ministry, more than 1,000 Tablighi workers of foreign nationalities were in various parts of India on March 21. Of these, 216 foreigners were staying in Nizamuddin Markaz, the epicentre of the spread associated with the Tablighi Jamaat congregation of the first and second weeks of March.

"Additionally, about 824 foreigners had been, as on March 21, doing Chilla activities in various parts of the country... Details of these 824 foreigners had been shared on March 21 with the State Police for identifying them, getting them medically screened and quarantining them," an MHA statement said.

The statement added that as on March 21, some 1,746 persons were staying at the Hazrat Nizamuddin Markaz. It is not clear what action was taken between March 18 and 21 to screen these people, or to get the Markaz vacated. The Delhi government had on March 13 issued orders prohibiting congregations of more than 200 people for any kind of "sports activity or seminars".

Interestingly, medical screening of those at the Markaz started only on March 26, after the death of a Tablighi-associated Covid-19 patient was reported from Telangana.

According to the MHA, nationals of Indonesia, Malaysia, Thailand, Nepal, Myanmar, Bangladesh, Sri Lanka and Kyrgyzstan generally come for proselytising activities of the Tablighi Jamaat to India. All such foreign nationals normally report their arrival at the Tablighi Markaz at Banglawaali Mosque in Hazrat Nizamuddin in New Delhi. From here, they are detailed for Chilla activities to different parts of the country.

Apart from the March 21 missive to states, the MHA has claimed, on March 28, state police were advised to collect the names of Indian Tablighi Jamaat workers from the local coordinators, locate them on the ground, get them medically screened, and quarantine them.

"So far, about 2,137 such persons have been identified in different States. They are being medically examined and quarantined. This process is still on and more such people would be identified and located. On March 28, MHA also issued a detailed advisory to Chief Secretaries and DGPs of all States, as well as CP Delhi, on this issue," the MHA statement said.

On March 29, Intelligence Bureau chief Arvind Kumar asked state police chiefs to trace the movement of all such Tablighi workers in their area, ascertain the people they were in contact with, and take steps for their medical screening. "Many states have already started doing this," the MHA statement said.

Claiming that beginning March 26, screening of Markaz residents was being done, the MHA said, "So far 1,203 Tablighi Jamaat workers have been medically screened. (As many as) 303 of them had symptoms of COVID-19 and were referred to different hospitals in Delhi. Rest of them have been moved to different quarantine centres at Narela, Bakkarwala and Sultanpuri. This process will continue throughout today to move every Tablighi Jamaat worker out of Nizamuddin Markaz."

According to an MHA estimate, since January 1, about 2,100 foreigners had visited India for Tabligh activities. Many left before the lockdown, but over 1,000 stayed on.

"Bureau of Immigration has been sharing (since February 1) with State authorities, details of all international arrivals from affected countries based on Self Declaration Form filled-in by them. In addition, since March 6, Bureau of Immigration had also been sharing details of all the international arrivals (both Indians and foreigners) at all the international airports in the country to the concerned State, based on the permanent address mentioned in their passport, in case of Indians, and hotel address, in case of foreigners," the MHA statement said.

According to MHA figures as on March 21, among the Tablighi foreigners who fanned out across the country, most (125) went to Tamil Nadu, followed by Uttar Pradesh (132), Haryana and Maharashtra (115 each), and Telangana (82).

In its March 28 letter to all states, the MHA said about 2,000 foreigners of Tablighi association from 70 countries were in different parts of India on tourist visas valid for six months. Most of these foreigners are from Bangladesh (493), Indonesia (472), Malaysia (150), and Thailand (142).

The MHA said it is committed to "identify, isolate and quarantine Covid-19 positive Tablighi Jamaat (TJ) workers in India post their congregation in Nizamuddin, Delhi", and

hinted at initiating action against them for engaging in "missionary activities" while on tourist visas.

"Usually, all the foreign nationals visiting India as a part of Tabligh team come on the strength of tourist visa. MHA had already issued guidelines that they should not indulge in missionary work on tourist visa. State Police would be examining categories of visas of all these foreign TJ workers and take further action in case of violation of visa conditions," the MHA said in a statement.

It said Tabligh workers staying in the Markaz in Nizamuddin were "persuaded for medical screening by State authorities and Police". By March 29, MHA has claimed, nearly 162 Tabligh workers were medically screened and shifted to quarantine facilities.

"So far, 1,339 Tablighi Jamaat workers have been shifted to Narela, Sultanpuri and Bakkarwala quarantine facilities as well as to LNJP, RGSS, GTB, DDU Hospitals and AllMS, Jhajjar. Rest of them are being currently medically screened for Covid-19 infections," it said.

Govt exaggerates: 30% migrants infected!

THE CENTRE SAID that no migrant worker was stranded on the road and that 6.68 lakh have been provided temporary accommodation with 22.88 lakh being provided food across the country. Mehta apprised the court of the steps taken by the centre after the outbreak of Covid-19 and said the Centre had enhanced testing capacity from a single laboratory in January to 118 labs across the country, with a total capacity of 15,000 tests per day. Besides, the Central government has coordinated with 47 private laboratory chains who have more than 20,000 collection centres in the country. Over 25 lakh persons have been screened at airports, 40,000 at 12 sea ports, 65 at minor ports and 20 lakh at all land borders. As many as 3.5 lakh persons were being monitored, the SG said.

Disinvestment: FY20 receipts ₹15k cr short of RE, clouds over ambitious FY21 plan

AMONG THE MEGA deals in the disinvestment pipeline, the government had planned to garner ₹70,000-80,000 crore by selling 53.3% stake in oil retailer-cum-marketer in FY21. A plan was also

announced to sell 30.8% in ConCor to a strategic buyer. Further, a substantial amount was planned to be raised by selling up to 10% stake in state-run insurer LIC through its listing. There is now great uncertainty over the feasibility of all these plans.

Nevertheless, in the past one week, a number of transactions were concluded. In CPSE-to-CPSE deals, the Centre sold its entire stakes THDC and Neepco to NTPC for a consideration of ₹11,500 crore. In another similar transaction, ₹2,383 crore was garnered from the sale of the Centre's 67% stake in Kamarajar Port to Chennai Port. Also, the Centre got ₹600 crore by sale of small pieces of its residual stakes in various private companies held via SUUTI.

With the novel coronavirus playing havoc on financial markets worldwide, affecting valuations of stocks, the department of investment and public asset management (DIPAM) has had no headroom to further augment revenues from buybacks, offers for sale (OFSS), initial public offers (IPOs) or selling a small portion from SUUTI's holdings in Axis Bank and ITC to meet the RE for FY20.

The Centre had plans to sell minority stakes in half-a-dozen CPSEs — Coal India, Cochin Shipyard, Hindustan Aeronautics (HAL), Bharat Dynamics (BDL), Mishra Dhatu Nigam (MDNL) and Gharat Reach & Shipbuilder Engineers (GRSEL). However, the slump in many of the CPSEs' stock prices by as much as 30% or so became a spoiler.

Shared ventilators: Start-ups can help govt breathe easier

INDIAN START-UPS ARE delivering innovations that can aid India's Covid-19 response. Pankaj Gupta, managing partner of Singapore-based EthAum Venture Partners, threw a challenge on Twitter, asking people to create a four-way splitter for ventilators, which could be used on ventilators as these machines operate at 25-30% of their capacity. Gupta initially had thought of a ventilator 'hackathon', but soon pivoted the challenge towards creating a splitter, after coming across a 2006 report of doctors in Michigan using this technology. He took open-source designs and tested them in Jaipur.

"We are working including a flow controller. So, we will be creating both a simple splitter and a complex mechanism. We want to bring all 3D printers on board," Gupta said. Another healthcare start-up Dozee has a contactless health monitor, which can be used to

track heartbeat, respiration rate and stress. Prithvi Gupta, COO and CBO, Dozee, said the company has a cost-effective solution to health tracking and creating makeshift ICUs. "The monitor uses AI to track vibrations and does it with 98% accuracy. As respiration is affected in Covid-19, we can keep regular track of respiration, sending automatic alerts when respiration tends towards dangerous levels. Besides, the app controlling the device can generate a dashboard, so nurses can spend more time taking care of the observations rather than recording patients vitals," he said.

Another start-up Niramai, engaged in breast cancer screening, uses thermalix to screen women for breast cancer. It said it is developing a technology where a device can monitor the temperature of groups of people. Geetha Manjunath, CEO & CTO, Niramai, said: "Thus, we can do remote fever screening from 10-12 feet. While we cannot monitor crowds at present, groups of people can easily be screened."

Trade policy sops to stay till FY21 end

AS PART OF the move, the government has extended the validity period of the Status Holder Certificates. It also provided exemption from the payment of IGST and compensation on the imports made under Advance/EPCC authorisations and by export-oriented units by up to March 2021.

Similarly, the validity period for making imports under various duty-free import authorizations expiring between February 1 and July 31 has been allowed automatic extension for another six months from the date of expiry. Last dates for applying for various duty credit Scrips (MEIS/SEIS/ROSCITL) and other authorisations, too, have been extended.

Exporters had received benefits worth ₹40,000 crore under MEIS in FY19. Similarly, under the interest equalisation scheme, they are estimated to have received ₹2,868 crore in FY20. This scheme usually allows manufacturing and merchant exporters an interest subsidy of 3% on pre- and post-shipment rupee credit for exports of 416 products (tariff lines).

Exporters have already warned of a crash in outbound shipments in FY21, as global supply chain has been hit hard, cargo movement has been affected, shipping lines altered and warehouse capacity stretched following the Covid-19 outbreak. Up to February this fiscal, the overall goods exports contracted by 1.5% year-on-year to \$293 billion. Analysts now say goods exports this fiscal may drop to \$315 billion or less,

against \$330 billion in the previous year.

After his meeting with Goyal, Federation of Indian Export Organisation president Sharad Kumar Saraf said the authorities should bear half the wage cost of labourers from funds available with the Employees' State Insurance Corporation (ESIC) or Employee Provident Fund Organisation to ease the burden on exporters. He suggested that the government allow manufacturing companies engaged in exports to operate with at least half the manpower despite lockdown, after adhering to safety and social distancing norms. Police and other authorities at the local level must be sensitised to ensure logistics-related issues are sorted out expeditiously, he added.

Ravi Sehgal, chairman of the engineering exporters' body EEPF, said, on an average, 25-30% of export orders have been cancelled in recent weeks and 'freight forwarding' rates have jumped 3-4 times in recent weeks. He suggested that the remittance period be extended for exporters from 9 months to 15 months.

Trade policy sops to stay till FY21 end

Indian Oilseeds and Produce Export Promotion Council chairman Khuswant Jain said exporters are unable to physically courier LC (letter of credit) documents lodged with Indian banks to LC issuing overseas bank due to the suspension of such courier services. This is obstructing the exports. "In many cases, the cargo is loaded but shipment is not taking place due to the absence of certain documentation," he said.

Mobile sales hit as buyers stay away

HE FURTHER SAID going ahead, demand for smartphones is expected to be tepid as people would prioritise spends and focus on essential items and cut discretionary spending. In such a scenario, the second half of the year would give an indication of how demand would fare. In the event of the situation stabilising by that period, the festive season may offer some hope.

"We are estimating a 27% y-o-y decline in March shipments and almost 60% for April if the lockdown does not get extended beyond April 14. This translates into a revenue loss of around \$2 billion for the industry. If it extends, the losses would be higher which could affect the entire supply chain and the channels in terms of revenue, payments as well," Pathak added.

On the production side, he pointed out that both domestic and exports will have almost full 20 days of impact. "This will also impact component supply chain in China as well which are supplying to their Indian counterparts as

well. Factories with their export base in India are also likely to be impacted more. However, we believe that factories are likely to take care of their labour and restrain from any layoff during these testing times," he added.

H1 gross borrowing at ₹4.88L cr; no spike in yields seen

ADDRESSING MEDIA, ECONOMIC affairs secretary Atanu Chakraborty said: "The government is committed to its requirements for fighting Covid-19 whether on account of health issues or protecting the economy, and providing necessary stimulus at any time." The entire borrowing plan has been "designed in that fashion", he added.

The government will issue weekly securities of ₹19,000-21,000 crore, against ₹17,000 crore in the last year. These will have a maturity of 2, 5, 10, 14, 30 and 40 years. The government will also issue floating-rate bonds of a tenor of 13 years, the secretary said.

Weekly borrowings will be undertaken through treasury bills of ₹25,000 crore in the first quarter, which will involve net borrowing of ₹1.37 lakh crore in the first quarter of FY21.

The borrowing road map has been drawn after factoring in the expected demand because of the Fully Accessible Route being opened up for non-residents investors for special securities, the secretary said. He stressed that this will have only downward pressure on interest rates.

The government needs to pump-prime the economy, given the disruptions caused by the pandemic. So some analysts expect the government's borrowing requirement to breach the full-year target.

"With less demand from industry and funds being easy with RBI's policy also providing for the same, we do not see pressure on yields during the first 3 months of the year. Ten year ended 6.14% today and it will be interesting to see how the market reacts. Our guess is that they will move up given the frontloading of the borrowing," CARE Ratings said in a report.

RBI will also be conduct switching and buyback of securities through auction on third Monday of every month, Chakraborty said, adding these will total ₹2.7 lakh crore for the whole of FY21.

Way and Means advances (WMA) are estimated to be ₹1.2 lakh crore in H1FY21, up 60% from ₹75,000 crore in H1FY20, indicating pressure on tax revenues in the first of FY21 due to economic slowdown after Covid-19 pandemic.

GUJARAT ENERGY TRANSMISSION CORPORATION LTD.
Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390 007
Website : getcogujarat.com Email : cetr.getco@gebtmail.com
e- TENDER NOTICE OF GETCO CORPORATE OFFICE, VADODARA
TENDER NOTICE NO.: GETCO/CE/TR/ACE/TR/ EE/SS/2020/CCTV Camera
Chief Engineer (TR) invites "On line Tenders" (e-tendering) for "Supply, Installation & commissioning of CCTV camera surveillance system at various 66 KV to 400 KV class Substation of GETCO" at an estimated cost of Rs. 669.44 Lacs plus applicable GST.
Interested bidders having qualification as per terms of the tender, may please visit our website www.getcogujarat.com (for view and download only) and <https://getco.nprocure.com> (For view, down load and on line submission) from 31.03.2020 onwards. It is mandatory for all the bidders to submit their tender documents by both form viz. on-line (E-tendering) and physically in schedule time. "NO COURIER SERVICE OR HAND DELIVERY" will be allowed.
Interested bidders are also requested to be in touch with our above web site for any amendment till the last date of receipt of tender document.
Chief Engineer (TR)

GUJARAT ENERGY TRANSMISSION CORPORATION LTD.
Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390 007
Website : getcogujarat.com Email : cetr.getco@gebtmail.com
e- TENDER NOTICE OF GETCO CORPORATE OFFICE, VADODARA
TENDER NOTICE NO.: GETCO/CE/TR/ACE/TR/ EE/TR/2020/Addl. Jumper
Chief Engineer (TR) invites "On line Tenders" (e-tendering) for "Tender for providing additional jumpers on 66 KV to 400 KV Transmission lines with supply & installation of fired wedge connectors in GETCO grid" at an estimated cost of Rs. 249.07 Lacs plus applicable GST.
Interested bidders having qualification as per terms of the tender, may please visit our website www.getcogujarat.com (for view and download only) and <https://getco.nprocure.com> (For view, down load and on line submission) from 31.03.2020 onwards. It is mandatory for all the bidders to submit their tender documents by both form viz. on-line (E-tendering) and physically in schedule time. "NO COURIER SERVICE OR HAND DELIVERY" will be allowed.
Interested bidders are also requested to be in touch with our above web site for any amendment till the last date of receipt of tender document.
Chief Engineer (TR)

Heritage
HERITAGE FOODS LIMITED
CIN: L15209TG1992PLC014332
Regd. Office: # 6-3-541/C, Panjagutta, Hyderabad-500082, Telangana, India
Tel: +91-40-23391221/2, Fax: +91-40-23318090
E-mail: hfl@heritagefoods.in, Visit us at: www.heritagefoods.in

NOTICE

NOTICE is hereby given that pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and in terms of Company's Code of Conduct for Prevention of Insider Trading, the "Trading Window" for dealing in equity shares of the Company by all the designated person including their immediate relatives of the Company shall remain closed from 1st April, 2020 till the end of 48 hours after the declaration of Audited Financial Results of the Company for the quarter and Year ended on 31st March, 2020.

This notice is also available on the Company's website at www.heritagefoods.in and also on BSE & NSE website at www.bseindia.com & www.nseindia.com respectively.

For **Heritage Foods Limited**
Sd/-
Umakanta Barik
Company Secretary
M. No: FCS-6317

Place: Hyderabad
Date : 31.03.2020

NATIONAL FERTILIZERS LIMITED
(A Govt. of India Undertaking)
NANGAL UNIT, NAYA NANGAL - 140126 (PUNJAB)

TENDER NOTICE
Ref.No. NFL/NGL/Prod/Mtls/2020/33 Date: 30.03.2020

| Sr. No. | Description | Estimated Cost | Cost of Tender | Last date & time of receipt of tenders | Last date & time of opening of tenders |
|---------|--|-----------------|----------------------|--|--|
| 1. | Online tenders are invited from experienced and financially sound contractors for Internal Handling of Fertilizers, Cleaning, De-Scaling & Misc. Jobs in Bagging Plants (I & II) for the year 2020-21. | Rs. 350.62 Lacs | Rs. 1000/- | Upto 10 A.M. on 21.04.2020 | 10.30 A.M. on 22.04.2020 |
| 2. | On line bid in two parts bid system is invited for Procurement of Caustic Soda LYE (500 MT). | Rs. 1.76 Crores | Rs. 1,00,000/- (EMD) | Upto 2.30 P.M. on 13.04.2020 | 03.00 P.M. on 14.04.2020 |

For any further details visit our website: www.nationalfertilizers.com, <http://eprocure.gov.in> <https://nfl.tenders.in>; <https://etenders.gov.in/eprocure/app>. Bidders/Vendors are advised to visit our website regularly. Any Amendment/Corrigendum to the above NIT will be displayed only on aforesaid website. DGM (Prod) and DGM (Mtls)

TRIVENI GLASS LIMITED
REGISTERED OFFICE: 1, KANPUR ROAD, ALLAHABAD-211001
PHONE NO. : 0532-2407325; FAX NO. : 0532-2407450
CIN: L26101UP1971PLC003491; WEBSITE: www.triveniglassltd.com

RESULTS OF POSTAL BALLOT

Notice is hereby given that, the results of voting conducted through Postal Ballot (including e-voting), on the basis of the report dated 29.03.2020, submitted by the scrutiner Mr. Harsh Tiwari, Practicing Company Secretary, in respect of the resolution mentioned in the Postal Ballot Notice dated 21.02.2020, under section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, are as under:

| Particulars of resolution | Type of resolution | Total No of voted polled | Total votes casted in favour | Total votes casted against |
|--|--------------------|--------------------------|------------------------------|----------------------------|
| Sale of Allahabad Plant & Machinery, Land & Building | Special Resolution | 23,38,758 | 23,36,697 | 99.99 |
| | | | 61 | 0.01 |

All the resolutions have been passed with requisite majority.

For Triveni Glass Limited
Sd/-
J.K. Agrawal
Managing Director

Date: 01.04.2020
Place: Prayagraj

POST OFFER ADVERTISEMENT TO THE EQUITY SHAREHOLDERS UNDER REGULATION 18(12) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, (AS AMENDED) OF REGALIAA REALTY LIMITED

Corporate Identification Number (CIN): L70101TN1994PLC028978
Registered Office: No 10, Tarapore Avenue, Harrington Road, Chennai, Tamil Nadu 600 031
Tel No.: +91 44 42111612. Fax No.: +91 44 28331453
E-mail Id: info@regaliaarealty.com; Website: www.regaliaarealty.com

Open Offer for Acquisition of up to 936,000 Equity Shares representing 26% of the fully diluted voting share capital from the Equity Shareholders of Regaliaa Realty Limited ("Target Company") by Karvy Financial Services Limited ("Acquirer") at a price of ₹ 11.50 (Rupees Eleven and Fifty paise only) per fully paid-up equity share and the Acquirer has paid an interest calculated at the rate of 10% per annum from 58th working day from February 16, 2012 till the estimated date of payment of consideration at the time of offer (i.e., March 27, 2020), to the shareholders who were holding shares in the Target Company on the date of invocation and whose shares would be accepted in the Open Offer, which is ₹ 9.05/- (Rupees Nine and Five paise only) per Equity Share ("Interest Amount"). However, those shareholders who acquired shares subsequent to February 16, 2012, would be eligible only for the Offer Price.

This Post Offer Advertisement is being issued by akasam consulting private limited ("Manager to the Offer"), on behalf of Acquirer, in connection with the offer made by the Acquirer, in compliance with Regulation 18(12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended ("SEBI Takeover Regulations, 2011"). The Detailed Public Statement ("DPS") with respect to the aforementioned offer was published on September 07, 2018 in all editions of Financial Express (English) & Janasatta (Hindi), in Mumbai edition of Lakshya Deep (Marathi) and in Chennai edition of Makkal Kural (Tamil).

| | | |
|---|------------------------------------|-----------------------------------|
| 1 | Name of the Target Company | Regaliaa Realty Limited |
| 2 | Name of the Acquirer and PACs | Karvy Financial Services Limited |
| 3 | Name of the Manager to the Offer | akasam consulting private limited |
| 4 | Name of the Registrar to the Offer | Bigshare Services Private Limited |
| 5 | Offer Details: | |
| | a) Date of Opening of the Offer | February 27, 2020 (Thursday) |
| | b) Date of Closure of the Offer | March 12, 2020 (Thursday) |
| 6 | Date of Payment of Consideration | March 24, 2020 (Tuesday) |
| 7 | Details of Acquisition | |

| Sl. No | Particulars | Proposed in the Offer Document (Letter of Offer) | Actuals |
|--------|--|---|--|
| 7.1 | Offer Price | ₹ 11.50 per Fully paid up equity share and in accordance with the SEBI Order, the Acquirer shall pay an interest calculated at the rate of 10% per annum from 58 th working day from February 16, 2012 till the estimated date of payment of consideration (i.e., March 27, 2020). | ₹ 11.50 per Fully paid up equity share and in accordance with the SEBI Order, the Acquirer has paid an interest calculated at the rate of 10% per annum from 58 th working day from February 16, 2012 till the date of payment of consideration (i.e., March 27, 2020). |
| 7.2 | Aggregate number of shares tendered | 936,000 | 342,152 |
| 7.3 | Aggregate number of shares accepted | 936,000 | 342,152 |
| 7.4 | Size of the Offer (Number of shares multiplied by offer price per share) | 936,000*20.55 = ₹ 19,234,800 (Including the interest amount) | * 342,152*20.55 = ₹ 7,031,223.6 (Including the interest amount) |
| 7.5 | Shareholding of the Acquirer and PACs before Agreements/Public Announcement (No. & %) | 2,000,100 (55.56%) | 2,000,100 (55.56%) |
| 7.6 | Shares Acquired by way of Share Purchase Agreement (SPA) • Number • % of Fully Diluted Equity Share Capital | - | - |
| 7.7 | Shares Acquired by way of Open Offer • Number • % of Fully Diluted Equity Share Capital | 936,000 (26%) | 342,152 (9.50%) |
| 7.8 | Shares acquired after Detailed Public Statement • Number of shares acquired • Price of the shares acquired • % of the shares acquired | - | - |
| 7.9 | Post offer shareholding of Acquirer along with PACs • Number • % of Fully Diluted Equity Share Capital | 2,936,100 (81.56%) | 2,342,252 (65.06%) |
| 7.10 | Pre & Post offer shareholding of the Public • Number • % of Fully Diluted Equity Share Capital | Pre Offer 1,433,230 (39.81%) | Post Offer 497,230 (13.81%) |
| | | Pre Offer 1,433,230 (39.81%) | Post Offer 1,091,078 (30.31%) |

*Pursuant to the SEBI Order bearing reference number WTM/RKA/EPD/165/2016 dated October 27, 2016, the Open Offer is made at a price of ₹ 11.50/- per Equity Share (Rupees Eleven and Fifty Paise Only) ("Open Offer Price") payable in cash. In accordance with the SEBI Order, the Acquirer shall pay an interest calculated at the rate of 10% per annum from 58th working day from February 16, 2012 till the date of payment of consideration (i.e., March 27, 2020), to the shareholders who were holding shares in the Target Company on the date of invocation and whose shares would be accepted in the Open Offer, which is ₹ 9.05/- (Rupees Nine and Five paise only) per Equity Share ("Interest Amount"). However, those shareholders who acquired shares subsequent to February 16, 2012, would be eligible only for the Offer Price.

8. The Acquirer accepts full responsibility for the information contained in this Post Offer Advertisement and also for the obligations under SEBI Takeover (SAST) Regulations, 2011.

9. A copy of this Post Offer Advertisement will be available on the websites of SEBI, BSE Limited, and at the registered office of the Target Company.

10. The capitalized terms used but not defined in this advertisement shall have the meanings assigned to such terms in the Public Announcement and/or Detailed Public Statement and/or Letter of Offer.

11. This Post offer Advertisement is being issued in all the newspapers in which the DPS has appeared.

ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF ACQUIRER

akasam
transcending horizons
akasam consulting private limited
Level 3 & 4, akasam, 10-1-17/1/1, & 10-1-17/1/1/A
Masab Tank, Hyderabad – 500 004
Tel No.: +91 40 6644 4956
Fax No.: +91 40 2333 5518
Contact Person: Ms. Durga Poornima A
E-mail Id: poornima@akasamconsulting.com
Website: www.akasamconsulting.com
SEBI Registration Number: INM000011658

On behalf of Karvy Financial Services Limited (Acquirer) Sd/-
Authorised Signatory

Place: Mumbai
Date: March 31, 2020

DIAGEO INDIA

UNITED SPIRITS LIMITED
Regd. Office: 'UB Tower', # 24, Vittal Mallya Road, Bengaluru-560 001.
Tel: +91 80 3985 6500; Fax: +91 80 3985 6862
Email: investor.india@diageo.com Website: www.diageoindia.com
Corporate Identity Number: L01551KA1999PLC024991

NOTICE OF LOSS OF SHARE CERTIFICATES

Notice is hereby given that the Company has received requests from the following shareholders for issue of Duplicate Share Certificate(s) in lieu of the Original Share Certificate(s) reported to have been lost/ misplaced. The share certificate(s) mentioned hereunder are therefore deemed to be cancelled and no transactions thereon would be recognized by the Company.

| Sl No | Folio No. | Name of the Shareholder | No. of Shares | Certificate Number | Distinctive Nos |
|-------|-----------|--------------------------------|---------------|--------------------|---------------------|
| | | | | | From To |
| 01 | MS059326 | Manoj Gambhir Sunil Gambhir | 500 | 2182 | 721008186 721008685 |

The public are hereby advised against dealing in any way with the above share certificates. Any person(s) who has / have any claim(s) in respect of the said share certificates should lodge such claim(s) along with all documentary evidences with the Company at its Registered Office within 15 days of the publication of this notice, after which no claim(s) will be entertained and the Company will proceed to issue duplicate share certificates.

For **UNITED SPIRITS LIMITED**
Sd/-
V. Ramachandran
Executive Vice President & Company Secretary

Place : Bengaluru
Dated : 31.03.2020

MIRAE ASSET Mutual Fund

NOTICE CUM ADDENDUM NO. 10/2020

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

NOTICE is hereby given to the investors/unitholders about the following changes:

- RESIGNATION OF INDEPENDENT DIRECTOR FROM THE BOARD OF MIRAE ASSET INVESTMENT MANAGERS (INDIA) PRIVATE LIMITED ("AMC")**
Mr. Ananth Narayan Gopalakrishnan, Independent Director has resigned from the Board of the AMC with effect from Thursday, March 19, 2020. Accordingly, all references to Mr. Ananth Narayan Gopalakrishnan in the SAI stands deleted.
- CHANGE IN FUND MANAGEMENT RESPONSIBILITIES**
The Fund Management responsibilities of Mirae Asset Hybrid Equity Fund ("MAHEF") (an open ended hybrid scheme investing predominantly in equity and equity related instruments) shall be changed as mentioned below from Wednesday, April 01, 2020:

| Existing Fund Manager(s) | New Fund Manager(s) |
|---|--|
| Mr. Neelesh Surana & Mr. Mahendra Jajoo | Mr. Neelesh Surana, Mr. Vrijesh Kaspera, Mr. Harshad Borawake (equity portion) & Mr. Mahendra Jajoo (debt portion) |

Accordingly, SAI, SID and KIM of all the schemes of MAMF stands amended suitably to reflect the changes as stated above.

This notice cum addendum forms an integral part of SAI, SIDs and KIMs of the Scheme(s) of MAMF, as amended from time to time. All the other terms and conditions of SAI, SIDs and KIMs of the Scheme(s) will remain unchanged.

For and on behalf of the Board of Directors of
MIRAE ASSET INVESTMENT MANAGERS (INDIA) PVT. LTD.
(Asset Management Company for Mirae Asset Mutual Fund)

Place : Mumbai
Date : March 30, 2020

Sd/-
AUTHORISED SIGNATORY

MIRAE ASSET MUTUAL FUND (Investment Manager: Mirae Asset Investment Managers (India) Private Limited) (CIN: U65990MH2019PTC324625).
Registered & Corporate Office: 606, Windsor, Off CST Road, Kalina, Santacruz (E), Mumbai - 400098.
☎ 1800 2090 777 (Toll free), ✉ customercare@miraeeasset.com 🌐 www.miraeeassetmf.co.in

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

IDFC IDFC MUTUAL FUND

Notice-cum-Addendum no. 09 of 2020

Notice-cum-Addendum to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of the schemes of IDFC Mutual Fund (the Fund)

Introduction of SIP Pause facility

Investors / Unit holders are requested to note that SIP Pause facility is being introduced in all schemes of the Fund where SIP is available, with effect from **April 7, 2020**.

SIP Pause facility allows investors to pause their existing SIP for a temporary period, without discontinuing the existing SIP. Following are the terms and conditions of the facility.

Terms and Conditions:

- The SIP Pause facility is available in all schemes where SIP is available.
- The SIP Pause facility is available for SIPs registered using any mode (Physical / Online). This facility will not be available for mandates registered under Standing Instruction mode under Direct Debit arrangement.
- Investors may write to investormf@idfc.com from their registered email id in the folio, to avail SIP Pause facility. The email subject line should clearly specify the words 'SIP Pause'. Further, the E-mail request should clearly provide below details:
 - Folio Number
 - Name of the Scheme - Plan - Option
 - SIP Instalment Amount
 - SIP Date
 - SIP Pause Start Date (mm/yyyy)
 - SIP Pause End Date (mm/yyyy)
- Any request received from Email-ID other than registered Email-ID in the folio or requests received with incomplete / incorrect details are liable to be rejected.
- SIP Instalments can be paused for a minimum period of one (1) month to maximum of three (3) months.
- SIP shall restart immediately after completion of Pause period.
- SIP Pause request should be received at least 15 calendar days prior to the instalment date for the concerned SIP, which is required to be paused.
- Request for SIP Pause facility can be given upto six months in advance.
- Modification of SIP Pause facility will not be accepted. However, investor may cancel his SIP Pause request by writing to investormf@idfc.com, provided such a request for cancellation shall be submitted at least 15 calendar days prior to the instalment date for the concerned SIP, which is required to be paused.
- If SIP Pause period coincides with SIP Top Up trigger period, SIP instalment amount post completion of SIP Pause period would be inclusive of SIP Top Up amount. For eg: SIP Instalment amount prior to Pause period is Rs. 2,000/- and the Top-Up amount is Rs. 1,000/-, If the Pause period is completed after date of Top-Up, then the SIP instalment amount post-completion of Pause period shall be Rs. 3,000/-.
- SIP Pause facility can be availed multiple times during the tenure of the SIP. However, there shall be a gap of at least one SIP instalment between two SIP Pause requests.
- In case multiple SIPs are registered in a folio with the same amount, same instalment date and under the same scheme, then SIP Pause request shall be applied to the first SIP registered.
- The AMC reserves the right to change / modify the terms and conditions of the facility or withdraw the facility at a later date.

All the other provisions of the SID / KIM of the schemes of the Fund except as specifically modified herein above, read with the addenda issued from time to time, remain unchanged.

This addendum forms an integral part of the SID of the schemes of the Fund, read with the addenda issued from time to time.

Place : Mumbai
Date : March 31, 2020

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

IMPORTANT

Whilst care is taken prior to acceptance of advertising copy, it is not possible to verify its contents. The Indian Express (P) Limited cannot be held responsible for such contents, nor for any loss or damage incurred as a result of transactions with companies, associations or individuals advertising in its newspapers or Publications. We therefore recommend that readers make necessary inquiries before sending any monies or entering into any agreements with advertisers or otherwise acting on an advertisement in any manner whatsoever.

indianexpress.com

The Indian Express
— JOURNALISM OF COURAGE —

I arrive at a conclusion not an assumption.

Inform your opinion detailed analysis.

The Indian Express. For the Indian Intelligent.



Companies

WEDNESDAY, APRIL 1, 2020

Quick View



Cyient gets nod to make assemblies for Covid-19 equipment

TECH MAJOR Cyient on Tuesday said its Mysore facility has received clearance to run med-tech manufacturing lines to support production of medical equipment that is critical in the fight against Covid-19. Cyient is producing assemblies that are used in X-ray generators from GE Healthcare and diagnosis units from Molbio Diagnostics to enable rapid disease testing in India, a statement said.

Covid: Bharti Enterprises pledges over ₹100 crore

BHARTI ENTERPRISES has committed over ₹100 crore to support India's fight against Covid-19, the company said in a statement on Tuesday. A large portion of the corpus will be immediately contributed to the PM CARES Fund. The balance amount is being directed towards sourcing of masks and other key equipment for the doctors, healthcare workers and essential services personnel who are at the forefront of the battle, the statement said, adding that over a million N-95 masks are being procured and will be made available on an immediate basis.

Samsung, LG to provide kits to hospitals

TO HELP authorities and people increase preparedness against Covid-19, electronics majors Samsung and LG have pledged to offer products and protective equipment like surgeon gowns, face masks, gloves, refrigerators and water purifiers, among others, to hospitals. LG Electronics India on Tuesday said it has also partnered with Akshaya Patra Foundation to sponsor 1 million meals to migrant labourers and daily wage workers, who are struggling amid the 21-day lockdown in the country.

Akzo Nobel stops ops at plants, closes offices

PAINTS MAJOR Akzo Nobel on Tuesday said it has stopped operations of plants, warehouses and offices, while extending work from home for its employees till April 14 following the lockdown imposed to curb the spread of the coronavirus pandemic. Following the PM's introduction of a 21-day lockdown across the country, the company has initiated further steps in order to comply with these strict measures, Akzo Nobel said in a regulatory filing.

ITC's perfume factory to produce sanitisers

ITC has started production of Savlon sanitisers at its newly commissioned perfume-manufacturing facility in Himachal Pradesh. The production, the company said, was to meet the rising demand in the hygiene products category due to the Covid-19 outbreak. The company has repurposed its perfume facility to help produce an additional 1,25,000 litres of Savlon hand sanitisers.

GoMechanic initiative for essential service vehicles

GoMechanic, a network of tech-enabled car service centres, has started the #OpenForHeroes initiative to support emergency and essential vehicles such as ambulances and police vehicles across top metro cities. Under this initiative, GoMechanic will offer free labour and service and mechanics on call to such vehicles, if needed.

SJVN pays interim dividend to Centre, Himachal govt

STATE-OWNED SJVN on Tuesday said it has paid a sum of about ₹400 crore and ₹179 crore to the Centre and the Himachal Pradesh government, respectively, as an interim dividend for the financial year 2019-20. Engaged in the generation of power, SJVN is a joint venture between the Government of India and the Himachal Pradesh government.

COVID-19 IMPACT

IL&FS reaches out to Singapore bondholders as asset sale delayed

PRESS TRUST OF INDIA
New Delhi, March 31

FACED WITH A winding-up petition in a Singapore court, an overseas subsidiary of an IL&FS group entity has told its bondholders to defer the plea, as a proposed asset sale in China has got delayed due to the Covid-19 outbreak.

The company said it wants to engage in a consensual discussion with them regarding its obligations.

ITNL Offshore PTE Ltd (IOPL), the Singapore-based subsidiary of IL&FS-owned ITNL, has urged its bondholders to defer the winding-up petition and allow its group company, IIPL, to complete the sale of stake in a Chinese Expressway project to resolve around ₹2,500 crore of debt and pay its secured and unsecured creditors.

The company said it is "committed to engaging in consensual discussion with trustees with regard to its obligations under the Notes and distribution of any recoveries from repayment of loan".

But its proposed asset sale has got delayed due to the Covid-19 pandemic in China and worldwide.

Global banking giant HSBC has filed the winding-up petition in a Singapore court against the subsidiary of IL&FS Transport Services (ITNL) for recovery of its dues. The plea was filed by HSBC as a trustee of the bondholders.

In the first such case against a group entity of crisis-hit Infrastructure Leasing and Financial Services (IL&FS) Group, the Hongkong and Shanghai Banking Corporation (HSBC) is seeking to recover its funds parked in bonds worth RMB 1,000 million (over ₹1,050 crore) maturing in 2021, which were issued by IOPL.

The case was last heard on March 20 and deferred to April 17, 2020.

IOPL and IL&FS International PTE Ltd



An overseas subsidiary of an IL&FS group entity said it wants to engage in a consensual discussion with the bondholders regarding its obligations

(IIPL) are two Singapore-based subsidiaries of ITNL.

IOPL had raised \$141 million dim-sum bonds, at 7.5%, payable in 2021, guaranteed by ITNL.

These funds were advanced as unsecured loans to IIPL to refinance its liabilities. IIPL holds investments in China, the UAE and the US with Chongqing Yuhe Expressway Co Ltd (CYEL) being the biggest asset under IIPL.

IOPL said its only material asset was the unsecured loan advanced to IIPL and it was expecting to realise the same once the sale process commenced by IIPL of its stake held in Chongqing Yuhe Expressway was completed.

As per information received from IIPL, the sale process was progressing well, but has been temporarily affected by the ongoing coronavirus crisis that will result in slight delay in concluding the process.

"The Issuer (IOPL) considers that the Petition and any other action which may impact the Sale Process could potentially be detrimental to the interests of the note-

holders, as it may either delay or complicate the sale process. In such circumstances, recoveries from the shares held by IIPL in Yuhe (and hence recoveries of the Issuer on the IIPL Loan) are likely to be substantially lower than anticipated pursuant to the Sale Process," the regulatory filing said.

ITNL has been trying to resolve its debt and meet payment obligation towards secured creditors and unsecured debt of bondholders through stake sale in the biggest overseas asset under IIPL — Chongqing Yuhe Expressway Co Ltd (CYEL).

IL&FS holds 49% stake in CYEL (a company incorporated in Mainland China), through its Singapore based subsidiary ITNL International Pte Ltd (IIPL). The balance majority stake of 51 per cent in CYEL is held by Chongqing Expressway Group (CEG) that has agreed to forego its right to first refusal in favour of the shortlisted bidder.

On completion of the sale process, the company plans to meet all its unsecured liabilities in accordance with applicable laws and the resolution framework approved by the courts.

After a huge crisis came to light due to outstanding debt of over ₹90,000 crore at IL&FS, the government in October 2018 seized control of the debt-trapped company and superseded its board by appointing a new one, led by eminent banker Uday Kotak as its chairman.

ITNL alone is said to account for outstanding debt totalling nearly ₹40,000 crore, while the company and many other subsidiaries of IL&FS have defaulted on several debt instruments due to insufficient funds.

The new board, as part of the overall resolution process for the IL&FS Group, has sold a number of assets to clear dues and debt.

Lockdown: SpiceJet sends most of staff on unpaid leave



FE BUREAU
Mumbai, March 31

INDIA'S SECOND-LARGEST CARRIER

SpiceJet said most of its staff will be on unpaid leave during the nationwide lockdown. "SpiceJet has been forced to announce 'leave without pay' for employees during March 25-31, 2020 — the period of the lockdown when all passenger flights were suspended. However, employees who have been actively working during this period like our cargo, ground staff, crew who have flown during this time will not be affected," the company said. Additionally, the company announced a 10-30% pay cut for its top-and mid-rung staff for the month of March. Chairman Ajay Singh's salary will be cut by 30%. Lowest pay-grade employees will remain unaffected, the company said on Tuesday.

The government suspended domestic passenger flight operations from March 25. The suspension will be in place at least till April 14, as of now. Singh said the pay-cuts were necessary to avoid retrenchments. "The Covid-19 pandemic and the subsequent lockdown have forced us to take some tough

The company announced a 10-30% pay cut for its top-and mid-rung staff for the month of March

measures to ensure that no one at SpiceJet is retrenched. What we are facing is a global phenomenon and no airline in the world is immune to the impact," Singh said. SpiceJet is yet to take a call on whether its staff will be paid during the rest of the lockdown.

The salaries of employees who have worked during the lockdown in March would be reimbursed, the company said. Analysts say that only those airlines in India can survive the cash-burn during a lockdown that have substantial cash on their books. Airlines have already reached out to the government seeking relief measures for the industry to tide over the impact of the disruptions. Earlier this month, GoAir and IndiGo both cut March salaries for most employees. The Covid-19 pandemic has also resulted in massive restrictions in international air travel across the world. Many airlines have sent their staff on leave without pay in a bid to reduce expenses.

Dhanuka resolution plan gets rolling: Orchid Pharma lenders to get 32% recovery

SAJAN C KUMAR
Chennai, March 31

THE MONITORING COMMITTEE attached to the insolvency resolution process of Chennai-based Orchid Pharma has implemented the approved resolution plan by Gurgaon-based Dhanuka Laboratories, which would fetch the secured lenders close to 32.3% recovery of their dues. Besides, the lenders will also receive around 4,08,164 equity shares of Orchid Pharma, at an issue price of ₹10 each for part of their debt, sources in the know told FE.

According to a regulatory filing by Orchid Pharma on Tuesday, the paid-up equity share capital of the company has been reduced from ₹88.96 crore to ₹40.81 crore, with cancellation of 88.56 million equity shares of ₹10 each. A meeting of the monitoring committee also approved issue of 0% non-convertible, non-marketable, cumulative redeemable debentures of value of ₹3,650 crore to Dhanuka Pharmaceuticals — a special purpose vehicle formed by Dhanuka Laboratories — for subsuming equivalent outstanding debt of Orchid Pharma by the SPV for consideration other than cash.

Sources said that the lenders had been able to recover around ₹1,106.50 crore out of the total admitted debt of around ₹3,526.74 crore, apart from the 1% shares. Dhanuka will hold around 98% shares following the deal and may have to look for dilution of shares as per the relevant regulation.

The 4,08,164 equity shares are to be issued to 22 secured financial creditors depending upon their exposure in the company, and State Bank of India will get 72,915 equity shares, while Bank of India will get 41,228 shares and Union Bank of India and Allahabad Bank will receive around 28,000-29,000 shares each.

Dhanuka's resolution plan was finally taken for implementation after the Supreme Court had set aside the National Company Law Appellate Tribunal (NCLAT) order that nullified the Chennai bench of NCLT's approval of a resolution plan by Gurgaon-based Dhanuka Laboratories for the debt-ridden company Orchid Pharma.

The NCLAT in its November 13, 2019, judgement had set aside the Chennai NCLT order that approved the resolution plan by Dhanuka, on the ground that the amount offered in favour of stakeholders including the financial creditors and the operational creditors, was much less than the liquidation value. The NCLAT had also remitted back the case to the NCLT for fresh consideration under the relevant laws.

A Supreme Court bench of Justices Rohinton Fali Nariman and S Ravindra Bhat, in its February 28, 2020 order said, as a matter of law, this judgement (of the NCLAT) has to be set aside in view of its



The lenders will also receive 4,08,164 equity shares of Orchid Pharma, at an issue price of ₹10 each, for part of their debt

recent judgement where it had categorically held that no provision in the Insolvency and Bankruptcy Code or Regulations has been brought to the court's notice, under which the bid of any resolution applicant has to match liquidation value arrived at in the manner provided in the relevant regulations. "Accordingly, the appeal is allowed and the judgment of the NCLAT is set aside," said the order.

SBI, a key member in the committee of creditors (CoC), had filed the appeal before the Supreme Court seeking setting aside the NCLAT order, alleging that the appellate tribunal erred in overriding the commercial wisdom of the CoC. This was the second attempt to bring in an investor to save Orchid Pharma. Previously, the NCLT had nullified a resolution plan by US-based Ingen Capital after it was approved, post the investor allegedly failing in bringing in money as per the norms.

Accord Life Spec, a failed resolution applicant, had moved the NCLAT against the NCLT order that approved the resolution plan by Dhanuka Laboratories. In its appeal at the NCLAT, Accord alleged that Dhanuka's actual resolution value proposed was ₹570 crore as against a liquidation value of ₹1,309 crore.

The NCLT had approved the resolution plan by Dhanuka on June 25, 2019, rejecting a plea against it by Accord Life Spec which cited inadequate mandatory vote share of the CoC. The earlier resolution plan by Ingen, which was approved by the NCLT in the first attempt and later annulled by the tribunal, was for a total of ₹1,490 crore.

Rejecting Dhanuka's resolution plan, the NCLAT bench had observed that infusion of fund for maximisation of the assets of the corporate debtor (Orchid Pharma) cannot be counted for the purpose of the amount, which is being kept for distribution amongst the stakeholders, including the financial creditors and operational creditors. If it is less than the liquidation value, such a plan cannot be upheld, being against the object of the I&B Code and Section 30(2) of the said code, the apex tribunal had contended.

Sterling and Wilson Solar repays ₹500 crore of external debt

FE BUREAU
Mumbai, March 31

STERLING AND WILSON Solar, a Shapoorji Pallonji group company, on Tuesday said it received ₹500 crore from its promoters, which was utilised to repay the company's external borrowings. With this, the company's total repayment stands at ₹1,500 crore, the company said. The solar engineering, procurement and construction (EPC) company's operations have been impacted due to the outbreak of the novel coronavirus (Covid-19), owing to the slowdown in key equipment deliveries, including solar PV panels, from China.

In February, the company had said that production activities at some of its critical suppliers had stopped. As most material was expected to be shipped in February and March, the company expected a significant impact from this.

Sterling and Wilson Solar director and global CEO Bikesh Ogra on Tuesday said the company is closely monitoring the situation



to see how to minimise disruptions. "The situation in China has improved substantially, ever since, and the dispatches for all equipment including the solar PV panels have already commenced for countries currently unaffected by the lockdowns. However, that said, since our operations are spread over more than 25 countries, COVID-19 is likely to affect the delivery of materials and project execution for the countries which continue to go under lockdown. We are monitoring the situation closely to see how to complete execution of the projects with the

least of disruptions," Ogra said.

Ogra said that the company is confident of achieving its earlier guidance for the March quarter. "We had guided that the last quarter will be our best quarter for FY20, both in terms of revenue as well as profits, which we are confident of achieving," Ogra said.

The outbreak of the Covid-19 pandemic led to massive disruption in the supply chain worldwide. Production activity in China slowed for over a month following the outbreak, impacting companies which depended on Chinese suppliers. Since the beginning of February, Sterling and Wilson Solar's shares fell 73% on BSE. Its shares closed 4.8% up on Tuesday, closing at ₹76.9 on Friday.

Sterling and Wilson Solar is an end-to-end solar EPC solutions provider, which had a global market share of 4.6% in the year 2018. The company was also the largest solar EPC solutions provider in Africa and the Middle East, with a market share of 36.6% and 40.4%, respectively.

NovaLead Pharma identifies 42 approved drugs with potential to treat coronavirus

FE BUREAU
Pune, March 31

NOVALEAD PHARMA HAS identified 42 approved drugs with the potential to treat SARS-Cov-2, or coronavirus. NovaLead, based in Pune, is a technology-enabled drug-discovery and development company that works in the field of drug repurposing. It uses its proprietary computational technology for identifying existing drugs, which may be potentially effective against the SARS-Cov2 virus, as well as for minimising its impact on human body.

Through a complex and extensive computational study involving 2,010 approved drugs and 30 potential viral and human targets, NovaLead has identified 42 existing drugs which may be helpful to patients at different stages of SARS-Cov-2 infection, NovaLead Pharma CEO Supreet Deshpande said. Deshpande said the use of existing drugs already approved by the regulators can offer a huge relief in the short to medium term, if found effective against Covid 19; the major advantage with this approach is that the drugs being approved are already proved to be safe for humans, are being actively manufactured and therefore can be immediately put to use in a very short time. If successful, physicians can save lives and also prevent early infections from turning critical, he said.

Maintaining social distancing to prevent unhampered spread of the infection and identifying those already infected are the only containment measures and the lasting



solution lies in discovering a medication to fight Covid-19, and quickly. Scientists everywhere are devising ways and means to quickly find useful drugs and vaccines against it, but with very limited success so far. Additionally, any new drug or vaccine will need several safety assessments before it gets regulatory approval. "The fight against Covid-19 is a race against time and we are deploying whole of our computational infrastructure and technology platform armed with AI and ML techniques, along with intensive statistical modeling and simulations," Deshpande said.

NovaLead Pharma's head of research Sudhir Kulkarni said NovaLead is pursuing a multi-pronged strategy involving multiple scientific computational approaches. "We have completed three phases of rational computational screenings and our discoveries so far include drugs that show promise as effective treatment either by directly attacking the virus proteins or by empowering the human proteins to minimise its spread," Kulkarni said.

Paytm Mall waives penalties on merchants for order delays, cancellations

FE BUREAU
Mumbai, March 31

FINTECH GIANT PAYTM'S e-commerce arm, Paytm Mall, will waive order delay and cancellation penalties levied on merchants due to the disruptions caused by the outbreak of the novel coronavirus (Covid-19). The company said it has over 1 lakh orders placed on the e-commerce platform which are yet to be processed. Merchants have been given time till April 22 to ship existing orders.

The delays are a result of a nation-wide lockdown that was put in place last week to contain the spread of the highly contagious Covid-19. The company said it is in touch with merchant partners to provide them assistance. "These are unprecedented circumstances and Paytm Mall's merchant support and communication teams are working hard to ensure all seller queries are resolved timely and updated information regarding order processing and fulfillment are shared with them regularly," said Paytm Mall senior vice-president Srinivas Mothey.

The company said it will waive the 'Service Level Agreements' with its merchant partners, which detail service-level metrics and penalties in the event that these standards are not met.

On March 25, PM Narendra Modi announced the 21-day lockdown, restricting public gatherings and movement.

10% STAKE BUY

China state fund CNIC eyes stake in Greenko Group

Greenko's backers include GIC Pte and Abu Dhabi Investment Authority; firm has been seeking to raise \$800 m by introducing a long-term investor

MANUEL BAIGORRI & BAIJU KALESH
Hong Kong / Mumbai
March 31

CHINESE STATE-BACKED investment fund CNIC Corporation is considering purchasing about a 10% stake in Greenko Group, one of India's largest renewable energy companies, according to people familiar with the matter.

Greenko, whose backers include Singapore sovereign fund GIC Pte and the Abu Dhabi Investment Authority, has been seeking to raise around \$800 million by introducing a long-term investor, said one of the people.

The Indian company is planning to use the fresh funds to expand its energy storage capacity in the country during peak hours, in competition with coal-based power plants, the person said.

The terms for a deal haven't been finalised and the talks may not lead to a transaction, according to the people, asking not to be identified as the matter is private. Other bidders could emerge,



Greenko is planning to use the fresh funds to expand its energy storage capacity in the country during peak hours

they said.

A representative for Greenko Group declined to comment, while a representative for CNIC didn't immediately respond to requests for comment.

Greenko was founded in 2004, and has 4.8-gigawatt installed capacity in solar, wind, hydro, biomass and gas-based power generation across 13 states in India, according to its 2018-2019 annual report.

GIC and ADIA have invested around

\$2.2 billion in total in Greenko, according to a report by Care Ratings.

The Centre set a target in 2015 to install 175 gigawatt of renewables capacity by 2022.

The country faces hurdles to commissioning new projects, including delays signing power off-take agreements, new policy barriers, land acquisition hurdles and transmission constraints, according to a BloombergNEF report in September. —BLOOMBERG

Adani Transmission arms raise \$90 m from US investors

ADANI TRANSMISSION ON Tuesday said its six wholly-owned subsidiaries have raised \$90 million through US dollar-denominated bonds in the second tranche, completing the \$400-million fund-raising from the US market.

The first tranche of \$310 million was secured in January, followed by \$90 million in March, the company said in a release.

"Adani Transmission (ATL) has circled up its US private placement transaction of \$500 million from eligible international investors," the statement said.

The \$ notes carry fixed coupon over the tenor of notes. These instruments have an amortising structure matching the concession period and revenue profile of the issuer companies. This is the first time that an Indian company has circled up the transaction for its proposed US private placement in over a decade, the company claimed.

Anil Sardana, MD & CEO, Adani Transmission, said, "We are delighted to raise these funds from our US stakeholders. This will help us mitigate interest rate risk in our TBCB (tariff-based competitive bidding) projects for almost the entire concession period."

"Further, we aim to expand our network to meet the growing demands of the T&D sector in India. The funds will enable us to support efforts toward scaling infrastructure and improving electrification and bridging the gap between the supply and demand for power, with emphasis on connecting green supply sources to consumption networks," he added.

The placement is a strong endorsement of global investors' confidence in ATL as a value creator and leader in the power sector, contributing to long-term sustainable growth, the company noted. —PTI

ArcelorMittal cutting down on production

FE BUREAU,
New Delhi, March 31

WORLD'S LARGEST STEELMAKER ArcelorMittal, which operates in 60 countries with a total capacity of 90 million tonne per annum, on Tuesday announced that it was cutting down on production. Temporary idling of steel-making is being effected on a country-by-country basis in alignment with regional demands as well as government requirements.

"This will not necessarily happen uniformly at assets across the globe given the escalation of the virus is at different points in different regions. While Europe is currently the epicentre, according to official WHO data cases in the NAFTA (North American Free Trade Agreement) region have now exceeded those in China, with cases also increasing in Africa, India, South America and the CIS (Commonwealth of Independent States)," it said in a statement.

In India, along with its joint venture



partner Nippon Steel, ArcelorMittal has pruned its production at the Hazira facility in Gujarat.

The global escalation of Covid-19 and

Tech giants Google, Facebook seek to defer India digital tax

ADITYA KALRA & ADITI SHAH
New Delhi, March 31

BIG US TECH firms such as Google and Facebook plan to seek deferment of a new Indian digital tax, which has caught them off-guard as businesses battle the fallout from the coronavirus pandemic, three industry sources told Reuters.

India announced last week that, from April 1, all foreign billings for digital services provided in the country would attract a 2% tax. Foreign billings are where companies take payment abroad for a service provided to customers in India.

The tax would also apply to e-commerce transactions on websites such as Amazon.com, as well as advertising revenue earned from companies overseas if it eventually "targets a customer" in India, the government said. Executives from top technology companies got together on conference calls organised by US-India business lobby groups last week, and decided to seek a deferment of at least six months, said the three people aware of the talks. They asked not to be named as the discussions were private. Google is particularly concerned that it will not be able to swiftly identify countries where advertising arrangements were in place to target Indian users, increasing technological and compliance requirements, according to one of the sources.

"Everyone is grappling. In the current downturn, the focus is on protecting the business hit due to coronavirus," said the source who works for a global technology company and described the tax as a "big, big

Executives from top technology companies decided to seek a deferment of at least six months

headache". Google and Amazon declined to comment, while Facebook did not respond to Reuters queries. The finance ministry also did not respond.

The extent of possible compliance disruptions caused by the tax, a so-called equalisation levy, was not immediately clear, nor was how much India could garner from the tax. Indruj Rai, a partner at law firm Khaitan & Co, said the government's move appeared aimed at taxing foreign companies which had a significant local client base but were billing them through their offshore, or foreign, units.

"The timing of the introduction of the levy appears to be an attempt to increase revenue collections during the pandemic," Rai added. The new tax was inserted in the 2020-21 budget amendments passed last week, giving companies only a few days to prepare. The levy was not part of budget proposals first presented on February 1.

India and the United States remain at loggerheads over a wide array of tariffs. The digital tax has alarmed the US government, which has reviewed it, but Washington is not immediately likely to raise concerns with New Delhi given priorities over the coronavirus, said a fourth source aware of the US government's thinking. The US embassy in New Delhi did not respond to a request for comment. —REUTERS

the world. Consequently, the company was either seeing or expect to see a significant decline in industrial activity in many if not all of the geographic markets in which it operates.

"In order to mitigate the impact of the lower level of production, we are implementing significant measures to preserve cash and reduce costs in-line with reduced production levels. This includes accessing measures introduced by governments to support companies throughout these unprecedented times," it said.

Stating that during the current market volatility and uncertainty it was tough for every country, individual and company, ArcelorMittal said it would continue to prioritise strengthening its balance sheet to provide a strong financial foundation in all market conditions.

"Net debt is at a record low, we have a very manageable debt maturity profile having used available cash to prepay debt in recent years and also benefit from a significant liquidity position," it said.

Jio, Voda Idea extend validity for low-income prepaid users



FE BUREAU
New Delhi, March 31

AFTER BHARTI AIRTEL, BSNL and MTNL, Reliance Jio and Vodafone Idea on Tuesday extended the validity of low-income prepaid users till April 17 as many of them would have faced difficulty in recharging their mobile phones due to lockdown across the country. Bharti Airtel and state-run BSNL/MTNL had announced such measures on Monday.

According to Reliance Jio, the company will give JioPhone users 100 minutes of calls and 100 SMS free anywhere in the country till April 17 and all the Jio-

Phone users will continue to receive incoming calls even after the validity period is over. Similarly, Vodafone Idea said it would extend the validity of low-income customers using feature phones till April 17 and will credit ₹10 in the account of nearly 100 million feature phone customers.

The development came after the Telecom Regulatory Authority of India (Trai) earlier asked all telecom operators to extend the validity of talk-time of their pre-paid subscribers so that they continue to get uninterrupted services.

Around 95% of the country's 1 billion mobile subscriber base is in the pre-paid

segment and of this around half would be 2G users, who use feature phones. It is this category of users who recharge their pre-paid plans through offline mode by visiting the retailers. There are around 500 million smartphone users in the country and there are users on the 4G network who recharge through online mode and are not affected by the lockdown.

While Vodafone Idea and Bharti Airtel have sizeable 2G users, even Reliance Jio, which otherwise has full 4G network and users, has low-end users on its Jio-Phone where recharges are done through retailers.

Lockdown cripples battered auto industry, 2Ws most hit: Analysts

R RAVICHANDRAN
Chennai, March 31

THE MOUNTING WOES on the automobile sector are taking a graver turn as Covid-19 sweeps the nation and the world. The two-wheeler industry is particularly taking the brunt of the overall economic mayhem the virus is creating with huge backlog of BS-IV vehicles — running into a few lakh.

With the earlier deadline to switch over to BS-VI emission norms ended on March 31, 2020, the recent Supreme Court order extending the sale of vehicles for 10 days after lifting of the lockdown on April 14 will hardly bring any cheer to the industry, observed analysts tracking the industry.

The auto industry was expected to recover from 2HFY21 after clearing the last hurdle of BS-VI transition, but the coronavirus breakout in India has come as an additional challenge for the already battered auto industry, the analysts maintained.

Based on the discussions with channel partners, analysts found that the BS-IV inventory for passenger vehicles and commercial vehicles is almost cleared, but 2W (two-wheeler) BS-IV inventory is stuck because of the lockdown. Wholesales are expected to decline substantially in March for all original equipment manufacturers (OEMs) due to the lockdown from March 25 (many plants are shut from March 21), said an analyst with Motilal Oswal.

Based on a latest interaction with leading channel partners, the analyst said 2W dealers found it difficult to convert the enquiries into sale despite huge discounts

on the vehicles. On top of that, the lockdown has dealt a blow to the enquiries too. The companies have to end with huge backlog of two-wheelers. Enquiries for BS-IV CVs, on the other hand, have also come down drastically after most of the BS-IV inventory got exhausted.

Though the BS-IV inventory for M&HCV was exhausted by the last week of February, that of ICV and LCV were almost exhausted by the second week of March with registration in progress. But, the registration of sold CVs has come to a hold. Following this, companies expect CV wholesales to decline 68% for TTMT (71% for M&HCVs) and 66% YoY for AL (73% for M&HCVs), the Motilal Oswal analyst said.

"Despite high discounts ranging from ₹3,000 to ₹12,500 and ensuing wedding season in April, the two-wheeler system inventory stood at 30-35 days across OEMs, including 10-12 days BS-IV inventory before lockdown. We expect wholesales to decline by 33% YoY for Bajaj Auto (51% fall in domestic 2W), 42% YoY for TVS Motor, 41% for HMCL and 27% of Royal Enfield due to lockdown," Motilal Oswal said.

An analyst with Prabhudas Lilladher said, "Based on our interactions with leading channel partners, it has been found continued weak retail sales since beginning of the month led by lower footfalls due to Covid-19 impact, weak consumer sentiments and restricted financing on B-IV vehicles. We also noted loss of sales on 'Gudhi Padwa' festival in key markets like Maharashtra and Gujarat. Our channel check suggested higher BS-IV stock of around 5 lakh units of two-wheelers, with



HMCL being the highest (10-11 days) followed by Bajaj Auto (six-seven days), HMSI (five-six days) and TVS (four-five days), while RE has nil BS-IV inventory."

"We noted high discounts by HMCL for both scooters (up to ₹10k/unit) and motorcycles (up to ₹12k/unit). While discounts in Bajaj Auto were up to ₹5k, TVS up to ₹6k and HMSI up to ₹3k," the analyst added.

On the other hand, for PVs, sales were marginally lower as BS-IV inventory is almost exhausted and customers are postponing purchases due to bleak sentiment. And for CVs, some weakness was expected in CVs post BS-IV pre-buying, but the situation will worsen with lockdown. BS-IV

inventory for M&HCV was exhausted by the last week of February, whereas ICV and LCV inventories were almost exhausted by the second week of March with registration in progress. However, registration of sold CVs has come to hold due to lockdown.

We expect 2Ws dispatches to decline by 40-42% YoY led by inventory management before BS-VI transition, lower production due to short supply of components from China and stringent financing on BS-IV vehicles. Weak demand trend continues for CVs and the sector expect to decline by 73-75% YoY led by OEMs' inventory management, lower freight availability and liquidity challenges for the

STOCK CLEARANCE

■ Despite high discounts ranging from ₹3,000 to ₹12,500 and ensuing wedding season in April, the two-wheeler system inventory stood at 30-35 days across OEMs

■ Motilal Oswal expects wholesales to decline by 33% YoY for Bajaj Auto, 42% YoY for TVS Motor, 41% for HMCL and 27% of Royal Enfield due to lockdown

■ HMCL discount for scooters is up to ₹10k/unit and for motorcycles up to ₹12k/unit

■ Discounts of Bajaj Auto are up to ₹5k, TVS up to ₹6k and HMSI up to ₹3k

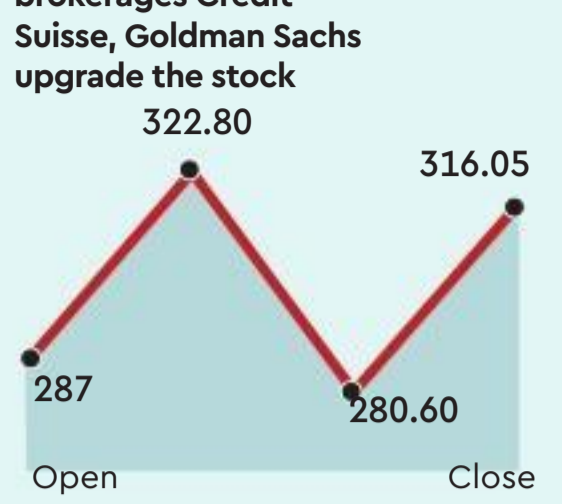
transporters."

According to Care Ratings, while the industry players were looking for a three-month extension, till June 30, 2020, the 10-day extension post the lockdown by the Supreme Court is not expected to do any good to the industry given the current situation with the Covid-19 pandemic. The buying sentiment once the lockdown period is lifted is likely to be low and consumers will be cautious in spending particularly on luxury/big-ticket items thereby not meeting the desired objective to clear the BS-IV inventory with the dealers, it added.

Street Signs

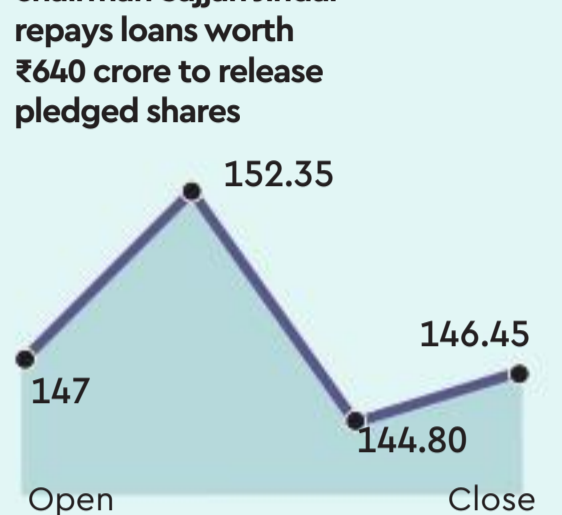
BPCL

BPCL stock rallies after brokerages Credit Suisse, Goldman Sachs upgrade the stock 15.07%



JSW Steel

Shares gain as group chairman Sajjan Jindal repays loans worth ₹640 crore to release pledged shares 2.92%



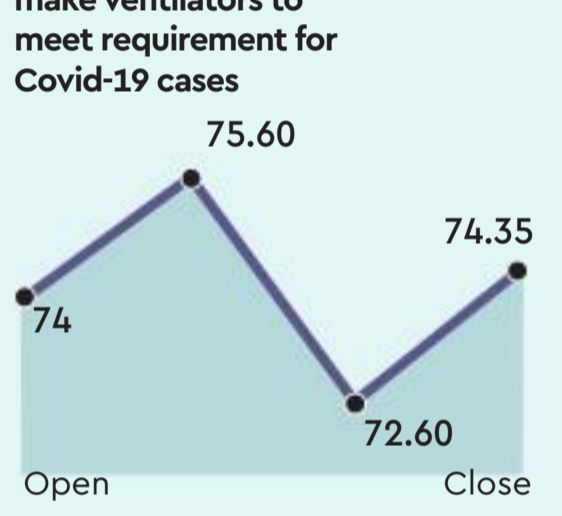
Delta Corp

Stock hits upper circuit after investor Radhakishan Shivkishan Damani buys 15.5 lakh shares through a bulk deal on NSE 4.88%



Bharat Electronics

Scrip rises as company to make ventilators to meet requirement for Covid-19 cases 2.48%



Quick View

CIL pledges ₹220-cr donation to PM fund

STATE-OWNED COAL India (CIL) has pledged ₹220 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) to fight against coronavirus pandemic, coal minister Pralhad Joshi has said. "Glad to see coal PSUs coming forward & pledging donations to #PM CARES in fight against #COVID19 @CoalIndiaHQ has committed Rs. 220 crores @NLCIndiaLimited has committed Rs 25 crores," Joshi has said in tweet. Exuding confidence, the minister tweeted that "Corona will lose, India will win" #IndiaFightsCorona".

Power Grid extends ₹200 cr towards PM-CARES

STATE-OWNED POWER Grid Corporation of India on Tuesday said it has extended a financial assistance of ₹200 crore towards PM-CARES Fund to combat the coronavirus outbreak in the country. The amount is being extended in two tranches, Power Grid said in a statement.

PFC pledges ₹200 cr under PM relief fund

STATE-RUN POWER Finance Corporation (PFC) on Tuesday pledged to contribute ₹200 crore to PM CARES Fund. Furthermore, PFC's employees will voluntarily contribute a day's salary to the fund to further strengthen the nation's fight against the dreaded disease, a company statement said. Earlier, PFC had agreed to provide financial assistance of ₹50 lakh to Indian Red Cross Society in Rajasthan.

REC chips in with ₹150 cr for PM-CARES Fund

STATE-RUN REC on Tuesday pledged ₹150 crore under PM CARES fund. "REC Limited... has pledged to donate ₹150 crore to the PM CARES fund to support India's fight against coronavirus," a REC statement said. Besides, the one-time contribution to the newly-formed emergency fund, REC's employees will voluntarily contribute one day's salary to the Prime Minister's National Relief Fund (PMNRF).

Opinion

WEDNESDAY, APRIL 1, 2020

TESTING TIMES

Congress leader Manish Tewari

We would urge the government to find a way out without comprising on quality. Claims about India not seeing community transmission can be made only if there is large-scale testing



COVID CRISIS

THE CORONA WELFARE PACKAGE IS LARGELY AIMED AT THE RURAL POOR, BUT IT IS THE ECONOMICALLY VULNERABLE IN THE URBAN CENTRES WHO WILL NEED A LOT OF SUPPORT

The corona lockdown and India's urban vulnerables

WHILE RURAL INDIA is poorer than its urban counterpart, in the Covid-19 crisis, it is the urban poor who are far more vulnerable with less social and government support. India's 21-day lockdown is a significantly bigger shock to the economy, and will hurt urban families far more for the following five reasons.

First, the shutdown will have a bigger impact in urban areas due to the much larger economic activity here. More than two-thirds of India's GDP comes from its towns and cities.

Second, in rural areas where agriculture is still the mainstay, this is the harvest season—the season of plenty. In villages, 55% of working men and 73% of working women are farmers or farm labourers, and this is a busy period for them. If the imposition of lockdown by local officials does not interrupt field operations, a bumper winter rabi harvest is expected. There will be farm and wages, in cash or kind, for both farm labourers and farmers.

On the other hand, in cities, all business operations—building & construction, factories, markets, etc—have been stopped. Of the estimated 107 million urban workers, 41 million were self-employed, 16 million were casual workers, and 50 million were salaried employees. The self-employed are losing money and casual workers have no work in this lockdown. Even salaried workers are facing job insecurities. More than half, or 52.8%, are not entitled to paid leave while 72.4% work without written contracts. More than 80% of all urban workers will have reduced incomes during the lockdown.

Third, even as incomes go down, many expenses in cities cannot be avoided or deferred. The first, of course, is food. Food accounts for 41%

AVINASH KISHORE & MANAVI GUPTA

Kishore is research fellow & Gupta is research analyst, IFPRI. Views are personal



of the average monthly expenditure for urban households. That number is even higher for poorer households. Urban food systems are under greater stress during this time. Though, the government has permitted the free movement of food and other essential goods, the message has not reached local officials who are stopping and harassing trucks and local carts, transporting and selling food.

Wholesale agricultural markets (*mandis*), which are critical to India's food supply chains, have been closed. *Mandis* connect farmers to their consumers—this is where the produce of thousands of farmers is aggregated and then sold to the local retailers, processors and traders in other parts of India. Even if the movement of agricultural commodities is allowed, India's food supply chain will not work until *mandis* are open for business.

Disruptions in food transport and wholesale markets have created a fear of scarcity. Urban households and traders are both simultaneously hoarding food creating greater problems for the daily wage workers and other poor families who earn and spend every day.

Apart from food, there are other unavoidable expenses too. The Reserve Bank of India (RBI) has allowed deferment of EMIs for home and auto-loans for three months, but people must pay school fees, house rents, utility bills (electricity, gas, phone, etc), and insurance premiums. These subscription expenditures are

higher in urban areas and account for 10-12% of the average monthly household expenditure for urban families. Not paying them regularly is not an option, at least not yet.

Fourth, India's social safety net programmes focus largely on rural areas. This is for a good reason—there are far more poor people and greater deprivation in rural India. However, in the coming months, transient poverty will rise sharply in urban areas and millions of families, who are normally not covered by most public safety net programmes, will need immediate support. Living in densely populated slums with low access to clean water greatly increases their exposure to the virus, which may cause a spike in health expenses as well.

On March 25, the finance minister of India announced a ₹1.7 lakh crore (\$2.2 billion) special scheme called the Pradhan Mantri Garib Kalyan Yojana (PMGKY) to support poor families and businesses during the Covid-19 related economic crisis. The provision of 5 kg extra rice or wheat/person/month from the public distribution system (PDS) for the next three months is a major component of this scheme. Cash transfers to farmland owners, poor senior citizens, and women Jan Dhan account

holders; higher wages to MGNREGS workers; free LPG cylinders to Ujjwala beneficiaries; and larger collateral-free loans to SHGs are the other key components of this scheme. However, 50% of urban households do not qualify for subsidised ration from the PDS and most of the other provisions for the PMGKY scheme cover only rural or BPL households. The relaxing of regulations for withdrawals from Employee Provident Fund (EPF) accounts, also a part of the PMGKY package, will benefit only 10.6% of the salaried employees. The other 90% do not have EPF accounts.

More than 80% of urban families may suffer significant income losses during this crisis and become *garib* (poor) at least temporarily. We need a more inclusive PMGKY to also cover these newly impoverished families.

Finally, in cities, the poor, the migrant workers, and *dalits* have weaker access to social and family networks that can help them tide over this period of reduced incomes, restrictions on movement, anxiety, stress, and uncertainty—through loans, barter, and moral support.

This week, the US Federal government approved a \$2 trillion stimulus package to support the economy battered by the Covid-19 pandemic. This is nearly 10% of the US GDP and more than 50% of its annual federal budget. In comparison, the PMGKY has earmarked less than 1% of India's GDP and about 5% of the Centre's annual budget to support families and businesses fight the economic downturn. Fiscal constraints notwithstanding, India urgently needs a bigger stimulus to revive its economy.

Even if the movement of agricultural commodities is allowed, India's food supply chain will not work until *mandis* are open for business

Be careful about allowing manufacturing to restart

The virus threat is far from over, and there is little to suggest manufacturing won't send it into another spiral

GIVEN THE ECONOMIC hardship the 21-day corona lockdown is causing, and the plummeting of economic growth, it is not surprising that many are petitioning the government to allow manufacturing to restart with adequate safeguards such as social distancing; while the lockdown will end on April 15, manufacturers are worried the curbs on the sector can extend beyond that. Exporters have talked of how, if they are not allowed to resume manufacturing, China will get a head start since its factories have already resumed manufacturing. Some economists have also weighed in saying the economic costs are so large, the economic consequences could far outweigh the potential tragedy occurring due to the coronavirus. Indeed, one argument is that, should the shutting down of manufacturing carry on for long enough, India's slowdown could well become a structural one since many of the units that shut down may never be able to come back on stream once the threat of the pandemic is over, in quite the same way that demonetisation dealt a lasting blow to many enterprises.

Large parts of these arguments could well be true and, certainly, it is not going to be possible for the central or state governments to provide relief to the crores of people who will lose jobs if the slowdown persists; indeed, if even some of the better-off firms have announced that they will stop purchases from suppliers, it is easy to imagine what the smaller firms in the unorganised sector will be going through. But, using this argument to allow manufacturing to restart is missing the point, of the need to counter a major pandemic that can, models suggest, infect 20-25% of all Indians. Indeed, that was the reason for the Janata Curfew and the subsequent lockdown; don't be fooled by the slow pace of the infections so far, the prime minister told the country, many other countries had a slow pace of infections initially, and then they just kept growing almost exponentially. And, if the health systems of rich countries are unable to cope with the disease, the PM stressed, what hope is there in a country like India where the health system is already severely strained? Indeed, while it was a hypothetical construct, solicitor general (SG) Tushar Mehta told the Supreme Court that three of 10 migrants could well be taking back the corona virus to the village if they are allowed to leave the cities; an SG shouldn't be talking so loosely in the court since he is suggesting 30% of Indians are already infected, but it is a sign of how big the threat the government thinks India is faced with.

In such a situation, allowing manufacturing to restart is asking for trouble, and risks undoing all the good work India has done in flattening the curve by the lockdown. Indeed, if factories are allowed to restart, chances are the pandemic will only spread faster; and no matter what assurances India Inc may give, it is going to be impossible to do adequate social distancing in factories, except in highly automated ones. Instead of going down this path, the leading lights of India Inc, along with NGOs and the government, need to find ways to keep the MSME sector alive enough to pay workers their dues for at least a few months; this will include not just government action like paying money directly to workers and special lines of bank credit that are backstopped by the government, but also India Inc opening its purses to suppliers/ancillaries. Giving a few hundred crore of rupees in relief or offering to make ventilators or face-masks and protective gear for health workers is a good gesture, but that just doesn't cut it.

What was Jamaat thinking?

Should have cancelled event given the corona-spread fear

GIVEN HOW THE Tablighi Jamaat event in March in Delhi's densely populated Nizamuddin (west) area—the Markaz Nizamuddi mosque there serves as the global headquarters of the Jamaat—is now linked to several Covid-19 clusters across the country, it has become the focus of an extensive contact-tracing exercise. Six of the Covid-19 deaths in Telangana as well as one in J&K, apart from reported Covid-19-positive cases even from Tamil Nadu and the Andaman & Nicobar Islands, are reportedly tied to the event. Over 3,000 Indian and foreign nationals are believed to have attended the event. It seems quite understandable, thus, the Jamaat and its headquarters are being subjected to intense scrutiny, officially and unofficially.

The Jamaat has claimed, in a press release, that the event is an annual one that is always pre-scheduled—the present one planned a year before—and attendees from across the globe congregate for programmes spread over 3-5 days; also, when the prime minister announced the Janata Curfew for March 22, the Jamaat stopped the ongoing programmes immediately, but the suspension of Railways services from March 21 stranded a large number of attendees who were supposed to travel back; the lockdown ensured no one could leave after that either. While this aims at suggesting the Jamaat didn't break any official diktats, there are unanswered questions such as why, despite the Delhi government's ban on religious or social congregations that came into effect on March 16, the gathering didn't disperse then. The larger issue, however, is that while the global spread of corona was well known—even before WHO finally declared it a pandemic on March 11—why didn't the Jamaat cancel the event, especially given many of the attendees were from countries hit by corona?

Of course, the central and state governments were also lax. The Centre imposed a ban on travellers from Indonesia and Malaysia—the bulk of the Jamaat's foreign visitors were from here—much too late even though the corona spread in these nations were reported much earlier. And, the Delhi government never thought to implement its own order; or did it not even know it was being violated? While Jamaat is rightfully facing flak, others have got away lightly due to just good luck, in the sense that there was no major corona outbreak when they decided to ignore the corona risk. The Madhya Pradesh unit of the BJP took out a grand welcome rally for Jyotiraditya Scindia on March 12, ignoring experts' call to practise social distancing; and Karnataka CM BS Yediyurappa ignored his own government's ban on large gatherings, to attend a wedding ceremony attended by nearly 2,000 on March 15. In Uttar Pradesh, the Ayodhya administration insisted on organising a grand Ram Navami *mela* from March 25-April 2, despite the advice of its chief medical officer; the event was called off only on March 21, two days after the PM's Janata Curfew announcement, presumably under pressure from the Centre. Given lakhs would have attended the event, chances of a massive spurt in infections couldn't have been ruled out.

Forced MAJEURE

Discom calling for *force majeure* on dues to gencos not *kosher* if this is not allowed all along the value-chain

THE UNION GOVERNMENT did state on March 19, 2020, that Covid-19 epidemic can be treated as a *force majeure* event, subject to certain conditions. The Solar Energy Corporation of India (SECI), however, can't be faulted for refusing to agree to state-owned discom Uttar Pradesh Power Corporation Limited's (UPPCL's) demand that its payment obligations be suspended, treating the corona lockdown as a *force majeure* event since its collections have also suffered due to the lockdown. Given some states have offered power consumers generous relaxations in payment of power bills, it wouldn't be surprising if other discoms also try to declare a *force majeure*.

There is, however, a problem with UPPCL's arguments. For one, even before the corona shock, SEBs such as UPPCL have been delaying payments to generators; this is around ₹1 lakh crore collectively. So, it is hardly surprising that SECI finds the UPPCL argument unconvincing. Second, if a *force majeure* is to be declared, it has to be declared down the value-chain. That means the solar power generators have to be allowed to not pay banks the interest and principal due, to not pay their suppliers, etc; and this has to be something that is not challenged in a court of law. That has, however, not happened. If the central government wants to protect the SEBs, it has to take appropriate legal steps to ensure this is applicable down the line. Right now, its efforts are half-hearted, and more suppliers will, like SECI, reject such attempts to not pay their dues.

RBI opens up debt markets to raise FX

RBI has opened up G-secs of 5-, 10- and 30-year maturity to non-residents and raised FPI corporate bond limit by \$30bn. RBI can sell \$30bn of FX to stabilise INR. It will also try to augment FX reserves to guard against contagion

INDRANIL SEN GUPTA & AASTHA GUDWANI

Sen Gupta is Chief India Economist & Gudwani is India Economist, BofA Merrill Lynch. Views are personal

WE GROW MORE confident of our call that RBI will raise FX reserves, at every opportunity, to buy insurance against global contagion. It opened fresh issuances of 5 year, 10 year, and 30 year G-secs to non-residents from FY21 (as announced in the Union Budget) under a Fully Accessible Route (FAR). This should be seen as a major step to enter Indian G-secs into global benchmark indices that we have favoured since 2013. Second, we have also cut our FY21 current account deficit by 70bps to 0% of GDP after our oil strategists have cut their oil forecast by \$12/bbl to \$35.5/bbl for FY21. Finally, we continue to expect RBI's recent FX accretion to keep speculative attacks on rupee at bay. It will also likely try to augment FX flows by incentivising exporters to bring back proceeds, raise the cost of import finance and hike rupee NRI/FCNR deposit rates. Our FX strategists see ₹76/USD in June.

RBI also raised the FPI investment

limit in corporate debt limit by \$30bn to 15% of stock. After all, India has seen FPI debt outflows of \$6.7bn with rising twin risks of fiscal slippage and depreciation. It is another matter that we expect RBI OMO to fund the higher fiscal deficit. We also expect RBI MPC to cut 25bps each in June and October with CPI inflation set to slip to 2.5% in 2HFY21. Higher FPI inflows = lower RBI OMO. We continue to point out that higher FPI inflows will not generate additional G-sec demand as RBI is bound to buy the FX and reduce OMO to that extent.

Cutting FY21 CAD to 0% of GDP on lower oil price

We have cut our FY21 current account deficit forecast by 70bps of GDP to 0% of GDP (*see graphic*). The very same risk off that dampens oil prices usually also pulls down the BSE Sensex and cuts down FPI flows. In light of today's debt FPI flow liberalisation, we have retained FY21 FPI flows

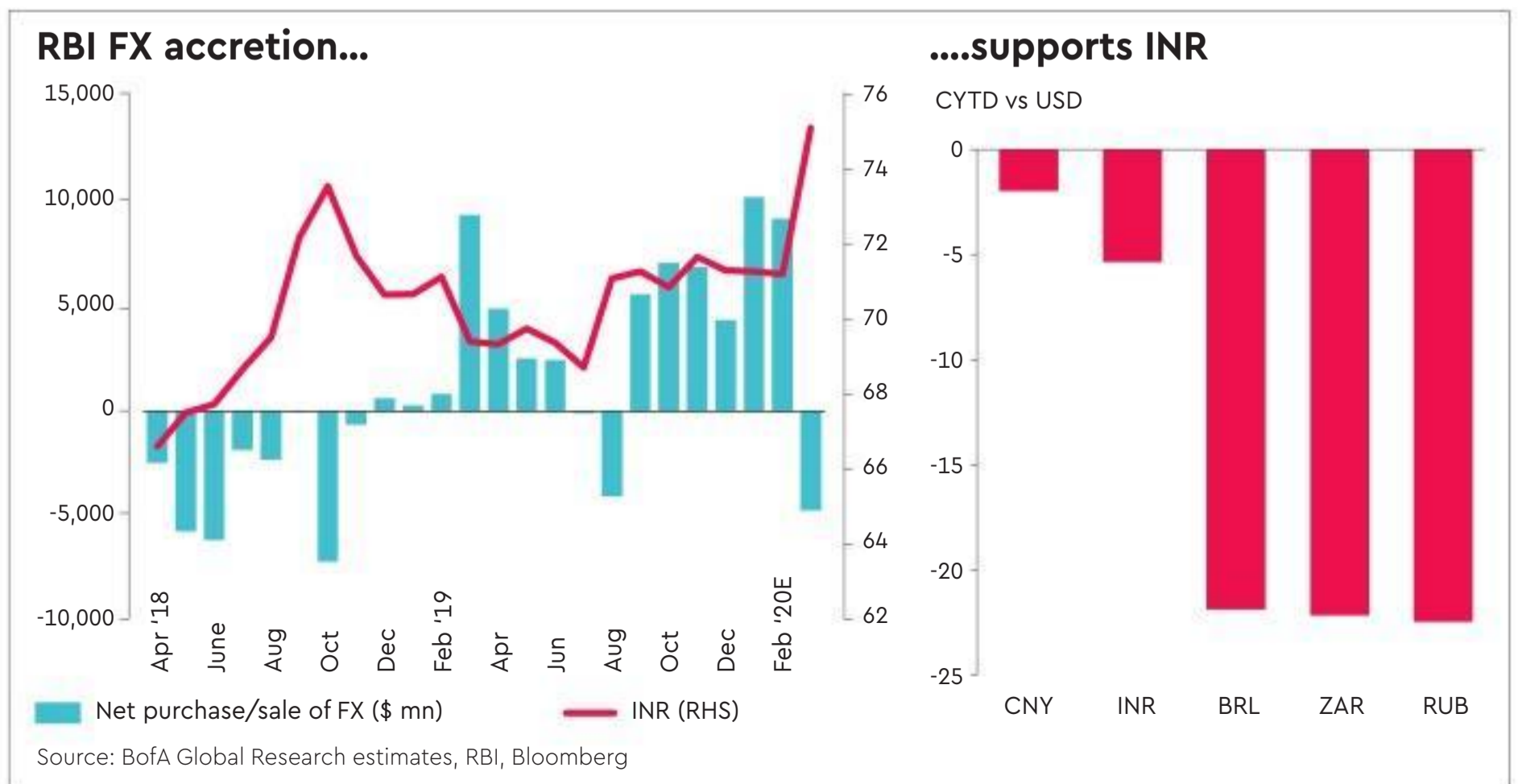
at \$7bn in FY21 compared to an outflow of \$6.5bn in FY20. This takes our FX intervention of \$45bn, more than the durable liquidity requirement of \$38bn, we assess for FY21. To create room for OMO, RBI will likely switch to buying FX in the forward market.

What next? RBI FX intervention, NRI deposit rates

FX accretion to fend off speculative attacks: We expect RBI to use the recent FX reserve accretion to fend off speculative attacks. We estimate that it can easily sell \$30bn to stabilise rupee.

Augmenting FX flows: We expect RBI to augment FX flows by incentivising exporters to bring back proceeds, raising the cost of import finance and hiking the rupee NRI/FCNR deposit rates.

Edited excerpts from BofAML's India Economic Watch RBI opens up debt markets to raise FX report (dated March 31, 2020)



LETTERS TO THE EDITOR

Spraying of disinfectants on migrants

Agreed, the national lockdown is an indispensable strategy deployed to tackle coronavirus effectively and stop the community transmission of virus. But, the unbearable pain it had inflicted upon tens of thousands of hapless migrants across the country who were not only caught unaware but also denied the opportunity to figure out what 21 days national lockdown would really have in store for them. The Centre and state governments failed to stop the mass exodus of the migrants resulting in a humanitarian crisis. The inhumane manner in which they had been treated en masse by the men in uniform at Bareilly in the state of Uttar Pradesh is truly shocking. That the migrants were forced to take an open bath in groups with disinfectant before being allowed to enter the district. The same was videographed by the police, and is highly deplorable and cannot be justified by any means. It was almost akin to subjecting them to a sickening purity ritual. — M Jeyaram, Sholavandan

Nationwide lockdown

The Centre's clarification that the 21-day lockdown was yielding "relatively positive" results is heartening. However, the big spike in the number of coronavirus cases in Kerala, UP, Maharashtra, Delhi and MP is a matter of grave concern and shows that the country is not out of the woods yet. Karnataka also reported eight new positive cases, taking the count to 91. People would do well to adopt safety measures like washing their hands every few hours with soap, refrain from touching their face and of course, stick to social distancing. Well begun is half done, but there must be no let-up in following the 'golden rules' to keep the virus at bay. — Ravi Chander, Bengaluru

Write to us at feletters@expressindia.com



ILLUSTRATION: ROHINIT PHORE

ANURAG VISWANATH



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COVID-19 LESSONS FROM KOREA

Between TRUST and surveillance

The world witnessed China's lockdown. South Korea has an alternative—preparedness, sustained health spend, nurturing cutting-edge biotech companies, cooperation by citizens, and the TRUST strategy, i.e. Transparency, Robust Screening and quarantine, Unique but universally applicable testing, Strict control and Treatment

IN FEBRUARY, WHEN Bong Joon-ho, the director of the comic-tragic film 'Parasite', returned to Seoul triumphant after minting four Oscars, President Moon Jae-in hosted him for a *chapaguri* party (Korean ramen); *chapaguri* was made famous in the film where the cook is asked to make it with a prime cut of meat. The next day, February 21, South Korea registered its first Covid-19 death. Tempers ran high and soon a petition to impeach Moon with 1.5 million signatories gained traction. The first case in South Korea traced back to January 20, but by February 28 the number of cases shot up to more than 2,000 (when the red alert was announced). Since then, South Korea has risen from the ashes, 'flattening the curve', or registering a drop. South Korea's success is interesting as it offers an alternative model, so to say, without resorting to a China-style lockdown as well as a valuable insight into what it takes to battle a pandemic.

South Korea has registered more than 9,500 cases, but more than 5,000 of the Covid-19 patients have recovered. There

were 158 deaths—less than 1% fatality.

Initial hiccups

Moon's initial response to the Covid-19 outbreak was, at best, lukewarm. More than 90% of the cases were traced to the fourth largest city Daegu, a city of 2.5 million. The cases were traced to a church cluster, a controversial cult that went by the name of Shincheonji (new heaven and earth) Church of Jesus.

The Korean Medical Association asked the government to restrict travellers from China, just as Singapore, Taiwan, North Korea and several others did following the China lockdown on January 26. But Moon declined; instead, in an attempt to bolster China-South Korea rapprochement, Moon dispatched medical equipment worth \$5 million, including 3 million face masks, to China; President Xi Jinping is slated to visit South Korea in the next few months.

On February 4, Moon declared half-hearted travel restrictions as travellers from Hubei (province) were barred, but those from other parts of China could still

enter. Covid-19 cases rose, as did prices of masks, and so did the momentum for Moon's impeachment. One petitioner wrote, "Seeing Moon Jae-in's response to the new coronavirus, I feel that he is more of a President of China than South Korea." Protestors on streets wore Xi and Moon masks—and made Moon dance to Xi.

On February 21—i.e. 21 days after the WHO declared a public health emergency (the day after Moon's *chapaguri* party)—Daegu and Cheongdo (where the Covid-19 outbreak took place) were designated as 'special care zones'. They were singled out for extra resources (like face masks).

But the general consensus in South Korea was that the initial 'window' to control the outbreak was lost with feet-dragging response, failure to bar entry of visitors from China, as well as failure to stockpile masks for own citizens.

Economics first

Behind Moon's aid and rapprochement towards China lay economics. Last year was the slowest growth year in South Korea. China is South Korea's largest trading partner. China-South Korea bilateral trade grew from \$54.8 billion in 2002 to \$480.4 billion in 2014, a nine-fold rise, and critical to the health of the economy. South Korea's Nordpolitik (Northern Diplomacy) led to a spurt in tourism with China. Close to 50% of the tourists are from China, smitten by K-pop, K-fashion, K-dramas and K-fried chicken.

In 2015, China and South Korea signed the China-South Korea Free Trade Agreement. China-Korea industrial parks in Yantai, Yancheng and Huizhou (in China) and Sae-mangum Development (in South Korea) have been incorporated into the FTA.

South Korea has been struggling to manage the backlash in China because of the deployment of the US anti-ballistic missile development system THAAD (Terminal High Altitude Area Defense) in Seongju, 200km southeast of Seoul. THAAD's AN/TPY-2 radar has a detection range of 1,500km to 2,000km, capable of detecting China's strategic missiles targeting America.

Second steps: No China-style lockdown, but TRUST

South Korea took a different, alternative stance by not announcing a lockdown. Daegu and Cheongdo were first designated as 'special care zones', and Gyeong-san was added to the list. Instead, the strategy was TRUST: Transparency,

Robust Screening and quarantine, Unique but universally applicable testing, Strict control and Treatment.

The mainstay of the strategy was to test, test and test more. Almost 3.6 million people have been tested—close to 20,000 people a day. Testing was made simple and quick (seven to ten minutes) at 600 test sites. This even included drive-through tests. Also, 29 nationally designated hospitals were to isolate cases. Hospitals adapted, too, with a phone-booth style of examination (the doctor and the patient interacted across a glass barrier), followed by a test, if necessary. Such precaution helped keep medical practitioners safe.

Other factors have been conducive as well. South Korea's preparedness partly stemmed from the learning of the 2015 MERS (Middle East respiratory syndrome) outbreak. In fact, the outbreak in South Korea had reinforced the need for information sharing and public health emergency operations.

South Korea's health expenditure is 8.1% of its GDP (in India, Prime Minister Narendra Modi aims to bring it to 2.5% of GDP by 2025). In 2017, South Korea had 2.34 doctors per 1,000 Koreans (India is still behind the WHO-prescribed ratio of 1:1,000).

It is well known South Korea ranks the highest in terms of R&D spending to GDP ratio, and boasts of cutting-edge biotech companies. Five of the biotech companies secured emergency approval to make test kits. They are currently making 100,000 kits a day. Plans to export 300,000 kits a week are on the anvil.

Of course, it helped that South Korean citizens (97% literacy) heeded to directives such as washing hands, staying indoors and donating generously.

Smart nation and civil liberties

While South Korea has achieved exemplary success, it may have come at the cost of infringement of privacy of individuals. That South Korea is a smart nation, with 95% smartphone penetration and favours cashless transactions, has had a direct import on Covid-19 control. The country also employs more than 740,000 CCTV cameras (2017) to prevent crime and fires.

Smartphones have enabled the government to send text messages, indicate geographical location of clusters, and locations that need to be avoided. Cashless transactions and the phone trail have been employed to track infected people.

CCTV cameras have tracked people. This unprecedented level of surveillance has been employed to check the Covid-19 outbreak: the spreader, the infected, to targeted quarantine.

While this information is shared publicly, the level of state intrusion and surveillance throws up questions about breach of privacy and civil liberties. Such intrusion may not fly in all the societies.

In mid-April, South Korea's legislative (National Assembly) elections will reflect on Moon's popularity and the fate of the Minjoo party (Democratic Party), which holds 129/300 seats. Moon has also announced that every lower income family will receive 1 million won (\$820), which will benefit 14 million families. Parliament has approved of 11.7-trillion won (\$9.6 billion) supplementary budget to fight the virus and a 50-trillion won (\$41 billion) package to aid SMEs.

The world has witnessed China's KIS (Keep it Simple) quarantine, which has worked. South Korea suggests another alternative, even though TRUST has a dark edge. But it is South Korea's combination of factors—TRUST with preparedness, sustained health expenditure, nurturing cutting-edge biotech companies, cooperation by citizens—that constitutes the firm bedrock to resolve future crises.

Power to the government?

ELI LAKE



Bloomberg

When tracking the virus means tracking your citizens

SINCE THE OUTBREAK of the coronavirus pandemic, some democracies have used technology to avoid having to impose draconian mass quarantines that were common earlier this year in China. That's reassuring—and it's also worrying, because the very strategies that can help fight a plague can also be abused once it's over. Consider Taiwan, where an 'electronic fence' allows local police to make phone calls to everyone who is home under quarantine; if the citizen doesn't answer or the phone is out of power, police comes within 15 minutes. In South Korea, the government constantly updates a website that tracks the movements of people who have been infected, and issues alerts to the mobile phones of people in the geographic vicinity of an infected citizen. The Israeli government gained access to an archive of phone data to map the movements of infected people, then alerted those who had been in contact with them to self-isolate.

Invoking these powers is reasonable during a pandemic. Once the outbreak is over, however, this power can and probably will be abused. What's to stop a corrupt (or unscrupulous) leader from using such technologies to learn or even publicise the location of political opponents or dissidents? "This is a genuine emergency and that justifies a lot of things that would not normally be justified," says Jay Stanley, a senior policy analyst at the ACLU. "But we have to make sure that these temporary powers do not become permanent in a way that hurts everybody else."

The good news is that the pandemic is not an endless war. Once there is a treatment or a vaccine, there will be a clear end date to the state of emergency. And the US government has so far not broached the prospect of mapping the locations of large segments of the population. In part that's because doing so would be difficult. The data needed to track locations of US citizens are mainly in the hands of private companies, such as wireless carriers and a network of companies that track the locations of app users and sell the data for marketing purposes. There is no central database.

Nonetheless, it's not too soon to begin thinking about how to unwind any assumed emergency powers after the pandemic ends. Representative Tom Malinowski, a Democrat from New Jersey who formerly served in the State Department, says that he hopes the US does not have to carry out the kinds of measures adopted in Taiwan to enforce home quarantines of the infected. If the US is forced to consider such measures, he says, "they had better contain sunsets."

Such harsh monitoring measures are unlikely now. But it's possible that South Korea's or Taiwan's approach would be necessary if the US has to battle a second wave of the virus. To prepare for that day, says Stanley, it's crucial to set up strict rules. Any location data, for example, should only be used by public health authorities for public health purposes.

Along these lines, Freedom House released a set of principles last week for protecting civil and human rights in the fight against Covid-19. It says any surveillance programmes that use new technology to fight the spread of the disease should be "subject to independent oversight, and 'firewalled' from other commercial and governmental uses such as law enforcement and enforcement of immigration policies."

"We recognise some of those technologies could be needed by democracies to track the pandemic," says Freedom House President Michael Abramowitz. But governments should explain why the surveillance is needed, he says, contain an end date for the programme, and include clear lines of oversight from the judicial and legislative branches of government.

In the middle of a crisis, all of this might seem theoretical. The most essential tasks for democratic leaders are providing for public safety and working to revive the economy. Yet it's also important to remember that the state rarely relinquishes powers it amasses in a crisis.

After 9/11, the FBI was given broad new powers to demand data from private businesses. A dozen years later, both the ACLU and the Justice Department's inspector general found that the use of that extraordinary power had become routine and unchecked. As Americans grapple with the current pandemic, they must be vigilant that their government not repeat the same mistake.

COVID BLUES

Yawn!!, Let me get up now,
Been a long time, let's check who, where,
what and how,
Oh Holy ME!! What are they up to,
This has to be fake, this has to be untrue.
When was it that, did I sleep,
When was it that, they made this leap,
Intention was not to make this happen,
They named 'ME' wrong, to make it worse
and dampen.
Wishing to see all my experiments,
All I see, is one of the fragments,
Others; endangered, rare or extinct,
Only one, who thinks, he heads the precinct.
They've created many institutions,
Education, politics, money and organisations,
Controlled by one, rest all are distributions,
Murdering my kids, in the name of solutions.
Creating them, I made all the same,
Yet they differentiate in my own name,
Holocaust to SARS, they play their game,
In the end, others are to blame.
They dislike each other, even though they are
one,
Don't they know, all of them are just carbon,
They manufacture all, from plane to ribbon,
Yet destroying my name, the only ONE.
Others are just living in dismay,
They bark, meow, moo or neigh,
Encroached by one, now dead they lay,
Blue was the sky gifted to them, now it's

grey.
Now they have months from Jan to December,
Who gave them that, they don't remember,
Fools they are, don't know the actual clock,
Discovered a part of cosmos, rest is a block.
They do have many names for me,
God, Lord, Bhagwan, Messiah and what not
to be,
Some live in fear, some do worship me,
But did I make my presence for them to see.
They seem to think, they have the leash,
Some do question the same, but that's a
niche,
Everything has gone for a toss,
Don't mean it, but let's show them who's the
real boss.
Let me give you all, whatever is yours,
From free ways in forest, to sunlit seashores,
Let me give you the grass, green and the sky,
blue,
Let me reclaim this boulder, for all of you.
Meteorite, plague or just the Spanish flu,
Children tell me, should I repeat one or two,
Let me just give them one simple molecule,
To take what's yours from the hands of the
fool.
Most intelligent or just an abomination,
They've just destroyed all my creation,
In my clock, humans, you're just a beep,
Now, Homo sapiens, off you go to sleep.
—Tanmay Shah
(An FE reader)

THE WORLD IS always in awe of how the Kumbh Mela, which involves millions of people and is organised in a non-metro city, moves seamlessly without a hitch, and rarely do we come across mishaps. However, when it comes to economic announcements, the approach is more of what is called 'jugaad', where we decide to go ahead with a certain dictum and then hope things get ironed out. It happened a little over three years ago, when we went in for demonetisation, where the public was assured cash would be available in 48 hours, but it took over two months to come close to 50% normal. The same holds for the shutdown, which has rightly been announced. It had to be done to ensure we mitigate the damage that could be caused by not having such a dictum. But considering it was known at the beginning of the month that it was only a matter of time before we could be forced to take such a measure, a contingency plan could have been in place. While it is true that it is easier to be wise post the event, there are lessons to be learnt that can form a template for future actions.

A major hurdle has been communication; also, a federal structure means that what is announced by the PM takes time to get absorbed. States and local bodies have their own interpretation of what has been said at the top, and hence while the common man hears out the PM and feels assured that essential commodities will be available, the reality is shops are shut, goods don't move, and transporters are stopped. This is because the communication is not clear and, ideally, such statements should be simultaneously sent to all states, which, in turn, should pass it on immediately to local authorities, of which

Lessons to be learnt from the shutdown

A shutdown is aimed at forcing people to stay away from one another, and not to create scarcity in the market

MADAN SABNAVIS



The author is chief economist, CARE Ratings. Views are personal

the police force is the most important. The police is rarely empathetic because when the business is dealing with wrongs in society and not 'rights', the thinking capacity is constricted. A curfew means anyone on the road needs to be thrashed, and unless told clearly of what is exempt, would deal with the situation as they would when such an imposition takes place, which, historically, is a riot. For days post the PM making the announcement of which essential services are exempt, at the ground level ambiguity remains. The lesson is, post an announcement at national level, other authorities have to assemble and use internal channels to pass on such information so that life remains normal, with the only ban being on movement.

The second part of the story is there is always the need to plan in advance as to how a shutdown is to take place. This is not difficult as the government has a list of all

registered and unregistered factories, and based on industry classification it can segregate units that are exempt from those that are not. The problem is that with production units closing down, while delivery is gradually being taken care of, new output is not coming in, including products like vegetable oils, spices, soap, toothpaste, packaged foods, etc. Factories have been closed and even if they are open, due to varied interpretation, employees are not able to reach. With Mumbai and Delhi having challenges of including neighbouring territories as part of the metropolis, stoppage of vehicles creates more confusion as there are restrictions on crossing over districts that adjoin major cities. At the police check post it is easy to convince the authority you are working at a bank than in an FMCG company (which have been allowed to work with limited staff).

Such lists along with requisite passes

should have been ready and distributed to the concerned units that are allowed to function to eschew disruptions. A shutdown is aimed at forcing people to stay away from one another, and not to create scarcity in the market. An example is that while the emphasis is on e-commerce being used widely, the business is not just about delivering goods in a truck, but also packaging material including labels, courier service (if not having own link), hiring vehicles, etc. This should also be coming in the list of exempt industries, or else there would be major supply disruptions due to absence of production and distribution once the existing stock gets exhausted. Such scarcities are self-reinforcing and lead to high level of hoarding.

One can hope these issues are sorted out over the next couple of days because the journey is long. While the shutdown is for 21 days, there would be extensions depending on how the virus has spread. It is too early to take an informed guess, just like it is hard to say how the economy would be impacted. Therefore, if such a sketch is not in place, it should be prepared and disseminated widely given that the country is well-linked through technology.

Different countries have interpreted lockdowns according to their judgements. Ours is an extreme case like in some European countries where people are not to step outside except for buying essentials. Production is bound to be impacted as virtually 80% of the goods produced in the country cannot be considered as essential. But the balance has to be kept flowing in, in normal quantities, to eschew unnecessary hoarding. Also, as all food products have their origins with farmers, any embargo impacts their sales and income, which has to be protected for sure.

International

WEDNESDAY, APRIL 1, 2020



STILL PRAYING

Donald Trump, US president

I watched a portion of low rated (very) Morning Psycho (Joe) this Morning in order to see what Nancy Pelosi had to say, & what moves she was planning to further hurt our Country. Actually, other than her usual complaining... she wasn't bad. Still praying!

WORLD BANK REPORT

11 m in East Asia and Pacific could be driven into poverty

The bank's report projects that growth in Asia would slow to 2.1% this year from 5.8% in 2019

ASSOCIATED PRESS
Washington, March 31

ABOUT 11 MILLION people could be driven into poverty in East Asia and the Pacific as a result of the coronavirus pandemic that has impacted over 780,000 people and killed more than 37,000 globally, the World Bank has warned.

The Washington-based global lender, in a report released on March 30, said that prior projections had estimated that nearly 35 million people would escape poverty in East Asia and the Pacific in 2020, including over 25 million in China alone.

"If the economic situation were to deteriorate further, and the lower-case scenario prevails, then poverty is estimated to increase by about 11 million people," it said in its April 2020 Economic Update for East Asia and the Pacific ahead of the annual spring meeting of the International Monetary Fund and the World Bank.

Growth in the developing East Asia and Pacific, the bank said, is projected to slow to 2.1% in the baseline and to negative 0.5% in the lower-case scenario in 2020, from an estimated 5.8% in 2019.

Growth in China is projected to decline to 2.3% in the baseline and 0.1% in the lower-case scenario in 2020, from 6.1% in 2019.

Containment of the pandemic would allow for a sustained recovery in the region, although risks to the outlook from financial market stress would remain high, the report said.

Noting that the COVID-19 shock will have a serious impact on poverty, the bank

MAPPING THE VIRUS

| | | |
|------------------------------|--|--|
| Cases top 7,88,000 | ■ Europe set for longer lockdown after Spanish deaths exceed 8,000 | |
| Dead 37,800 | ■ US leaders are preparing for a fourth round of measures | ■ US President said a national stay-at-home order is "pretty unlikely" |
| Recovered 1,66,700 | ■ Sick crew keeps ship running, risking spread of virus | ■ Ford, GE to produce 50,000 ventilators in 100 days |

Japan's ruling party proposed the country's biggest-ever stimulus package worth \$554 billion as the spreading coronavirus locks the economy in a recession.

European banks are scrapping payouts to protect their capital cushions because of the fast-deteriorating economy. Cutting bonuses could be next on the to-do list.

Iran's health ministry reported 3,111 new coronavirus infections and 141 more deaths over the past day, marking another large jump in cases during the Persian new year holiday. The country has now reported 44,606 cases and 2,898 total deaths.

Spain reported 849 more deaths, marking its deadliest day since the outbreak began, and taking its total to 8,189. The number of confirmed cases increased to 94,417 from 85,195.

Russia reported 500 new cases overnight, bringing the total number of infected to 2,337, Interfax reported. 387 out of 500 new cases are in Moscow. The country is moving toward a nationwide lockdown.

Italy's economy may shrink 6% this year, with household consumption declining 6.8% and gross business investments falling 10.6%, hurt by the spread of coronavirus

the report estimates that under the baseline growth scenario, nearly 24 million fewer people will escape poverty across the region in 2020 than would have in the absence of the pandemic (using a poverty line of \$ 5.50/day).

Countries in East Asia and the Pacific that were already coping with international trade tensions and the repercussions of the spread of Covid-19 in China are now faced with a global shock, said Victoria Kwakwa, vice president for East Asia and the Pacific at the World Bank.

"The good news is that the region has strengths it can tap, but countries will have to act fast and at a scale not previously imagined," she said.

Among the actions recommended by the report are urgent investments in national healthcare capacity and longer-term preparedness.

The bank also suggests taking an integrated view of containment and macro-economic policies. Targeted fiscal measures — such as subsidies for sick pay and healthcare — would help with containment and ensure that temporary deprivation does not translate into long-term losses of human capital.

The report said that the worsening in the Covid-19 pandemic and/or more severe/prolonged travel restrictions would have further negative impacts on tourism activity.

Goldman sees 34% plunge in US GDP

Economists see US facing worst-ever quarterly contraction

BLOOMBERG
March 31

GOLDMAN SACHS EXPECTS the US economy to experience a far deeper slump than previously anticipated as the coronavirus pandemic hammers businesses, causing a wave of mass unemployment.

Economists say the US is entering a sharp recession, with some projecting gross domestic product is headed for its worst drop in quarterly records back to 1947. Containing the outbreak has forced the world's largest economy to a sudden stop, shuttering businesses that are in turn poised to cut millions of jobs.

Gross domestic product estimates range widely, but most economists expect a severe second-quarter drop will be followed by a rebound in the second half of the year as the pandemic abates.

The world's largest economy will shrink an annualised 34% in the second quarter, compared with an earlier estimate of 24%, economists led by Jan Hatzius wrote in a

CATCHING A COLD

■ Unemployment will soar to 15% by mid-year, up from a previous forecast of 9%

■ Stronger recovery is projected for the third quarter with GDP expanding 19%

■ 3.28 million people filed for unemployment insurance in the week ended March 21

■ Many economists see the 3.5% jobless rate doubling or tripling in coming months

report. Unemployment will soar to 15% by mid-year, up from a previous forecast of 9%, they wrote.

The economists, however, now expect a stronger recovery in the third quarter, with gross domestic product expanding 19%. "Our estimates imply that a bit more than half of the near-term output decline is made up by year-end," they wrote. While there's a risk of longer-term fallout on income and spending, the aggressive action by the Federal Reserve and the gov-

Profit hit for Europe banks quadrupled

EUROPEAN BANKS ARE likely to see 120 billion euros (\$131 billion) in potential profit disappear over the next three years as the spreading coronavirus upends clients and economies, according to Goldman Sachs.

Goldman Sachs analysts led by Jernej Omahen shredded their profit forecasts for the sector through 2023 by 27%, four times the 30-billion euro hit to net income they predicted March 10.

—BLOOMBERG

ernment should help to contain this.

Meanwhile, a total of 3.28 million people filed for unemployment insurance in the week ended March 21, more than quadruple the prior record, and another 3.5 million are forecast to have filed last week. Many economists see the 3.5% jobless rate doubling or tripling in coming months.

The new forecasts come days after Trump extended US "social distancing" guidelines to contain the virus until the end of April, abandoning a plan for an earlier end.

Dutch scientists find coronavirus early warning in wastewater

BLOOMBERG
March 31

DUTCH SCIENTISTS WERE able to find the coronavirus in a city's wastewater before Covid-19 cases were reported, demonstrating a novel early warning system for the pneumonia-causing disease.

The so-called SARS-CoV-2 coronavirus is often excreted in an infected person's stool. Although it's unlikely that sewage will become an important route of transmission, the pathogen's increasing circulation in communities will increase the amount of it flowing into sewer systems, Gertjan Medema and colleagues at the KWR Water Research Institute in Nieuwegein said on Monday.

They detected genetic material from the coronavirus at a wastewater treatment plant in Amersfoort on March 5, before any cases had been reported in the city, located about 50 kilometers (32 miles) southeast of Amsterdam. The Netherlands confirmed its first Covid-19 case on Feb. 27 and discovered health workers had fallen ill with the infection in a southern part of the country days later — a sign that it was spreading in the community.

"It is important to collect information about the occurrence and fate of this new virus in sewage," Medema, the institute's top microbiologist, and co-authors said in a paper released ahead of peer reviews.

Huawei profit jumps despite US blacklist

REUTERS
March 31

HUAWEI SAID NET profit for 2019 came in at 62.7 billion yuan (\$8.9 billion), up 5.6% — its weakest growth in three years, and down from 25% jump a year earlier.

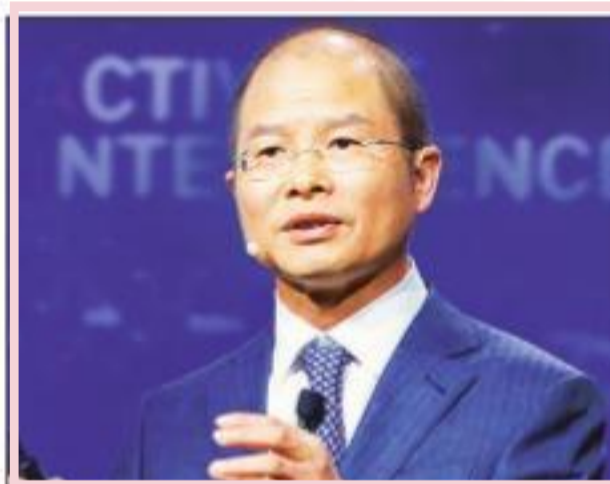
Its carrier business, which includes 5G mobile network equipment, saw sales rise just 3.8%.

Washington placed Huawei on a blacklist in May last year, citing national security concerns, restricting sales of US-made goods to the company. US President Donald Trump's administration is also preparing further measures that will seek to restrict the supply of chips to the company, sources familiar with the matter told Reuters this month.

Huawei warned on Tuesday that 2020 would be its most difficult year yet due to American trade restrictions which dealt a blow to its overseas sales in 2019, and predicted the Chinese government would retaliate against the United States.

Warning bells

The world's largest maker of telecoms equipment issued the warning as it reported its weakest annual profit growth in three years. It said Beijing could hit back against US measures to restrict chip sales to Huawei, by restricting sales of American products in China and by shifting to alternative suppliers in China and South Korea. "The Chinese government will not just



The Chinese government will not just stand by and watch Huawei be slaughtered on the chopping board

—ERIC XU, HUAWEI CHAIRMAN

stand by and watch Huawei be slaughtered on the chopping board," Chairman Eric Xu told reporters at the launch of Huawei's annual report.

"Why wouldn't the Chinese government ban the use of 5G chips or 5G chip-powered base stations, smartphones and other smart devices provided by American companies, for cybersecurity reasons?"

The US alleges the Chinese government could use Huawei's equipment to spy, an accusation rejected by the company.

Under pressure, China reveals 1,541 asymptomatic cases



BLOOMBERG
Beijing, March 31

CHINA SAID THAT it's put 1,541 people infected with the novel coronavirus but who don't have symptoms under observation as of March 30, a much-anticipated announcement which helps provide a deeper picture of the scale of the country's epidemic.

It was unclear from the statement if that number was only of people currently in medical quarantine or if it included those who were symptom-free but have since recovered and been released. Of the cases, 205 were found among people entering China from overseas, according to a statement on China's National Health Commission website.

China's total count of confirmed Covid-19 infections stands at more than 81,000, but the vast majority have recovered and been released. The country still has 2,161 cases in hospital as of March 30, according to health commission data.

The publication of the number of

asymptomatic infections comes a day after Chinese Premier Li Keqiang urged local officials to prioritise efforts to track and expand the screening of symptom-free carriers amid a growing chorus of domestic and international criticism of China's data on the outbreak.

In China, people who test positive for the virus but don't have any symptoms are not classified as confirmed cases. This runs counter to the practice in countries like South Korea, Japan and Singapore, where all patients who test positive are included in official tallies of total cases, regardless of whether they have symptoms such as a fever or cough.

China says it tracks and quarantines asymptomatic cases and reclassifies them as confirmed cases if and when they develop symptoms. But concern over China's refusal to disclose the number of symptom-free carriers has grown as researchers have found that these patients can play an out-sized role in spreading the pathogen to others, since there's no easy way to tell they're sick.

Airlines plan job cuts, furloughs

REUTERS
March 31

MAJOR GLOBAL AIRLINES projected layoffs, furloughs and capacity cuts over the next few months, with Air New Zealand on Tuesday warning it expected staffing levels to be 30% lower than it is now, due to the coronavirus pandemic.

Airlines have been rushing to shore up liquidity, reduce capital expenditure and cut costs to stay afloat amid the worst crisis to hit the global aviation industry.

Data firm OAG said the aviation industry was less than half the size it was in mid-January due to the rapid capacity cuts implemented by airlines around the world. Around 40% of the world's passenger jet fleet is now in storage, according to data from aviation firm Cirium.

Air New Zealand said it will lay off about 3,500 employees, nearly a third of its



Airlines have been rushing to shore up liquidity, reduce capital expenditure and cut costs to stay afloat amid the worst crisis to hit the global aviation industry

workforce, in the coming months, as the outbreak forced it to cancel nearly all flights. The virus "has seen us go from having revenue of \$5.8 billion to what is shaping up to be less than \$500 million annually," chief executive officer Greg Foran told staff in an email. "We expect that even

in a year's time we will be at least 30% smaller than we are today."

New Zealand's national carrier, which employs 12,500 people, warned the layoffs estimate was a "conservative" assumption and the numbers could rise if the domestic lockdown and border restrictions were extended.

Air Canada will cut second-quarter capacity by 85%-90%, place about 15,200 unionised employees off duty and furlough about 1,300 managers, beginning on or about April 3.

SELECTIONS FROM



CHRISTINE LAGARDE TOOK over as the president of the European Central Bank (ECB) in November intent on peacemaking. The bank's negative interest rates and bond-buying were reviled in the euro area's northern countries. In order to heal the rift Ms Lagarde launched a year-long review of the ECB's strategy. Few investors expected policy to change much in 2020.

Covid-19 upended all that. On March 18th the ECB announced an emergency asset-purchase scheme that would buy €750bn (\$809bn) in government and corporate bonds. With its existing programmes, the bank will hoover up over €1trn in assets this year—equivalent to 9% of euro-area

gdp. But even this might not be enough to gin up the economy.

The severity of the pandemic means that the ECB has been bolder and considerably more flexible than economists would have thought possible a few months ago, says Piet Christiansen of Danske Bank. In large part that is because the ECB is amending some of the rules that have until now governed its asset purchases.

One self-imposed rule concerns the composition of purchases. The ECB generally tries to buy government bonds in proportion to the capital each member state puts into it (or its "capital key"), which is roughly in line with the size of its economy. This time the bank will be more flexible. It could, for example, buy more Italian and Spanish bonds, even though these together account for around a quarter of the capital key. As the virus spread across the south of the euro zone, investors had begun to demand a higher premium for holding southern states' bonds—and Ms Lagarde

FINANCE AND ECONOMICS RIPPING UP THE RULES

The ECB breaks its self-imposed rules

But will its latest salvo alone ensure a healthy expansion

did not help when she remarked that she did not consider it the ECB's job to close yield spreads.

The announcement of the emergency bond purchases helped to calm those nerves. More controversially, the ECB says its emergency purchases will not be bound by its self-imposed "issuer limit", which had meant that it could not hold more than a third of a member's sovereign debt. Its holdings of German and Dutch bonds have been fast

approaching the cap. The decision could raise heckles in Germany, where the rule is seen as ensuring that the ECB's purchases do not monetise national debt.

The ECB is breaking more of its own rules. It is expanding the range of assets it will buy. The new scheme will cover Greek sovereign bonds; they had previously been deemed ineligible because of their low credit rating. And the ECB will start to buy assets with maturities of less than a year. That has

The ECB generally tries to buy government bonds in proportion to the capital each member state puts into it, which is roughly in line with the size of its economy

a happy interaction with recent fiscal easing. On March 23rd the German government said that it would borrow €156 billion in order to support its economy. Much of Germany's borrowing will take the form of short-term bills, says Frederik Ducrozet of Pictet, an asset manager.

Even with all this flexibility, there is still a question of whether the stimulus is sufficient. The extent of the economic damage done by the virus is slowly becoming clear. On March 24th a survey of purchasing managers indicated the steepest drop in activity in its 22-year history. Investors' medium-term inflation expectations, as measured by the five-year forward swap rate, have fallen

to 0.8%, well below the bank's target of inflation close to, but below 2%. That suggests that investors think more easing is needed to ensure a healthy expansion after the epidemic ends.

One reason for investors' gloom may be that governments are still doing too little. Even after Germany's splurge, new spending across the euro zone amounts to only 2% of GDP. Economists at Citibank estimate that something nearer 5% is warranted. Leaders were set to consider whether to make cheap credit lines available to governments through the zone's bail-out fund after *The Economist* went to press. Such talks tend to become mired in arguments over what type of strings should be attached to the cash. The pandemic means that a deal looks likelier than ever. But central bankers are also well aware of another, less happy, link between monetary and co-ordinated fiscal policy. The more the ECB does, the less governments feel they need to take action.

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Personal Finance

WEDNESDAY, APRIL 1, 2020

ON STOCK MARKETS

Varun Lochab, Head, Institutional Research, HDFC Securities

While BFSI may have to absorb some negative impact on the economy, we continue to prefer large sector and niche market/segment leaders

COVID-19 & YOUR MONEY WORRIES

Tips to handle the impact on your finances

When it comes to surviving financial crisis, focus on what you can control and you can do rather than on what you cannot control or what is not possible to do now

P SARAVANAN

TILL NOW, THE impact of the Covid-19 pandemic on the global economy and on various industries are only conjectures and largely unknown. As of now, the top priority is to keep ourselves safe and healthy but financial concerns also exist in our minds. Everyone has queries on whether it is the beginning of a global recession, what happens if the recovery is slow, what about the investment portfolio they hold, how to manage bills, etc. Let us discuss how to prepare yourself financially and keep calm in this time of crisis.

Do your daily routines

One essential point is that you should not miss your daily routines. Get up at your regular time and stick to your routine. If you lose your routine, it affects your eating habits such as missing breakfast, stopping cooking or eating snacks and other items instead of

YOUR QUERIES



Dhaval Kapadia

Continue SIP when markets are falling to benefit from lower price

● Will it be a right decision to reduce my SIP amount to ₹5,000 from ₹10,000 because of poor returns?

—AK Bhaskar

The main benefit of SIP is rupee cost averaging, an investment technique applied to regular fixed instalments. More units are bought when the market price of shares is low and lesser units are bought when the price is high. Hence, you should continue your SIP as reducing the SIP amount would deprive your portfolio of buying units at lower prices.

● Can I do a quarterly or half yearly SIP to invest in mutual funds?

—Kapil Khurana

Yes, most mutual funds offer quarterly SIPs in their respective schemes. A few offer half-yearly as well as annual SIP option to investors. Alternatively, you may invest through lumpsum mode at regular frequencies, which may be best given the uncertain nature of your income.

● I have an equity SIP done through a bank. How do I switch it a direct plan?

—P K Kumar

You may register yourself for online access on AMC websites or through any of the mutual fund aggregator portals and switch to a direct plan. The switch may be subject to exit load though you are switching to a different plan under the same scheme, although this may differ across AMCs. The switch would be regarded as redemption requiring capital gains taxes, if any, to be paid.

● Is indexation only in debt fund? How is it done to calculate tax liability?

—Amit Chaturvedi

Indexation benefit is only applicable to non-equity oriented mutual funds (debt funds, foreign equity funds, fund-of-funds) and is based on a cost inflation index (notified by finance ministry). If held for more than three years, the cost price is indexed to reflect the cost price in today's terms and the gain (computed as difference in final amount and indexed cost price – instead of actual cost price) is taxed. Hence, indexation benefits investors as it lowers tax outgo.

● Is there lock-in period for gold ETFs?

—Rajeev Bhardwaj

There's no lock-in period for investing in gold ETFs. All ETFs including Gold ETFs are listed on an exchange and can be traded, subject to liquidity, i.e., available of buy/sell quotes.

The writer is director, Investment Advisory, Morningstar Investment Adviser (India). Send your queries to fepersonalfinance@expressindia.com

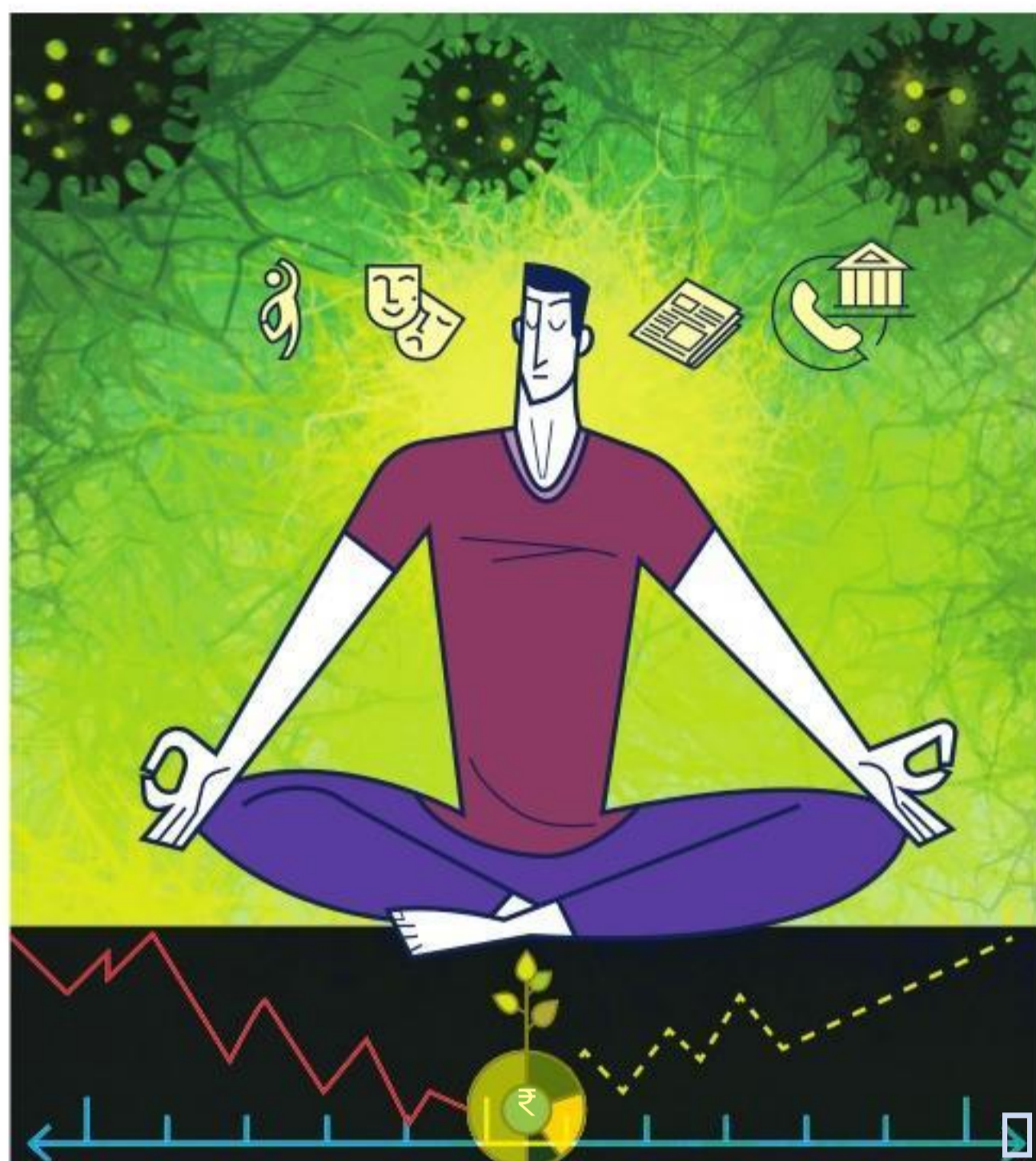


ILLUSTRATION: SHYAM KUMAR PRASAD

having proper meals. As most of you are on work from home, take up some form of exercise. It could be simple jogging around your housing complex, yoga inside your home, even simple ground exercise within your home, etc. Because, doing any type of physical activities definitely improve your mood especially when you are feeling low.

Control your emotional triggers

Identify your emotional triggers and make an attempt to control the same. For instance, owing to the given situation, you may be thinking of selling some of your investments which you had planned for a long term or for a specific purpose in mind. Whatever it is, do not let your emotions take over. Owing to the current lockdown, people have started placing orders online for essential supplies, and may even end up overbuying the same. Note that this may result in financial constraints as you end up over-spending.

Keep abreast of news

Each day brings tons of new information through social media. But, ensure that you are getting information from reliable news sources and keep yourself updated on what government, bankers, employers, etc., are doing in response to Covid-19 which will

have a financial impact.

Stay up to date, but take adequate breaks. One cannot digest all information, whether good or bad, at any given point of time. Given a choice, use less social media and look for good news stories to balance out the bad.

Contact your bankers

Reserve Bank of India (RBI) has already announced the moratorium on payment of loans during the next three months owing to Covid-19. Contact your bankers for your mortgage payment deferrals, skipping payments, loan extensions, revised terms or even reduced interest rates, etc., that they can definitely consider. What they offer you depends on the type of help that you ask and your payment history, credit behaviour, etc. Defaulting on your obligations because you did not reach out for help from bankers will have a worse effect. Your credit rating will resume when you catch up with your timely payments.

To conclude, when it comes to surviving a financial crisis, focus on what you can control and you can do rather than on what you cannot control or what is not possible to do now.

The writer is a professor of finance & accounting, IIM Tiruchirappalli

YOUR MONEY

JIMMY PATEL

Want to save tax: Should you go for PPF or ELSS?

AS THE POPULARITY of mutual funds grows, investors often wonder whether to invest in Public Provident Fund (PPF) or Equity-Linked Savings Scheme (ELSS) for tax-saving purpose.

Public Provident Fund (PPF)

PPF is one of the most popular government-backed schemes in India today. One of the reasons for this is PPF enjoys a favourable tax status, i.e. Exempt-Exempt-Exempt (E-E-E). This means, contributions are eligible for tax deduction under Section 80C, the interest earned is tax-free, and maturity proceeds are exempt from tax.

The minimum that can be invested in PPF is ₹500 per financial year, while the maximum is ₹1.5 lakh in a financial year. You have the option to invest a lump sum or in 12 instalments. Money invested in PPF is subject to a lock-in period of 15 years. During this tenure, the account holder earns a tax-free rate of return and withdrawals are tax-free.

To ensure that the PPF account is active, a minimum deposit of ₹500 per financial is necessary until maturity. Note that interest on the PPF account is calculated on the minimum balance in the account between the 5th and the last day of every month. So if you are planning on investing into it on a monthly basis, make sure the investment/contribution is made on or before the 5th of every month (i.e. the PPF account is credited with the investment amount of contribution on or before the 5th of every month).



ILLUSTRATION: SHYAM KUMAR PRASAD

The PPF account is not only useful from a tax planning point of view for risk-averse individuals but even to build a retirement corpus (retirement planning). The corpus can be built to serve as an important source of inflow during retirement years.

Equity-linked saving scheme

ELSS, also known as a tax-saving fund, is a diversified equity fund that comes with the dual advantage of wealth-building potential and tax-saving benefit under Section 80C. The broader investment objective of an ELSS is long-term capital appreciation by investing primarily in equity and equity-related instruments.

To achieve the stated investment objective, the fund manager of an ELSS maintains a diversified portfolio of equity- and equity-related instruments, and practices a bottom-up approach to stock picking that is market-cap and sector agnostic. Meaning, there is enough flexibility for the fund manager of an ELSS to invest across market capitalisation segments, i.e., large-cap, mid-cap, and small-cap stocks, and sectors. And speaking of investment style, it may be of any genre – growth, value style, or even a blend of both.

Another distinctive feature about ELSS is that while the investments are eligible for a deduction of up to ₹1.5 lakh per annum (under Section 80C), there is a mandatory lock-in period of three years. The minimum investment amount for most ELSS is as little as ₹500, with no upper limit. However, only a sum up to ₹1.50 lakh per annum will be eligible for deduction under Section 80C.

The choice to invest a lump sum or take the Systematic Investment Plan (SIP) route is available. But keep in mind that in case of the latter, every SIP instalment in ELSS will be subject to a mandatory lock-in period of three years.

Both PPF and ELSS are unique investment avenues. When choosing between the two, consider your risk profile, broader investment objective, financial goals, and the investment time horizon, while you aim to save tax.

The writer is MD & CEO, Quantum AMC

eFE

TECHPRENEURS TO THE RESCUE

Innovative tech tools to contain Covid-19

From an easy-to-carry IoT device that promotes social distancing, to a machine that sterilises public places, young Indian inventors are at their creative best

SUDHIR CHOWDHARY

INDIAN TECH COMPANIES are supporting the fight against coronavirus by coming up with interesting technological innovations. For instance, HealthifyMe (an Artificial Intelligence-led health and fitness app), has launched a hand-washing tracker and other immunity building tools. The hand wash/sanitise tracker will remind HealthifyMe's 16 million users to wash their hands every hour. Such users will also have access to home workouts on their app and daily live workouts with coaches that will help them stay on track in their fitness journey. All these features are available to all users for free.

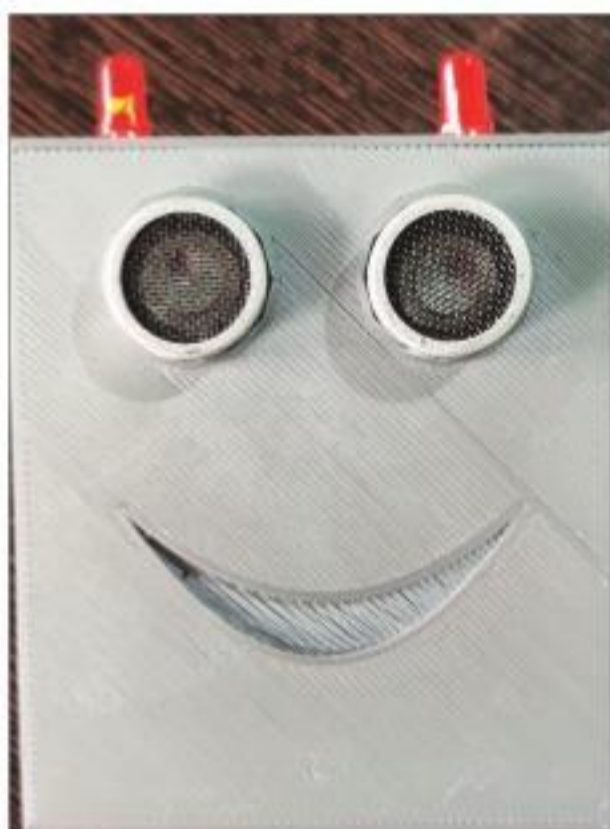
Tushar Vashisht, CEO, HealthifyMe, says: "It takes 21 days to build a habit. We want people to use the lockdown to build healthier habits and improve their immunity and so we have launched the biggest ever upgrade to our app with several new features centered around eating balanced diets, exercising at home, sanitising hands and sleeping better. We are also giving



Airlens Minus Corona sterilises hospitals, bus stops and railway stations with ionised water droplets as it moves through the streets

away free nutritionists and exercise consultations to anyone who needs the help."

Similarly, Prabin Kumar Das, a B Tech student at Lovely Professional University (LPU), Jalandhar, has developed an IoT device called "KAWACH" to promote safe social distancing. The device, which can be worn as a pendant, vibrates and glows in case someone breaches the user's safe space of 1 meter. Not only that, the device is equipped with a handwash reminder that beeps every 30 minutes to remind the user to wash his or her hands, as well as a



KAWACH comprises an LED, vibrator, controller, battery, temperature sensor, ultrasonic sensor, switch and a storage card

temperature sensor that alerts them via an SMS in case their body temperature crosses the prescribed limit.

Das informs that KAWACH is a low cost and easy to carry device that comprises an LED, vibrator, controller, battery, human body temperature sensor, ultrasonic sensor, switch and a storage card. Along with Das, a team of professors at LPU worked on the project; it is now looking for manufacturing partners for its commercialisation.

Moving further, Sashi Ranjan and Debayan Saha, co-founders of PerSapien

CONTACTLESS DELIVERY

Streamlining food delivery in the times of lockdown

Predictive logistics platform FarEye has developed software to help e-tailers scale deliveries safely in the current lockdown situation

RIYA SETHI

THE 21-DAY NATIONWIDE lockdown to contain the spread of Covid-19 has resulted in grocery delivery apps witnessing a surge in orders, as people prefer to stay home and order food staples, daily essentials and medicines online. So much so, that the first few days of the lockdown that started on March 25 saw e-commerce companies struggling to re-stock their virtual aisles even as they grappled with restricted mobility of delivery boys riding out across cities to fulfill the increasing number of orders.

In order to assist enterprises make con-

tactless, error-free and efficient deliveries, predictive logistics platform FarEye has developed software to help e-tailers scale deliveries safely in the current lockdown situation. And it is offering this for free!

"To ensure a seamless delivery of daily essentials at every doorstep while maintaining social distancing, we are working with companies globally and offering them our home delivery optimisation software by making drivers available and the whole process being contactless," explains Kushal Nahata, CEO and co-founder, FarEye.

The delivery logistics platform seamlessly on-boards new drivers in the shortest time by leveraging intelligent crowd-sourcing capabilities to meet elastic demand requirements. Temporary delivery executives are looped onto the platform based on proximity, past performance and cost. "At FarEye, we leverage the use of machine learning to chalk out delivery routes automatically based on historical data. Our platform optimises routes in real-time and ensures end-to-end visibility of last-mile delivery operations, help-



Kushal Nahata, CEO & co-founder, FarEye

ing businesses gain greater control of their operations. It helps them also efficiently plan multiple drops on a particular delivery route, making each delivery profitable, while boosting the productivity and lowering the cost of ownership," says Nahata.

With FarEye, businesses can go live in weeks and it can be implemented remotely. It also empowers businesses to allow customers to schedule deliveries at their own convenience. These changes are synced in real-time with the executive's roster to avoid any disruptions.

FarEye has recently partnered with Ghuge Farms—a service started during the lockdown to provide freshly grown vegetables direct from farms to customers. Apart from this, the company is working with a number of enterprises including Dr. Lal Path Labs, Seven-Eleven, Future Group, Wayfair, Walmart and DHL. It has earlier helped quick service restaurant Domino's Pizza to improve its productivity by 26%.

Besides FarEye's predictive visibility capabilities that enables enterprises to make their supply chain and logistics operations highly proactive, it also assists them in predicting delays and generating 100% accurate ETAs. "We are constantly trying to evolve. We are experimenting with drone technology and will eventually make it accessible to businesses so that deliveries can be independent of humans," he adds.

Markets

WEDNESDAY, APRIL 1, 2020



FAREWELL NOTE

NS Vishwanathan, deputy governor, RBI

For someone who has been with the Bank for nearly 39 years, the thought that I would, in a couple of hours from now, become an 'ex-RBI official' leaves a very eerie feeling. I am at the same time elated because there is still 'RBI' in that term.

Money Matters

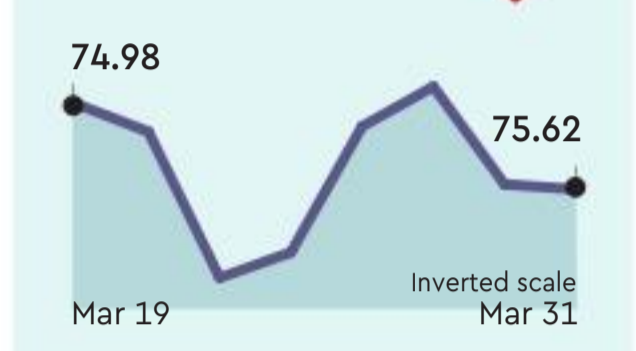
G-SEC

The benchmark yield fell due to buying support **0.071%**



₹/\$

The rupee depreciated on global cues **0.05%**



€/€

The euro fell against the US dollar **0.76%**



Quick View

PNB, IOB cut lending rates by 75 bps

STATE-OWNED banks Punjab National Bank (PNB) and Indian Overseas Bank (IOB) on Tuesday announced reduction in their lending rates linked to the repo rate by 75 basis points, effective April 1. This follows last week's decision by the RBI to cut the repo rate by 75 bps. Most of the public sector banks have passed on the benefit of the repo rate cut to their customers. Chennai-based IOB also said it has reduced RLLR by 75 bps. The new RLLR will come down from the existing level of 8% to 7.25% per annum from April 1.

Indian Bank passes on repo reduction

INDIAN BANK has slashed the benchmark lending rate linked to repo by 75 basis points. These rates are applicable to all retail and MSME loans. The bank has reduced the MCLR up to 15 basis points across tenures. These rates come into effect from April 1, said a release by the bank. The public sector lender has reduced the term deposit rates by 30 to 55 bps across tenures. It has also reduced the savings bank rates by 50 bps to 3% and waived the minimum balance charges, the release added.

Lakshminarayanan MD of Sundaram Home Fin

SUNDARAM FINANCE has announced the appointment of D Lakshminarayanan as the MD of its wholly-owned home finance subsidiary Sundaram Home Finance from April 1. Lakshminarayanan has been with the Sundaram Finance Group for over a decade.

INTERVIEW: UMESH REVANKAR, MD & CEO, Shriram Transport Finance

'I don't foresee problems in asset quality'

THERE MAY BE concerns around the asset quality of non-banking financial services companies as a nation-wide lockdown has been announced for 21 days. But Umesh Revankar, MD & CEO, Shriram Transport Finance, tells Hariprasad Radhakrishnan that there could be a delay in paying EMIs but the customer will eventually pay. Revankar also believes that disbursements would pick up in June and the latter part of May, while April would witness subdued growth due to the lockdown. Excerpts:

What would be your assessment of the impact on the business environment due to Covid-19?

In this business environment, the demand will be comparatively less. We are now focused on customers' revenue and the operation of their businesses. Slowly, things are becoming positive. After a total lockdown, where virtually all vehicles were immobilised for some time, transport of essential and non-essential commodities

H1 BORROWING CALENDAR

Bond mkt participants worry over additional borrowing

FE BUREAU
Mumbai, March 31

AFTER THE ANNOUNCEMENT of the first half borrowing calendar by the government on Tuesday, bond market experts say there could be some amount of disappointment in the market as market participants were expecting much more clarity in terms of the potential additional borrowing in the context of the Covid-19 crisis and the subsequent economic slowdown.

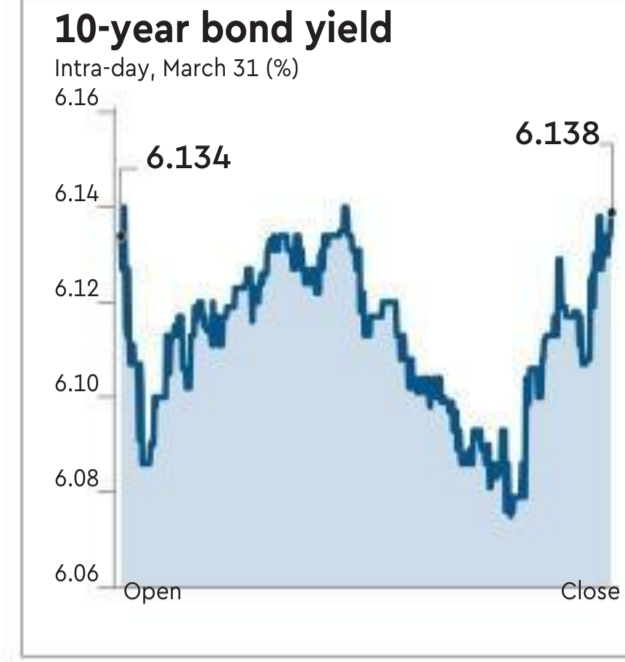
Vijay Sharma, senior executive vice-president at PNB Gilts, believes the key takeaway is the fact that the government has not given much clarification on how it intends to do the potential increase in FY21 borrowing. "Under the current circumstances, the government will have to borrow more and the market will really like to know whether the RBI will take care of any additional borrowing it does. The good thing is that secretary did not rule out private placement with RBI by saying that this is not built in the current borrowing programme. I would read it as if this is a possibility that for extra borrowing, this option is still open," Sharma said.

Some reports had also indicated that government borrowing may remain light in April and had led to some amount of optimism getting built in the market on Tuesday. The benchmark yield closed 7 basis points lower at 6.14% on Tuesday.

Rupee ends flat, but logs over 9% drop in FY20

THE RUPEE on Tuesday ended on a flat note at 75.60 against the US dollar but logged a massive 9.36%, or 646 paise, loss during the 2019-20 fiscal, mostly due to weakened sentiment in the wake of Covid-19 outbreak. At close on Tuesday, the domestic currency was quoted mere 1 paise lower at 75.60 to the American unit. During the session, the rupee traded between a high of 75.31 and a low of 75.66. Gains in equities and lower oil prices, however, restricted the rupee from venturing into the negative territory. Forex traders said market participants remained cautious as currency markets will remain shut for the next couple of sessions. —PTI

Dealers said the optimism was dashed post the release of the H1 borrowing calendar and this could lead to some sort of short-term disappointment in the market. As per the calendar, the government is set to borrow ₹79,000 crore in the month of April till May 1.



Ananth Narayan, professor of finance at SPJIMR, told FE that worries regarding tax collections and possible higher borrowing than estimated may still be a cause of concern. "In the current context, the government will have to spend more in FY21. Moreover, tax collections are also likely to be lower than anticipated. As a result, the bond market will definitely worry about what will happen with the additional borrowing that may hit the market later," Narayan said.

Experts say that the Reserve Bank of India (RBI) will definitely have to step in later with open market operation (OMO) purchases throughout the year to absorb any excess supply that hits the market.

Kanungo gets 1-year extension as RBI deputy governor

THE CENTRE HAS extended the tenure of RBI deputy governor BP Kanungo by a year with effect from April 3, 2020.

Kanungo, whose term was to end on April 2, had taken charge as a deputy governor in April 2017. "The central government has re-appointed BP Kanungo as deputy governor, Reserve Bank of India,

for a further period of one year with effect from April 3, 2020, or until further orders, whichever is earlier, upon completion of his existing term on April 2, 2020," the RBI said in a release. Kanungo has under him RBI's the Department of Currency Management, Department of External Investments & Operations, Department of Gov-

ernment & Bank Accounts, Department of Information Technology and Department of Payment & Settlement System. Other departments are Deposit Insurance and Credit Guarantee Corporation, Foreign Exchange Department, Internal Debt Management Department, Legal Department and RTI departments. —PTI

IndusInd Bank to go slow on loan growth

FE BUREAU
Mumbai, March 31

INDUSIND BANK WILL slow down loan growth in order to align the asset and liability sides of its balance sheet and focus on moving to a more granular portfolio, newly-appointed MD and CEO Sumant Kathpalia told analysts on Monday. IndusInd Bank has lost 10-11% of its deposits, as opposed to the 2% stated earlier, the bank's management said.

Earlier this month, the lender had stated that some state governments had pulled out deposits to the tune of 2% of its base after Yes Bank was brought under moratorium. On Monday, the bank said that the liquidity lost in the form of deposits has been partly recovered in the form of refinancing and foreign-currency borrowings.

The bank's newly appointed CEO said that liabilities would lead the way to asset growth, and not the other way round. "We will be putting greater emphasis on creating a sustainable organisation," Kathpalia said, adding: "I think large chunky exposures are on their way out of this bank and I don't think we will do large chunky exposures anymore." "Yes, we have lost some deposits, but we do tend to toggle between deposits and borrowings. Deposits were coming under stress in the sense that state governments did pull out bulk money. Obviously, you cannot get it back immediately," the management said, adding that some public-sector enterprises also did



not roll over their deposits with the bank. About 15-20% of the outflow has come back in the form of certificates of deposit (CDs), term borrowings as well as deposits.

In a note to its clients dated Tuesday, Credit Suisse said: "Management indicated that they would look to pull back on growth over the next couple of quarters and post that, look to grow at 8-10%, as they look to allow liabilities to drive asset growth."

The bank also flagged off risks to its asset quality from the prevailing situation of a nationwide lock-down amid the spread of the Covid-19 pandemic. It could see credit costs inching up in the commercial vehicles (CV) portfolio and it will close the year FY20 with a credit cost of 80 basis points (bps), or 0.8%. CV loans account for 12% of IndusInd Bank's loan book.

Collections in the credit card segment have already been affected in February-March, Kathpalia said, and delinquencies in this category could stand at 0.3-0.4% of the book.

IBA to seek RBI clarification on moratorium

SHRITAMA BOSE
Mumbai, March 31

DAYS AFTER THE Reserve Bank of India (RBI) allowed banks to offer their borrowers a three-month moratorium on repayments, the Indian Banks' Association (IBA) on Monday held a meeting between its members on how best to implement the notification. The association is now planning to write to the regulator seeking clarity on how to execute the moratorium.

The meeting also took stock of banks' preparedness in delivering services amid the lockdown, particularly to beneficiaries of the government's recent announcements on income support.

Sunil Mehta, chief executive officer of IBA, said that the body is planning to circulate a set of relevant frequently asked questions (FAQs) among its members.

"Quite a few issues were discussed on Monday, such as preparedness for DBT (direct benefit transfer) delivery and sectors which are facing challenges. As for the moratorium issue, we are seeking clarity as to whether there will be a stop of the clock or it will apply only to prospective instalments," Mehta said.

Stopping the clock refers to the practice of putting a pause to compounding of interest on loans. In the ordinary course of business, unpaid dues to banks would attract an additional interest amount, thus resulting in a higher outgo for the borrower at the end of the moratorium period.

'Inclusion of G-secs in Bloomberg-Barclays Global Index may attract \$6-7 bn'

FE BUREAU
Mumbai, March 31

WITH THE RESERVE Bank of India (RBI) paving the way for inclusion of Indian government securities in global bond indices by allowing unrestricted access for foreign investments in specific government securities, an eventual inclusion of these securities in the Bloomberg-Barclays Global Aggregate Index could attract potential flows of \$6-7 billion, says an HSBC Global Research report.

"We believe that this will pave the way for inclusion of G-secs in popular bond indices, including Bloomberg-Barclays Global Aggregate Index (BBGA) as well as the JP Morgan GBI EM index. In particular, this could be led by the Bloomberg-Barclays Global Aggregate Index and we think that an announcement on index inclusion is possible over the next 12-18 months," the report said.

Five securities have been made eligible under the fully accessible route (FAR) - two maturing in 2024, two in 2029 and one security maturing in 2049. The outstanding stock of these five securities that also include the current benchmark 10-year paper amounts to about \$58 billion at present.

RBI had stated that in addition, all new issuances of government securities of 5-year, 10-year and 30-year tenors from the financial year 2020-21 will be eligible for investment under the FAR as 'specified securities'. RBI may add new tenors or change the tenors of new securities to be designated as 'specified securities' from time to time, the central bank had stated.

The HSBC report also pointed out that while India's potential index inclusion is a positive development in the medium term, it is unlikely to provide any immediate relief in the current environment of foreign liquidation. Foreign investors have with-

We believe that this (inclusion of govt securities in global bond indices) will pave the way for inclusion of G-secs in popular bond indices, including Bloomberg-Barclays Global Aggregate Index (BBGA) as well as the JP Morgan GBI EM index

— HSBC GLOBAL RESEARCH REPORT

drawn around \$9.5 billion from Indian bonds over the past six weeks, it said.

The report further said that the eventual index inclusion could still be a distance away and noted that liquidity is also a key criterion. It, however, elaborated that despite the current liquidity constraints faced by the Indian bond market, it may not be a cause of concern under normal market conditions.

"In the case of China, even after the launching of the Hong Kong Bond Connect on 3 July 2017, the BBGA index inclusion announcement came only in March 2018 and the inclusion officially started in April 2019 - although it is noted that China had additional hurdles including settlement procedures and FX hedging. These are less of restrictions for India. Liquidity is also another key criteria and even though India's bond markets are facing some liquidity constraints due to logistics surrounding the Covid-19 outbreak, it is unlikely to be an issue under normal market conditions," the report said.

Compounded interest to be charged from borrowers during 3-month moratorium: IBA

ANKUR MISHRA
Mumbai, March 31

BORROWERS OPTING FOR the three-month moratorium granted by their lenders will have to pay compounded interest at the end of the period, Sunil Mehta, chief executive, Indian Banks' Association (IBA), clarified in a frequently asked questions (FAQ) document reviewed by FE.

Banks have individually started announcing Covid-19 regulatory package in a response to RBI's announcement of three months moratorium on term loans including corporate, MSME, agriculture, retail, housing, auto and personal loans. Bank of Baroda, Central Bank of India, Canara Bank and Punjab & Sind Bank detailed three-month moratorium on term loan instalments as part of package, among other reliefs. The organisation of banks has urged borrowers to avail relaxations only if there is a disruption in cash flows or loss of income due to Covid-19. Explaining the moratorium on term loans, Sunil Mehta said: "You must take into account that the interest on the loans, though not mandatorily payable immediately and gets postponed by 3 months, continues to accrue on your account and results in higher cost."

By giving an example of a borrower who

has taken 100,000 term loan with 12% interest, he said: "Every month you are liable to pay ₹1,000 as interest. In case you opt not to service the interest every month, you are liable to pay interest at 12% p.a. and accordingly you will pay ₹3030.10 at the end of 3rd month." Similarly, in case of credit card, the interest will be charged by the issuer on unpaid amount in three months from March 1, 2020. Although no penal interest will be charged during this period, he said.

In the case of borrowers where (EMI) automatically got deducted by the bank using electronic clearing service (ECS) and the customer seeks refund, Mehta said such borrowers need to get in touch with the bank for the revised mandate.

For corporate borrowers, IBA clarified that NBFCs, micro-finance institutions (MFIs) and housing finance companies (HFCs) are not eligible for working capital relaxation provided. RBI on March 27 allowed banks to recalculate drawing power by reducing margins and reassessing the working capital cycle for the borrowers in case of working capital.

However, RBI has made provision for sufficient liquidity support to these financial intermediaries under recently-introduced targeted longer-term refinancing operations (TLTRO), Mehta added.

ANALYST CORNER

Lupin: 'Buy' with a fair value of ₹840

KOTAK INSTITUTIONAL EQUITIES

LPC ANNOUNCED a positive CHMP opinion for Nepexto (biosimilar Enbrel), LPC's first biosimilar in the EU (partnered with MYL).

The development highlights the optionality in LPC's pipeline, with potential US filing for Neulasta in H2FY21 likely to add to its biosimilars efforts, while potential approval of ProAir in FY21 will be a key catalyst for the inhalation pipeline. The recent share price correction means that LPC valuations reflect only domestic segment valuations, with the market ascribing no value to the US despite a strong pipeline build-out. 'Buy'.

LPC and MYL announced positive CHMP opinion recommending approval for Nepexto, LPC's biosimilar for Enbrel (etanercept). Following the CHMP opinion, we now expect the European Commission to grant a centralized marketing authorization (MA) in May 2020.

LPC had out-licensed Nepexto to Mylan for EU (along with other markets) in June 2018, and will receive 50% profit share from the product.

Nepexto will be the fourth Enbrel biosimilar to be launched in the EU and will compete in a ~\$1.48 bn market, split as \$830 mn for the innovator brand, \$485 mn for Biogen's Benepali (first biosimilar), and ~\$80 mn sales for Sandoz' Erelzi (second biosimilar).

Despite the relatively benign competitive dynamics, we do not expect meaningful near-term revenue or profit contribution from the product for LPC, given MYL's disappointing market share performance on its recent EU biosimilar launches (partnered with BIOS), and expect peak sales of \$50-100 mn for MYL by FY22/23, with LPC profit contribution at \$20-40 mn from the product.

Valuations remain compelling with the stock now trading at ~5X FY2022 EV/Ebitda. At 15X Ebitda multiple on FY22, domestic segment accounts for entire market cap, with no value ascribed to the US. Nepexto approval underscores the significant optionality in the pipeline, including the inhalation basket (Fostair in the EU, Spiriva in the US) and biosimilars (Neulasta filing in FY21). 'Buy' with an unchanged fair value of ₹840/share.

CORONA REPERCUSSIONS

Market leadership to change in FY21 as financials lose sheen

URVASHI VALECHA & MALINI BHUPTA
Mumbai, March 31

AFTER THE GLOBAL financial crisis, Indian equities will end the 2019-20 financial year with negative returns for the fourth time. In the wake of concerns emanating from the spread of Covid-19, the benchmark fell 29% during the fiscal, while the 30-share Sensex fell 26.5%.

Banks and financials have been at the forefront of this carnage, as investors believe a mini financial crisis will follow the health crisis.

While markets ended FY12 (-9.2%) and FY16 (8.9%) in the red, the current fall comes closest to the drubbing markets took in FY09 after the GFC, when the benchmark fell 36%. But markets recouped the losses in the subsequent year to end FY10 with gains of 73%.

This time could be different though. Gopal Agrawal, head macro strategy and senior fund manager, DSP Mutual Fund, is of the view that the real economy will face some problems and so investors should not expect the bounce in the markets like they saw in 2009.

"This type of massive correction was witnessed in 2008 and 2013 also. Once India's pandemic is under control, with the lower oil prices, the CAD and fiscal deficit, one can see an upside in the market," he added.

The year gone by wasn't an easy one for the economy and markets. For starters,

| Index | Mar 29 2019 | Mar 30 2020 | Fall (%) |
|----------------|-------------|-------------|----------|
| Sensex | 38,672.91 | 28,440.32 | -26.46 |
| Nifty50 | 11,623.90 | 8,281.10 | -28.76 |
| Nifty Midcap | 18,258.50 | 11,446.15 | -37.31 |
| Nifty SmallCap | 6,672.55 | 3,487.55 | -47.73 |
| BSE500 | 15,304.57 | 10,714.78 | -29.99 |

the slowdown became more pronounced and the economy expanded at its lowest pace in the first quarter of FY20 at 5%. Markets remained choppy through the year, till Finance Minister Nirmala Sitharaman cut corporate tax rates in September, which resulted in earnings upgrades.

Foreign portfolio investors poured in \$14.23 billion into Indian equities as equities continued to rally. In fact, even in January and February FPIs remained net buyers of equities at \$1.7 billion.

Much of the market's carnage has happened in March, as the spread of the novel coronavirus took the bottom out of the market. With the spread of Covid-19 and the subsequent lockdown, it appears that the much awaited recovery in earnings will only happen in FY21.

UR Bhat, director, Dalton Capital Advisors (India), explained, "During the start of the fiscal, there was a lot of hope that an economic turnaround is imminent but for various reasons that has been postponed by at least one year and the market

Banks and financials have been at the forefront of this carnage, as investors believe a mini financial crisis will follow the health crisis

has to adjust itself to the new reality." What the crisis has also done is taken the floor away from financials, which have been hammered in the recent carnage as investors are finding it hard to assess the impact of the health crisis on asset quality.

JP Morgan said, "The investment case for Indian financials at this point looks weak given dislocation and second order impact on growth and asset quality." The foreign investment bank believes that those with deep funding capability and high provision coverage and limited asset quality issues will be better placed.

This suggests that investors will not be willing to pay premium valuations of up to 10 times price/book value for these behemoths anymore.

Not surprising then that the biggest loser on the Nifty50 in FY20 was IndusInd Bank, which fell by 77%. Any revival in the new fiscal will also see a change of sectoral leadership. According to UR Bhat, the leadership would shift to different sectors and "It is the time to wear our thinking hats and visualise the potential changes that this meltdown can usher in."

Sensex rises 1,028 points as energy, FMCG stocks soar

FE BUREAU
Mumbai, March 31

INDIAN EQUITIES MAY have risen on Tuesday on the back of positive cues from Asian markets. The 30-share benchmark Sensex rose by 1028.17 or 3.62% to close at 29,468.49. The broader Nifty50 also rallied 3.8% or 316.65 points to close at 8,597.75. Market experts, however, suggested that focus will now be on size and quality of the companies.

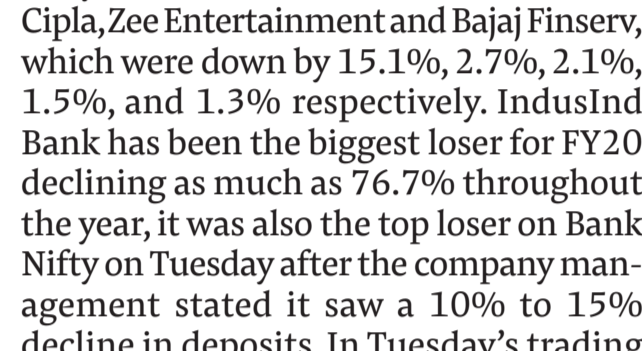
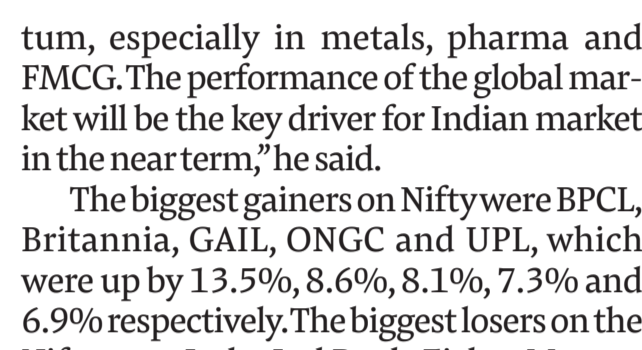
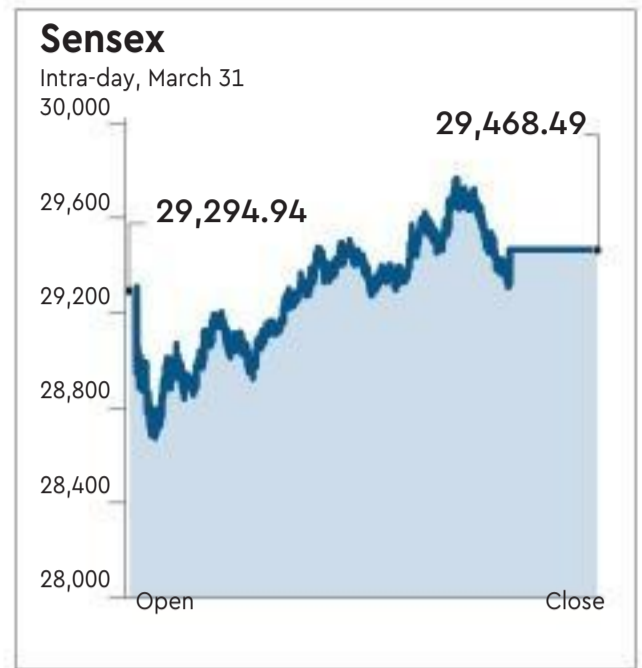
Foreign portfolio investors (FPIs) continued to pull out from Indian markets selling \$403.5 million from Indian equities, according to provisional data on exchanges. Domestic Institutional Investors (DIIs) have bought equities worth \$473.4 million. FPIs have so far pulled out nearly \$15 billion from the Indian equity and debt markets making the current exodus, which is the largest ever.

Sanjeev Hota, head of research, Sharekhan by BNP Paribas, stated that markets have always witnessed such corrections. "The correction that we witnessed is because of the Covid-19 pandemic, however, this is not the first time the markets have corrected or the last. The important thing is to stay invested in good quality stocks," he said.

Market experts stated that the rise on Tuesday could also be partly attributed to net asset management by market participants in India as the fiscal year was ending. They added that even at the current levels, the markets may not have factored the fundamental changes that will take place due to changing consumer patterns. For FY20, investors in the market have lost wealth worth ₹41 lakh crore after the market saw a correction on the back of the Covid-19 pandemic.

Globally, bourses in Taiwan, Hong Kong and South Korea were up between 0.8% and 2.1%. China's Shanghai Composite traded flat moving up by 0.1%. The stock markets in Europe were trading mixed at the time of press with bourses in Germany and France trading in the negative and the United Kingdom trading positive. Dow Jones mini futures was down by 135 points.

Vinod Nair, head of research, Geojit Financial Services said that the indices mirrored the global markets "Chinese economic data, industrial production numbers improved and helped the global momen-



Street Signs

BSE Metal
Index gains tracking positive global cues **5.36%**

BSE Oil & Gas
Index surges the most on BSE, powered by heavyweight RIL **8.72%**

INDIAN BASKET CRUDE
\$21.87 BBL
₹1,648.14 BBL
EXCHANGE RATE
₹75.35/\$

PRICE POINTS
March 31

| | Del | Mum | Kol | Blr |
|-------------|-----|-----|-----|-----|
| Rice | 34 | 32 | 31 | NR |
| Wheat | 24 | 32 | NR | NR |
| Tur dal | 95 | 92 | 85 | NR |
| Potato | 39 | 30 | 20 | NR |
| Sugar | 38 | 41 | 40 | NR |
| Mustard oil | 132 | 114 | 106 | NR |

Price in ₹/kg for Delhi, Mumbai, Kolkata and Bengaluru Source: Dept of consumer affairs

21 companies with 75% promoter holding pledged under scanner as share prices tank

FE BUREAU
Mumbai, March 31

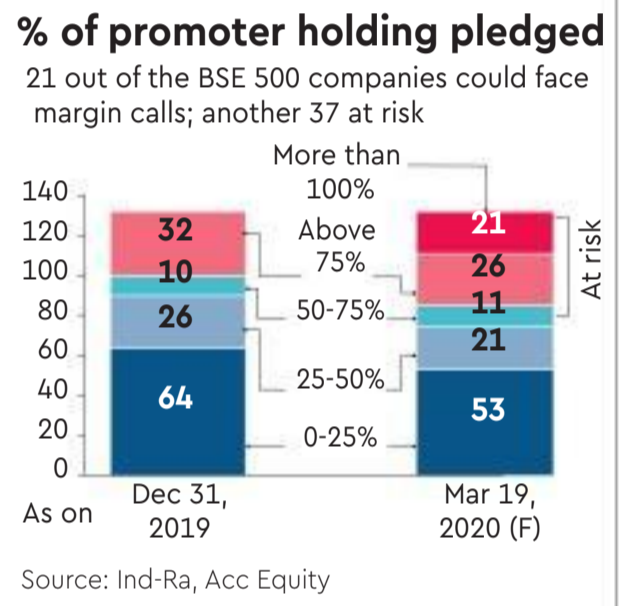
A WIDESPREAD SELL-OFF in the equity markets due to the outbreak of novel coronavirus is likely to deplete the share cover available to investors in loan against shares (LAS) transactions, says India Ratings & Research (Ind-Ra).

According to the rating agency, 21 BSE 500 companies would have to pledge more than 100% of promoter holding to maintain minimum 2.5 times share cover. This analysts is based on the assumption that the loan against shares transactions quantum basis disclosures available till 31 December 2019. These companies would be required to pledge an additional collateral or deposit cash to maintain the original security cover.

In such scenario, the investors in these LAS transactions could either be required to restructure these exposures, liquidate the collateral or in some cases also recall the loans. While the rating agency believes that adjusted base case assumes a gradual recovery from the novel coronavirus outbreak, the recovery in the equity prices could also be protracted.

In case there is a further build-up of risk aversion in the capital markets, equity prices could fall further, thereby necessitating additional share pledges to maintain the security cover.

Sectors such as power, construction



and metals, which have historically been most exposed to cyclical risks and have recently been under stress, are likely to see a high proportion of their promoter holdings pledged.

"Equity prices bear a strong correlation with the earnings quality of an entity. Thus, the weakening share price in this case is accompanied by a similar erosion of the liquidity buffers of the underlying borrower. This could affect the entity's ability to meet any unprecedented cash outflows emanating from an untimely recall of LAS or even pledge additional liquid collateral," said Ind-Ra.

In assessing LAS transactions, Ind-Ra evaluates two parameters, the probability of liquidation and the quantum of loss on

liquidation. The rating agency believes that in the current market conditions not only the probability of liquidation has increased on account of an increase in encumbrances, but also the loss on liquidation is expected to be higher than what would have been initially factored in by lenders, owing to the sharp correction in equity prices.

The companies already classified as Elevated Risk of Refinancing as per Ind-Ra's asset funding & refinancing risk study are likely to be most affected indicates Ind-Ra's analysis.

"A large number of these companies already have a significant proportion of their promoter holdings pledged. Of the 58 companies likely to have more than 50% of their promoter holdings pledged, 19 are already in default while another 19 are classified as Elevated Risk of Refinancing," said the rating agency.

As on 31 March 2019, the total debt outstanding with the 58 companies stood at ₹5.35 lakh crore while Ind-Ra estimates LAS transactions to account for ₹34,300 crore (at 3x share cover) to ₹41,100 crore (at 2.5x share cover). "It is imperative to note that the entire quantum of LAS transactions may not be outstanding on the books of these companies; rather promoters often pledge the shares of operating entities to meet the liquidity requirements of other group companies," said the rating agency.

Prakash Kutwal, secretary, Milk Producers and Processors' Welfare Federation, said that while the collection of milk has not been affected, sale of milk has dropped significantly. "Of the approximate 1 crore litres of milk that is collected in the state on daily basis, around 50 lakh litres remains unsold. This has prompted several dairies to stop collection of milk because these dairies do not have the means to convert milk into milk powder. Therefore, the

minister's decision comes as a welcome move for the sector," Kutwal said. The sale of by-products is almost nil, he said, adding that only those producers who have the means are using the excess milk to convert it into milk powder. The government shall procure milk through Mahananda - the dairy cooperative federation, he said.

Shripad Chitale, member of the association said that the milk is in excess due to drop in the demand in urban areas, mainly IT industry, hotel industry, restaurants, canteens and several consumers who have gone back to their native towns. The government had now issued passes for distributors and delivery vans and trucks, he said.

Govt slashes domestic gas prices by more than a quarter

FE BUREAU
New Delhi, March 31

IN LINE WITH the fall in global gas prices due to higher production and coronavirus-induced low demand, the Union government has cut the price of domestic gas by a sharp 26% to \$2.39 per million British thermal units (mmBtu). The new price will be effective for six months starting April 1.

Ceiling price for gas to be produced from difficult fields has also been slashed 33.5% to \$5.61/mmBtu.

The reduction in price is the second straight cut after the government, in September 2019, lowered domestic natural gas prices by 12.5% to \$3.23/mmBtu. Domestic gas price is linked to the weighted average price of four global benchmarks (USA, UK, Canada and Russia). Spot LNG prices globally have fallen more than 42% in just one month to \$3.4/mmBtu.

Analysts have pointed that price cuts can potentially discourage upstream companies to take up new domestic gas exploration. "Upstream oil and gas exploration companies will not benefit with the decrease in gas prices as it will lead to low earnings due to decline in per unit realisations in the natural gas segment," Care Ratings noted.

Moody's Investors Service had termed the earlier gas price reduction as "credit negative" for state-run Oil and Natural Gas Corporation (ONGC) which produces about 76% of domestic natural gas output. In FY19, the gas business contributed 17%

revenue to ONGC's upstream business. Moody's has also recently downgraded the credit quality rating of ONGC by one notch, mainly due to its weak cash reserves amid the increasingly uncertain global oil price environment.

Domestic natural gas production has already decreased 4.3% annually to 28,769 million metric standard cubic meter (mmscm) for the current financial year till February, mainly due to the ageing of the existing fields. Of this, the share of production by private players was 4,471 mmscm, down 11% year-on-year (y-o-y).

On the other hand, consumption has increased 5.5% annually to 58,742 mmscm in April-February, increasing import dependency. The cumulative import of 30,812 MMSCM for the current financial year till February was higher by 16.9% y-o-y. LPG consumption in April-February was up 6.2% annually to 24.1 million tonne. At January-end, there were 27.6 crore active LPG users in the country, up 9.4% year-on-year.

However, natural gas end-users such as urea and petrochemical manufacturers are seen to benefit from the price cut. City gas distribution entities, which are a priority sector under the gas utilisation policy, would also gain from decreasing prices. Following the government's announcement to cut prices in September, Indraprastha Gas had reduced the selling prices of compressed natural gas by ₹1.90 per kg in Delhi and ₹2.15 per kg in Noida, Greater Noida and Ghaziabad.

Quick View

SAT to remain closed till April 14 amid corona pandemic

THE SECURITIES APPELLATE Tribunal (SAT) has said it would remain closed till April 14 in view of the nationwide lockdown announced by the government to prevent the spread of coronavirus. Earlier, the tribunal had said it will remain closed till March 31. The tribunal will further remain closed from April 1, 2020, to April 14, 2020, in view of the nationwide lockdown declared by the government on March 24 to contain the spread of COVID-19, SAT said in a notification on Monday.

Nageswara Rao is BoM's new executive director

NAGESWARA RAO HAS taken over as ED of Bank of Maharashtra on Tuesday. Before joining BoM, Rao was officer on special duty and whole time director at Syndicate Bank and prior to that he was ED of the erstwhile Vijaya Bank. Rao started his career at Vijaya Bank in 1985 as probationary officer and has accumulated over 35 years of banking experience. He has also served as director in Visweswariah Grameena Bank Canbank Computer Services.

Crude oil steady on US-Russia talks but still near 18-yr lows

OIL PRICES STEADIED on Tuesday, with the US crude benchmark climbing off 18-year lows after US President Donald Trump and Russian counterpart Vladimir Putin agreed to talks on stabilising energy markets.

Gains were limited as global demand was still being slammed by travel restrictions due to the coronavirus pandemic.

May Brent crude futures was 2 cents lower at \$22.74 a barrel by 16:48 GMT ahead of expiration after closing on Monday at \$22.76, its lowest finish since November 2002. It hit a session high of \$23.87. The more-active June contract traded 9 cents lower at \$26.33 a barrel.

US crude was up 23 cents at \$20.32 after settling in the previous session at \$20.09, its lowest since February 2002. It traded as high as \$21.89 a barrel during the session.

Oil markets have faced a double whammy from the coronavirus outbreak and a race to win market share between Saudi Arabia and Russia after OPEC and other producers failed to agree on deeper supply cuts. Trump and Putin agreed in a phone call to have energy officials discuss stabilizing oil markets, the Kremlin said on Monday. **REUTERS**

INTERVIEW: R SIVAKUMAR, head fixed income, Axis MF

'Primary markets will be biggest beneficiary of TLTROs'

The Reserve Bank of India (RBI) has acted decisively to ease stress from the bond market and the economy with measures announced last week, says **R Sivakumar**, head of fixed income at Axis AMC. In an interview with **Chirag Madia**, Sivakumar says one of the big challenges is that market continues to remain illiquid and very thinly traded due to the lack of market participants arising as a result of work from home and other restrictions. Edited excerpts:

What is your outlook on debt markets, post the RBI policy?

I think RBI has acted decisively to ease stress from bond market and the economy. First, with 75 basis rate cuts, second through large liquidity support through targeted TLTROs and lastly, the credit measures including three-month delay and loan serving. All these things are large steps towards easing the pressure in the markets and we have seen immediate fall in yields of 150 basis points (bps) in a single day after the policy announcement. So, I would say that stress, which was built up over the past two weeks, has been substantially erased and

yields are back where they were two weeks ago. But, you look from different angle the RBI has cut the rates by 75 bps, but it is yet to reflect in the bond yields, as they are at the similar level when repo was at 5.15%. While the stress is out but there is a huge opportunity for bond yields specially at short end to drop in response to the rate cut and other liquidity measures of the RBI. However, one big challenge is that market continues to remain illiquid and very thinly traded due to the lack of market participants because of work from home and other restrictions. So, it will take some time for normalcy to return in debt market. While there are chances of a cut in interest rates going forward, RBI will be keenly looking at fiscal and other economic prospects which will be adopted by the government. Having said that, the quantum of rate cut is difficult to predict at this point of time.

With announcement of measure such as TLTRO by RBI, how much debt papers are you planning to sell to banks?

I think announcement of targeted long-term repo operations (TLTRO) is itself a big



thing and the yields have dropped in response. From our perspective, we see this as a big support not just to mutual funds, but also the support to the primary markets because 50% of the amount is to be used in primary markets and remaining 50% in secondary markets. Our estimate is that primary markets will be biggest beneficiary of TLTROs. I believe that as an industry there will be some amount which will be used under TLTRO, but at this point of time, we don't have any specific plan on how much we will sell as far as TLTRO is concerned.

What kind of papers are you selling right now?

When you have such dislocated market condition, we don't do large changes in the market because markets are illiquid. So, we would wait for normalcy to return in the market before we do any significant reposition in the portfolio. In the past few days, there has been some activity in money market instruments and some short-term corporate bond (PSU segment) but otherwise it's very limited. I think there is an opportunity for rates to go down, when things improve, we will participate in that.

Do you think more TLTROs will be announced by the RBI?

RBI has already announced TLTROs up to ₹1 lakh crore and they have done only part of it and still there is more amount to be done. Having this tool in RBI's arsenal itself allows the market to be more orderly. Before they do more TLTROs, they should first look at how banks deploy the cash from the first TLTRO. Announcement of the TLTROs have achieved the goal to bring the yields down and they have some time on their hands before they

announce steps for further liquidity.

What kind of strategy are you adopting at this point of time?

We are still running reasonable duration position which means we are in long duration across the portfolios. Like mentioned, the RBI rate cut is still not transmitted into the system and therefore, we feel that there is an opportunity for investors to stay invested in this market.

As a fund manager, what are the key risks or concerns in the debt market?

There are couple of things which are concerning us right now. The first thing is that markets are waiting to see what directions fiscal policy will take in terms of supporting the economy and that is the reason why G-sec yields have not reacted to the rate cuts. Second, there could be some cash flow pressure in various companies, we feel it will be largely in smaller corporates where funding can become challenging in the current environment. So obviously, we will be very watchful from what is happening in the credit side of the market.

India bets on China for swift ramp-up of protective health gear

NEHA DASGUPTA & ADITYA KALRA
New Delhi, March 31

INDIA WILL BUY ventilators and masks from China to help it deal with the coronavirus, a government official said on Tuesday, even though some countries in Europe had complained about the quality of the equipment.

India has recorded 1,251 cases of the coronavirus, with 32 deaths, but health experts say the country of 1.3 billion people could see a major surge in cases that could overwhelm its weak public health system.

Prime Minister Narendra Modi's government said it was trying to procure medical gear, including masks and body coveralls, both from domestic firms and from countries like South Korea and China, to meet shortages.

"China, definitely we are going to buy... Because scaling up our domestic production will take time," said a top policy official aware of the plan, who declined to be identified due to sensitivity of the discussions.

The Netherlands has recalled thou-

China's foreign ministry said several countries had raised doubts about the quality of products imported from China, and acknowledged that there might be some problems

sands of masks imported from China because of quality issues, while Spain has complained about defective imported test kits supplied by a Chinese manufacturer, media have reported.

China's foreign ministry said several countries had raised doubts about the quality of products imported from China, and acknowledged that there might be some problems.

"A large number of Chinese manufacturers are working around the clock to help other countries save lives. Our sincerity and assistance is real. If problems occur in this process, the Chinese side will talk to relevant departments," China's foreign ministry spokeswoman Hua Chunying told a news conference on Monday.

A second source with direct knowledge of Indian government plans said Chinese manufacturers had shown keen interest in supplying protective health gear to India, lodging queries with Indian diplomatic missions in Shanghai and Beijing.

China was emerging as a favourite possible supplier at this stage as new virus infections were slowing there and its factories were being pushed to reopen, the second source said.

India needs at least 38 million masks and 6.2 million pieces of personal protective equipment as it confronts the spread of coronavirus, according to a report by its investment agency seen by Reuters.

But Swadeshi Jagran Manch (SJM) an influential Hindu nationalist group close to Modi's party, said India should look at domestic alternatives because of widespread concern over the quality of China's equipment.

"I don't think we need Chinese support of any kind for our healthcare... Even if Indian firms produce at a higher cost, it doesn't matter," Ashwani Mahajan, a national co-convenor of the SJM, told Reuters. — REUTERS

Govt sets up 'cargo air-bridge' with China

PRESS TRUST OF INDIA
Mumbai, March 31

THE GOVERNMENT ON Tuesday announced setting up a "cargo air-bridge" between India and China, and said that regular cargo flights for transporting critical medical supplies between the two countries are likely to be operated by Air India from April 3.

In an official release, the civil aviation ministry also said it has operated as many as 62 cargo services in the past five days, starting March 26, under its recently launched 'Lifeline Udan flights' initiative, transporting over 15.4 tonne of essential medical supplies.

The initiative is aimed at ferrying medical and essential supplies from one place to another across the country.

"On the international front, Air India has established a cargo air-bridge between India and China. Regular cargo flights for transporting critical medical equipment and supplies between the two countries are likely to be operated by Air India from April 3, 2020 onwards," the ministry said.

The Lifeline Udan flights are being operated using the hub-and-spoke model, with New Delhi, Mumbai, Bengaluru, Hyderabad and Kolkata serving as the four hubs.



Of the 62 flights, as many as 45 flights have been operated by the flag carrier Air India and its regional arm, Alliance Air, while the rest 17 by the Indian Air Force and private carriers IndiGo, Spicejet, the release said.

It also said Air India and IAF collaborated for operating Lifeline Udan services to Ladakh. Private carriers like IndiGo, Spicejet and Blue Dart are operating medical cargo flights on a commercial basis, it stated.

The lifeline cargo includes Covid-19-related reagents, enzymes, medical equipment, testing kits, personal protective equipment (PPE), masks, gloves and other accessories required by "corona warriors"

across the country.

The carriers involved in Lifeline Udan operations include Air India, Alliance Air, Indian Air Force (IAF) and Pawan Hans, the release said adding that it is also getting support from the Airports Authority of India (AAI) and its cargo and logistics subsidiary AAI CLAS, AI Airports Services (AIASL), PPP airports and private ground handling entities, among others.

The civil aviation ministry and all aviation stakeholders are determined to support India's war against Covid-19 by transporting essential medical supplies by air in the most efficient, seamless and cost-effective manner, it said.

Fiscal deficit touches 135.2% of BE at Feb end

PRESS TRUST OF INDIA
New Delhi, March 31

THE GOVERNMENT'S FISCAL deficit touched 135.2% of the full-year target at February-end mainly due to slower pace of revenue collections, according to an official data released on Tuesday.

In actual terms, the fiscal deficit or the gap between expenditure and revenue was ₹10,36,485 crore, the data by the Controller General of Accounts (CGA) showed.

During February, there was hardly any impact of the coronavirus outbreak on the economy. However, it would be very much visible when CGA releases the numbers for the entire fiscal.

The government aims to restrict the fiscal deficit at 3.8 per cent of the GDP or ₹7.1 lakh crore in 2019-20. The deficit was 134.2% of 2018-19 Budget Estimate (BE) in the corresponding period.

According to CGA, the government's revenue receipts were ₹13,77 lakh crore or 74.5% of the 2019-20 revised estimate (RE). In the same period last fiscal, the collections were 73.2% of the RE.

The data also showed that total expenditure was 91.4% of RE or ₹24,65 lakh crore. During the corresponding period in 2018-



19, the expenditure was 89.1% of the RE.

Of the total spending, the capital expenditure was 87.5% of the RE, higher than 86.6% of the estimates during the same period in 2018-19.

While presenting the Union Budget last month, finance minister Nirmala Sitharaman had raised fiscal deficit target to 3.8% of the GDP from 3.3% pegged earlier for 2019-20 due to revenue shortage.

The government had earlier estimated the fiscal deficit to be at 3.3% of the GDP for 2019-20 but due to revenue shortage, the Centre had to increase it by invoking the 'escape clause' in the Fiscal Responsibility and Budget Management (FRBM) Act.

The 'escape clause' allows the government to breach its fiscal deficit target by 0.5 percentage points at times of severe stress in the economy, including periods of structural change and those when growth falls sharply.

Eight core sectors growth up 5.5% in February

PRESS TRUST OF INDIA
New Delhi, March 31

EIGHT CORE SECTOR industries recorded a growth of 5.5% in February, highest in 11-months, mainly due to healthy expansion in output of coal, refinery products and electricity, according to a government data released on Tuesday.

The eight core sector industries — coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity — had expanded by 2.2% in February last year.

Last time, it was in March 2019, when these eight sectors recorded a growth of 5.8%. In January this year, these sectors grew by 1.4%.

These industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).

Output of coal, refinery products and electricity grew by 10.3%, 7.4%, and 11%, respectively, during the month under review. However, crude oil, natural gas, and steel recorded negative growth rate in February. Fertiliser and cement output grew by 2.9% and 8.6%, respectively.

For April-February period, the eight sectors growth rate declined to 1 per cent as against 4.2% in the same period last year.

Centre non-committal on extra aid to pension schemes during Covid-19 period

SURYA SARATHI RAY
New Delhi, March 31

EVEN AS THE Centre is urging employers to protect the interests of workers and refrain from lay-offs in view of the Covid-19 outbreak, it is silent on a demand for waiving off the contribution of small traders and unorganised sector workers such as daily wagers, rickshaw pullers and domestic workers towards the two subsidised contributory pension schemes launched last year.

The government makes matching contribution as that of the beneficiary under both the Pradhan Mantri Shram-Yogi Maandhan (PMSYM) — which is meant for unorganised sector workers — and Pradhan Mantri Karam Yogi Maandhan Scheme (PMKYMS) for small traders. Under both the schemes, a monthly pension of ₹3,000 is guaranteed to the beneficiaries after attaining the retirement age. Those belonging to the entry age group of 18-40 years are eligible for the two schemes.

With the lockdown imposed across the country since March 25, it would be practically impossible for those small traders and marginal workers to make their monthly contribution so defaults are bound to happen, analysts said. While there is no official word yet on the issue from the government, a labour ministry official told FE the matter could be examined at a later date.

It is a different matter that both the

old-age pension schemes have failed to enthruse the intended beneficiaries. Only a little over 43.5 lakh people have joined the PMSYM scheme till March 29, 2020, since its launch on February 15, 2019 against the target of 10 crore in five years. Similarly, only around 37,572 'vyapar' have so far enrolled under the PMKYMS, which took effect on September 12, 2019, against the target of enrolling three crore retail traders and shopkeepers.

As on February 10, 2020, the government has contributed a total of ₹499 crore for both the schemes — ₹345 crore towards PMSYM and ₹154 crore towards PMKYMS. In the Budget for 2020-21, the government has allocated ₹500 crore and ₹180 crore under PMSYM and PMKYMS respectively.

Under PMSYM and PMKYMS, a worker/trader joining at 18 years has to make a monthly contribution of just ₹5. This is more affordable than the ₹126/month premium that an 18-year old pays under the Atal Pension Yojana (APY) for an assured monthly pension of ₹3,000 upon completion of 60 years.

Similarly, those who join PMSYM at the age of 29 will pay a monthly premium of ₹100 for a fixed pension of ₹3,000/month at the age of 60. This compares with ₹318 a month for the same amount of monthly pension under APY.

Scientific advisor issues manual for homemade masks

THE OFFICE OF the government's Principal Scientific Advisor on Tuesday issued a detailed manual to prepare homemade masks using easily available items like old vests, t-shirts and handkerchiefs, stressing they are "70% effective" in curbing the spread of coronavirus.

Masks lower the chances of coronavirus entering the respiratory system through droplets left in the air from an infected person. Wearing masks is especially recommended for people living in densely populated areas, the manual states.

Reducing the chances of inhaling the virus by wearing a protective mask cleaned thoroughly using a combination of approaches that use heat, ultraviolet light, water, soap and alcohol, will be vital to stopping its spread, the manual states.

"A double layer of 100% cotton cloth is about 70% as effective as a surgical mask at capturing small particles (up to five times smaller than coronavirus). This material is breathable and it is easy to find around the house. These masks can be easily reused," the manual states.

Before making the masks, the fabric should be washed well and boiled for 5 minutes. Adding salt to this water is recommended, as per the manual. It states that homemade reusable masks will reduce the chances of inhaling droplets still in the air from an infected person. —PTI

PMJDY: 20.4 crore women likely to get first tranche of ex-gratia this week

FE BUREAU,
New Delhi, March 31

ABOUT 20.4 CRORE women Pradhan Mantri Jan Dhan Yojana (PMJDY) account holders are likely to get the first tranche of monthly ex-gratia of ₹500 in the first week of April.

In view of the Covid-19 epidemic, finance minister Nirmala Sitharaman had on March 27 announced the Pradhan Mantri Garib Kalyan Yojana package under which all women PMJDY account holders are to be given an ex-gratia payment of ₹500 per month for three months starting from April.

As per the Department of Financial Services (DFS), there are 2,039.51 lakh women PMJDY account holders in various public sector banks, private sector banks and regional rural banks. They belong to both urban and rural areas.

"Funds for the said purpose would be provided for department of rural development, through central national bank (SBI) which will further transmit funds to other participating banks according to the list provided by DFS. The funds so transferred to the banks must be credited to the accounts of beneficiaries immediately on receipt of funds for the purpose," Rajesh Bhushan, secretary in the ministry of rural development, wrote in a letter to his counterpart in the ministry of housing and urban affairs D S Mishra.

Covid-19 hotspots have increased due to 'lack of people's support': Govt

PRESS TRUST OF INDIA
New Delhi, March 31

THE NUMBER OF coronavirus hotspots in the country has increased as a result of "lack of public support" at some places and failure to inform authorities in time about suspected cases, the Health Ministry said on Monday.

With over 1,200 Covid-19 cases reported in the country so far, health ministry officials asserted that rigorous contact tracing and cluster containment strategies are being implemented strictly to check the virus from spreading further.

Addressing the daily press conference to provide updates on the Covid-19 situation in the country, health ministry joint secretary Lav Agarwal said 227 cases have been reported in the last 24 hours. He further said wherever even a single case of the pandemic is reported it is as good as a hotspot for the government.

The official said a group of Union ministers Tuesday took stock of the situation and stressed on the need for readying dedicated Covid-19 hospitals. "With over 1,200 cases of Covid-19, the number of hotspots in the country has increased. The reason for this sudden increase in cases has been due to lack of public support in some locations and failure to inform authorities in time," Agarwal said while underlining the need for collective support to fight the battle against coronavirus.

"The entire society may have to bear

With over 1,200 Covid-19 cases reported in the country so far, health ministry officials asserted that rigorous contact tracing and cluster containment strategies are being implemented strictly to check the virus from spreading further

the brunt for the lack of cooperation on the part of even one individual," he said. Agarwal also asserted that the government is making efforts towards increasing the availability of protective gear for medical professionals.

He said besides making efforts towards developing indigenous products, the ministry of external affairs (MEA) has identified suppliers in South Korea, Turkey and Vietnam to improve the capacity of PPE, N-95 masks, ventilators and other equipment as well as to boost logistics in the country during the Covid-19 crisis.

"We have told our procurement agencies and have discussed with ministry of external affairs that whichever country we plan to procure any of the items from, they should follow the required standards and technical guidelines," he said.

While acknowledging that there have been cases in a few locations of health-care workers getting infected and also infecting their colleagues, he clarified that it was "not due to any negligence".

Lockdown impact: MSMEs demand more sops

FE BUREAU,
New Delhi, March 31

THE MICRO, SMALL and medium enterprises (MSME) say they would need more extensive support than what has been announced by the central bank and the finance ministry last week to tide over the three-week lock-down in the face of Covid-19 epidemic. These businesses say that lenders should be given clear directions about strictly observing moratorium on interest payment on loans.

Some businesses told FE that there is a possibility that some of the lending institutions may debit the EMIs from workers' accounts through electronic clearing systems (ECS) or auto-debit facilities.

Further, while the finance minister announced that government will bear the EPFO contribution on behalf of employees as well as employers, the government restricted the benefit to firms with less



than 100 employees and with majority of those earning below ₹15,000 per month.

This, the another business said, was excluding many establishments, especially the small service providers in the IT industry which usually pays higher salary than other smaller companies.

"The government should extend this to all MSMEs, many of which are manpower intensive and employ more than 100 people. The scheme should also benefit all

employees up to ₹25,000 remuneration as many small service providers pay higher salaries," Rajiv Chawla, chairman of integrated association of MSMEs of India said.

Additionally, the MSMEs said that the uncertain business climate could force some of them to foreclose their loans by selling an asset but the exercise is very expensive as the banks can charge over 5% on the outstanding loan amount.

RBI should issue firm guidelines to all banks and NBFCs not to charge foreclosure charges from MSMEs who wish to prepay or even switch banks for better limits or extra credit, a small business owner said.

Additionally, some MSMEs have also urged the state governments to direct their power utilities to waive off fixed charge for at least three months, and provide additional time industrial and commercial customers to pay electricity bills without levy of hefty surcharge of interest, penalties and fine.

RELIABLE DATA SERVICES LIMITED
(CIN: L72900DL2001PLC110145)
Registered Office: GF-22, Hans Bhawan, 1, Bahadur Shah Zafar Marg, ITO, New Delhi 110002, India. Email: cs@rdspl.com, Website: www.rdspl.com. Tel. No. 0120-4089166

RESULTS OF POSTAL BALLOT

The Members of Reliable Data Services Limited is hereby inform that the result of voting conducted through Postal Ballot (including E-voting) on the basis of the report dated March 29, 2020, submitted by the scrutinizer Mrs. Neha Mehra, Practicing Company Secretary, in respect of resolution mentioned in the Postal Ballot notice dated February 21, 2020 under section 110 of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules 2014, are as under:

| Item No. | Particulars | Type of Resolution | Total No. of Valid Votes | total votes cast in favour | total votes cast against |
|----------|--|--------------------|--------------------------|--|--|
| 1. | Migration from SME Platform of NSE EMERGE to Main Board of NSE | Special Resolution | 22 | No. of Shares 7845200 % of votes cast 76.02 | No. of Shares 0.00 % of votes cast 0.00 |

As per the result of the Postal Ballot (including e-voting), the resolution has been passed with the requisite majority. The result of the Postal Ballot has been displayed at the Registered Office of the Company, communicated to the stock exchange and has also been posted on the website of the Company i.e. www.rdspl.com along with scrutinizer's report.

By order of the Board of Directors
For Reliable Data Services Limited
Sd/-
Sanjay Kumar Pathak
Managing Director
DIN -00912040

Place - New Delhi
Date - March 29, 2020

पंजाब नैशनल बैंक **punjab national bank**
...the name you can BANK upon!

Branch Office: IBB, DCM, Building, Barakhamba Road, New Delhi 110001

Ref: PNB/IBB/LOANS/HAIL/WD/2019 Date: 01-10-2019
SHOW CAUSE NOTICE TO THE BORROWER/GUARANTOR(S) /NON- GROUP CORPORATE GUARANTOR(S)/ GROUP CORPORATE GUARANTOR(S)

M/s Al-Mashriq Exports Pvt. Ltd.
Add.: A-1, Phase-1, Okhla Industrial Area, New Delhi-110020
M/s Integrated Livestock Village Farm (P) Ltd.
Add.: A-1, Phase-1, Okhla Industrial Area, New Delhi-110020
M/s Hind Industries Ltd.
Add.: CDF Complex, Anupshahar Road, Aligarh, U.P. - 202122

Dear Sir/s,
REG.: Identification of default in the loan account of M/s Hind agro Industries Ltd with the Bank, as "Willful" - Consequentially disclosing and publishing your name as "Willful Defaulters".
Please refer to our notice dated 23.05.2018 vide which we had pointed out event(s) of willful default in the loan account. You have not submitted any reply to the said notice served upon you and it is presumed that you have nothing to say in your defense.
The facts of the matter were placed before the Committee on Willful Defaulters, who after going through facts of the matter, evidence on record and your representation made, has found that there is/are event(s) of willful default committed by you.
Accordingly, the "Committee on Willful Defaulters" set up by the bank, has identified the default, as willful to classify you (Guarantor) & Directors/Partners/etc as "Willful Defaulter" interalia for the following reasons:
a) Defaulted in timely repayment of dues while having ability to pay.
b) Siphoned off Bank's funds by opening accounts outside consortium without informing the Banks.
c) Disposed off or removed the primary security i.e. stocks and book debts
In case you feel aggrieved by the conclusion of the "Committee on Willful Defaulters", you may make a submission/representation, if you so desire, to the "Committee on Willful Defaulters" and show cause as to why you should not be classified as "willful defaulter". Your submission/representation must reach us within 15 days of the receipt of this letter but not later than 21st Oct. 2019 and reply be sent either to Branch Manager on the Postal Address of the branch mentioned herein above or to Dy. General Manager, SASTRA Division, 3rd Floor, Punjab National Bank, Head Office, Plot No-4, Sector -10, Dwarka, New Delhi-110075.
If we do not receive any submission/representation of yours, it would be deemed that you have nothing to say in your defense (against the conclusion of the "Committee on Willful Defaulters") and Bank may publish your name or the name/s of your company/firm/unit and your Director/s/Partners/Proprietor as "Willful Defaulters" to RBI/CIBIL/other credit information Companies and in such manner and through such medium as the bank in their absolute discretion may think fit.

Thanking You
Yours faithfully,
For Punjab National Bank
Branch Manager

FORM G INVITATION FOR EXPRESSION OF INTEREST
Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

RELEVANT PARTICULARS

| | |
|--|---|
| 1. Name of the Corporate Debtor | UTM PACKAGING (INDIA) PRIVATE LIMITED |
| 2. Date of incorporation of Corporate Debtor | 27 December 2013 |
| 3. Authority under which corporate debtor is incorporated / registered | Registered under Companies Act 1956 under Registrar of Companies (ROC) - Delhi & Haryana, Ministry of Corporate Affairs |
| 4. Corporate identity number / limited liability identification number of corporate debtor | U71440DL2013PTC262838 |
| 5. Address of the registered office and principal office (if any) of corporate debtor | Regd. Office: 532/2, First Floor Lahori Gate, Naya Bazar, Central Delhi, Delhi - 110006 |
| 6. Insolvency commencement date of the corporate debtor | 28-August 2019 (As per the Order of NCLT, New Delhi Bench-VI dated 28 August 2019 in C.P. (IB)-271 (ND)/2019) |
| 7. Date of invitation of expression of interest | 01 April 2020 |
| 8. Eligibility for resolution applicants under section 25(2)(h) of the Code is available at: | Details can be sought by emailing on: Email: rajandgupta@gmail.com |
| 9. Norms of ineligibility applicable under section 29A are available at: | As per section 29A and other provisions of the Insolvency & Bankruptcy Code, 2016/ IBC Available on the website of Insolvency and Bankruptcy Board of India http://ibbi.gov.in/webfront/legal_framework.php |
| 10. Last date for receipt of expression of interest | 17 April 2020 |
| 11. Date of issue of provisional list of prospective resolution applicants | 27 April 2020 |
| 12. Last date for submission of objections to provisional list | 02 May 2020 |
| 13. Date of issue of final list of prospective resolution applicants | 12 May 2020 |
| 14. Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants | 02 May 2020 |
| 15. Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information | Information memorandum, request for resolution plan and evaluation matrix will be shared by resolution professional with shortlisted prospective resolution applicant(s) meeting the eligibility criteria as per Section 25 (2) (h) and Section 29A of the IBC after receiving a confidentiality undertaking as per Section 29(2) of the IBC. |
| 16. Last date for submission of resolution plans | 01 June 2020 |
| 17. Manner of submitting resolution plans to resolution professional | Through speed post/registered post or by hand in a sealed cover Addressed to: Rajan Das Gupta, N-103 LGF, Greater Kailash - I, New Delhi - 110048 (also send copy to email id rajandgupta@gmail.com) |
| 18. Estimated date for submission of resolution plan to the Adjudicating Authority for approval | 23 June 2020 |
| 19. Name and registration number of the resolution professional | Rajan Das Gupta Reg. No.: IBB/PA-01/IP-P01094/2017-18/11804 |
| 20. Name, Address and e-mail of the resolution professional, as registered with the Board | Name: Rajan Das Gupta Address: N-103 LGF, Greater Kailash - I, New Delhi-110048 Email: rajandgupta@gmail.com |
| 21. Address and email to be used for correspondence with the resolution professional | Same as above |
| 22. Further Details are available at or with | Rajan Das Gupta (Resolution Professional) Mobile: +91-9810404086 Email id: rajandgupta@gmail.com |
| 23. Date of publication of Form G | 01 April 2020 |

Sd/- Rajan Das Gupta
Resolution Professional for UTM PACKAGING (INDIA) PRIVATE LIMITED
Reg. No.: IBB/PA-01/IP-P01094/2017-18/11804
Address: N-103 LGF, Greater Kailash - I, New Delhi - 110048

Date: 01/04/2020
Place: New Delhi

SHARDA MOTOR INDUSTRIES LIMITED
(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020
Tel.: +91 11 4733 4190 Fax: +91 11 2611 1676 Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

NOTICE

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable laws, if any, this is to inform you that the Trading Window shall remain closed from 1st April, 2020 till 48 hours after the declaration of the Financial Results of the company for the Fourth (4th) Quarter and year ended 31st March, 2020, for all connected persons dealing in the Company's shares. Therefore none of the connected persons of the company can deal in the company's shares during this "Prohibited Period".

The date of the Meeting of Board of Directors for declaration of the Financial Results for the Fourth (4th) Quarter and year ended 31st March, 2020 of the Company shall be intimated in due course.

The said notice is also available on the Company's website www.shardamotor.com and may also be accessed on the website of the stock exchanges i.e. www.bseindia.com and www.nseindia.com.

For Sharda Motor Industries Limited
Sd/-
Nitin Vishnoi
Executive Director & Company Secretary

Date: 31st March, 2020
Place: New Delhi

FORM G INVITATION FOR EXPRESSION OF INTEREST
Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

RELEVANT PARTICULARS

| | |
|--|---|
| 1. Name of the Corporate Debtor | UTM PACKAGING (INDIA) PRIVATE LIMITED |
| 2. Date of incorporation of Corporate Debtor | 27 December 2013 |
| 3. Authority under which corporate debtor is incorporated / registered | Registered under Companies Act 1956 under Registrar of Companies (ROC) - Delhi & Haryana, Ministry of Corporate Affairs |
| 4. Corporate identity number / limited liability identification number of corporate debtor | U71440DL2013PTC262838 |
| 5. Address of the registered office and principal office (if any) of corporate debtor | Regd. Office: 532/2, First Floor Lahori Gate, Naya Bazar, Central Delhi, Delhi - 110006 |
| 6. Insolvency commencement date of the corporate debtor | 28-August 2019 (As per the Order of NCLT, New Delhi Bench-VI dated 28 August 2019 in C.P. (IB)-271 (ND)/2019) |
| 7. Date of invitation of expression of interest | 01 April 2020 |
| 8. Eligibility for resolution applicants under section 25(2)(h) of the Code is available at: | Details can be sought by emailing on: Email: rajandgupta@gmail.com |
| 9. Norms of ineligibility applicable under section 29A are available at: | As per section 29A and other provisions of the Insolvency & Bankruptcy Code, 2016/ IBC Available on the website of Insolvency and Bankruptcy Board of India http://ibbi.gov.in/webfront/legal_framework.php |
| 10. Last date for receipt of expression of interest | 17 April 2020 |
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| 14. Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants | 02 May 2020 |
| 15. Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information | Information memorandum, request for resolution plan and evaluation matrix will be shared by resolution professional with shortlisted prospective resolution applicant(s) meeting the eligibility criteria as per Section 25 (2) (h) and Section 29A of the IBC after receiving a confidentiality undertaking as per |