

GPTL HAS 3,000 MVA CAPACITY

IndiGrid acquires transmission asset from Sterlite for ₹ 1,080 cr

This acquisition would increase the assets under management of India's first InvIT in the power sector by 10% to \$1.75 billion

FE BUREAU
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THE BOARD OF the investment manager of IndiGrid has approved the acquisition of Gurgaon Palwal Transmission (GPTL) from Sterlite Power at a value of up to ₹1,080 crore (\$140 million).

This acquisition would increase the assets under management (AUM) of India's first InvIT in the power sector by 10% to \$1.75 billion. IndiGrid's portfolio will increase to ten power transmission projects with a total network of 25 power transmission lines and seven substations that span more than 6,080 circuit km & 10,735 MVA across 15 Indian states post this acquisition.

GPTL is part of Inter State Transmission Scheme (ISTS) network and consists of three gas insulated substations (GIS) with a total transformation capacity of 3,000 MVA and 270 circuit km of 400 KV transmission lines spread across Uttar Pradesh, Haryana and Rajasthan.



IndiGrid had signed a framework agreement in April 2019 with Sterlite Power for acquisition of GPTL upon commissioning. The acquisition will be funded through internal accruals, proceeds from the preference issue done in May 2019 and new debt.

The acquisition will be accretive to IndiGrid and will leave sufficient debt headroom, with net debt to AUM of approximately 53% post acquisition.

Commenting on the acquisition and the expansion strategy, Harsh Shah, chief executive officer of IndiGrid, said: "GPTL acquisition is in line with our strategy for acquiring transmission projects to grow returns for unitholders. It underlines our ability to grow our portfolio consistently and execute our strategy of enhancing

investor returns while maintaining a strong balance sheet."

Earlier in the year, IndiGrid raised ₹2,510 crore (\$353 million) of capital by way of preferential issue, which was subscribed by KKR and GIC amongst other marquee investors. It acquired NRSS XXIX and OGPTL projects from Sterlite Power for about ₹5,100 crore (\$718 million).

In addition to that, it entered into an exclusive framework agreement with Sterlite Power to acquire three more projects worth around ₹6,500 crore (\$865 million) as and when they are commissioned. KKR also acquired majority interest in the Investment Manager of IndiGrid. In Q4FY20, IndiGrid successfully acquired another operational ROFO asset ENICL from Sterlite Power.

Domestic demand slumped in last 12 days of March: GCPL

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Mumbai, April 9

GODREJ CONSUMER PRODUCTS (GCPL) will report revenue decline in the high teens in its India business for the quarter ended March 31, 2020, the company said in an exchange filing.

The company said that in India, demand was steady till the coronavirus outbreak and slumped due to disruption of both back-end and front-end supply chains in the last 12 days of March.

A low double-digit sales decline was seen in the performance of its distributors, implying that their stock levels are getting depleted. "We are awaiting data on the stock levels on general trade shelves. We believe there should be a gradual bounce-back in the near term driven by restoration of the supply chain, higher consumption for personal wash and an ongoing favourable season for household insecticides," the company said.

Among other geographies, in Indonesia, GCPL recorded close to a mid single-digit constant currency sales growth, in spite of disruptions caused by the novel coronavirus. "The country is following extreme social distancing practices as of now," it said.

In Africa, the US and the Middle East, the company recorded a decline in the teens, in constant currency terms, amid disruptions caused by the novel coronavirus in many of its countries of operations.

Meanwhile, performance in Latin America is expected to be steady in constant currency terms. However, in rupee terms, the company expect the performance to be muted.

"International business is expected to record around mid single-digit sales decline in INR terms resulting in consolidated sales declining around low double digit in INR terms for the quarter," the company said.

ITC working with 17 states for essential supplies

FE BUREAU
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CIGARETTE TO HOTELS major ITC said on Thursday it was working with district administrators across 17 states to provide essential items, including wheat, noodles, biscuits, juices and hygiene products during the countrywide lockdown.

"More than one million pieces of Savlon soaps, 3 lakh packets of YIPpee! noodles, nearly 6 lakh packets of Sunfeast biscuits and 1.5 lakh packs of B Natural fruit juices (have been) delivered to district authorities till date," the company said. The group has also set up a ₹150-crore contingency fund for Covid-19-related relief operations.

The company is using its hospitality resources across India to distribute food to doctors and migrant workers. New Delhi-based properties of ITC, Maurya and Sheraton, are providing over 1,500 meals daily for distribution among migrant workers.

Meanwhile, in Bengaluru, ITC Gardenia will provide 1,000 food packets daily for 15 days to municipal authorities. In Mumbai, ITC Grand Central made arrangements to deliver meals to doctors. "Food has also been catered to doctors at the Kasturba Hospital in Mumbai," the company said. Facilities in Uttar Pradesh and Bihar have also been providing cooked meals.

The relief efforts include distribution of 10 kg of wheat and snacks to residents in Bhilwara district in Rajasthan. "ITC has

Icra: Infra sector to remain under pressure in FY21

FE BUREAU
Mumbai, April 9

THE OUTBREAK OF Covid-19 will impact all segments of infrastructure — roads, airports and metros. The disruption caused by the pandemic may well roll over into FY21, which will impact toll collections, airport revenues and ticketing collections of metros.

The National Highways Authority of India (NHAI) is estimated to suffer a loss of ₹953 crore on account of 21-day toll suspension, while there will be relief to toll road operators as they will be compensated for the loss, due to lockdown following Covid-19 outbreak.

According to ratings agency Icra, force majeure clauses under concession agreement provide for compensation to the toll operators for revenue loss and allocation of costs under various such events. While revenue loss gets compensated through extension of the concession period, operations and maintenance costs (O&M) along with interest costs are compensated in full for the entire affected period.

The O&M and interest costs put together account for 50-55% of the overall revenues. At present, there are 570 operating toll plazas on the national highways across India. These include both publicly funded ones, which are under the direct control of NHAI and projects which are under build operate and transfer (BOT) model.

The total toll collections from these operating toll plazas stood at ₹24,396 crore in FY19, according to Icra. For projects, which are publicly funded and currently being tolled by NHAI through toll contractors will mean a direct revenue loss for NHAI due to toll suspension. Such revenue loss is estimated to be ₹429 crore, while compensation to BOT concessionaire under force majeure is estimated at ₹524 crore, totalling up to ₹953 crore for the 2 day period, the ratings agency estimated.

As for the financial year 2020-2021, it



is estimated that toll collections will decline by 6.5%-8%. This is after taking into account NHAI's compensation of the O&M and interest costs by June 2020 for the entire lockdown period.

The ratings firm has estimated that the GDP growth will be at 2% for FY2021. As a result, as far as toll road projects are concerned, the assumption is that entire April, 2020 will be under toll suspension with gradual ramp up over a three month period between May and July, 2020. Subsequently, the traffic growth rates aligned to ICRA's quarterly growth estimates of GDP, will see a decline.

"The detrimental impact of Covid-2019 on the overall economy would in turn affect the movement of freight on the road stretches and the air traffic," Rajeshwar Burla, vice president (corporate ratings), Icra said.

On the air traffic movement, even prior to Covid, the growth in air craft movement as well as passenger traffic had slowed down considerably during nine months of FY20. Overall, adjusted for the closure of airport operations (excluding cargo), the passenger traffic witnessed de-growth in the range of 3-5% for FY20.

Burla said that majority of the revenue loss for airport operators is short-term in nature as the operators have enough on-balance sheet liquidity which helps them tide over short term cashflow mismatches.

Covid-19 may affect free cash flows of health sector: Ind-Ra

FE BUREAU
Chennai, April 9

THE COVID-19 PANDEMIC will negatively impact the free cash flows (FCF) of healthcare companies till end-1HFY21. This is backed by a lower-than-expected appetite of market participants, which could lead to a decrease in average revenue per operating beds resulting in lower revenue and thus higher fixed costs as a percentage of revenue, said a India Ratings and Research (Ind-Ra) note.

The Covid-19 outbreak has severely impacted the revenue generation of hospitals across the country; this is likely to continue till 1HFY21. The out-patient division (OPD) segment of the companies in Ind-Ra's domain is operating at 20% of the earlier base case expectations, majorly on account of the lockdown, coupled with the inhibitions of the general public to avoid going to hospitals as a precautionary measure.

Similarly, the in-patient division has been impacted by the government's notification to postpone non-essential and elective surgeries. The segment is operating at around 25% of the base case assumptions and it is believed the trend will continue till 1QFY21. Also, the medical tourism has taken a hit, with nil revenue expected till 1HFY21.

The lower-than-expected FCF, along with non-deferrable fixed costs, will affect the short-term liquidity of the segment and stretch the debt service coverage ratios.

Cognizant withdraws guidance for 2020 as Covid-19 impacts biz

FE BUREAU
Chennai, April 9

US-BASED IT services major Cognizant Technology Solutions, which has a significant chunk of workforce in India, on Thursday announced that it is withdrawing its revenue guidance for 2020 due to the adverse impact of the Covid-19 pandemic on its businesses.

The company said that the unprecedented nature of the virus crisis and uncertainty around its duration have impacted its ability to forecast its performance, leading to withdrawal of the guidance.

The company said that during the latter part of March, Covid-19 increasingly affected Cognizant's business due to largely delays in project fulfillment as delivery, particularly in India and the Philippines, has been shifted to work-from-home and reduced client demand, primarily in the travel and hospitality industries.

In February 2020, the company had forecast a revenue growth of 2% to 4% in constant currency terms for 2020. Accutere had last month lowered its revenue forecast for FY20 to 3-6% as against the earlier guidance of 6-8%.

Cognizant, which has over two lakh employees in India, will announce its first quarter financial results on May 7. The first quarter revenue is expected to be \$4.22-\$4.23 billion, up 2.7-2.9% (3.4-3.6% in constant currency) from the prior-year quarter, including a negative 50 basis point impact from the exit of certain content services. Financial performance in the first two months of the quarter was on track to exceed previous guidance, driven by strong performance across the north America market.

Entering the second quarter, Cognizant expects the pandemic to further reduce client demand as its societal and economic impact causes broader disruptions across industries.

"The long-term fundamentals of our business remain strong. However, given the unprecedented nature of this crisis, uncertainty around its duration and its impact on our ability to forecast performance, the company is withdrawing its 2020 guidance that was provided on February 5, 2020," Cognizant said in statement.

Brian Humphries, CEO, Cognizant said: "Our priorities remain the health and safety of our associates and the business continuity of our client. We are committed to helping our clients as they navigate unprecedented business challenges as well as supporting the efforts of governments globally to contain the spread of the virus."

Cognizant has taken steps to strengthen its financial flexibility, including drawing down \$1.74 billion on its revolving credit facility on March 23, 2020, bringing the company's total cash and investment balance as of March 31 to

approximately \$4.7 billion, or net cash of \$2.2 billion. The company has no significant debt maturities until 2023.

"We acted decisively to limit Covid-19's impact on our business, including rapidly enabling work-from-home capabilities across our delivery teams. We will continue to take steps to protect our associates and support the evolving needs of clients in today's environment. In this fluid environment where uncertainty prevails, we are well-positioned with deep client relationships across more than a dozen industries, and a strong balance sheet that provides solid financial flexibility. As ever, we stand committed to help our clients manage through economic, technological and other disruptions through our innovative solutions and talented associates," Humphries said.

During the first quarter Cognizant completed the acquisitions of Code Zero and Lev and repurchased approximately 8 million shares. Since March 31, Cognizant has not initiated any new share repurchase programmes.

Karen McLoughlin, CFO, Cognizant, said: "We are confident that the combination of our strong balance sheet, and our robust operating and cash generative business model, will enable us to weather this disruption. The execution of our 2020 Fit for Growth programme along with prudently managing our cost structure to react quickly to changes in the demand environment is critical to maintaining financial flexibility to navigate near-term headwinds while repositioning the business for long-term success."

Cognizant, in recognition of the extraordinary continuity-of-service efforts of the company's associates in India and the Philippines, will provide those at the associate level and below with an additional payment of 25% of their base pay for the month of April. Additionally, Cognizant has standardised 14 days sick-leave coverage globally for Covid-19 cases or self-quarantine without impacting other sick leave or vacation programmes.

The company is also contributing to the global effort to deliver immediate relief to victims of the Covid-19 pandemic.



Kerala institute ready to transfer 3 gadget techs free for firms fighting Covid-19

M SARITA VARMA
Thiruvananthapuram, April 9

SREE CHITRA TIRUNAL Institute of Medical Sciences and Technology (SCTIMST) has expressed willingness to transfer the technology of its three newly developed life-saving gadgets to manufacturing firms which agree to use them to contain contagious diseases like Covid-19.

The newly developed equipment include acrylosorb, isolation pod and bubble helmet.

Last week, Sree Chitra Institute had handed over the technology for its AMBU-based (Artificial Manual Breathing Unit) emergency ventilator system to Wipro Enterprises. Wipro is reported to have started clinical trials on the Sree Chitra light-weight portable ventilator.

Now the institute is ready to transfer the knowhow for its acrylosorb, isolation pod and the bubble helmet for free, without the restrictions of patent, to the right manufacturers, Dr Asha Kishore, director, SCTIMST, told FE.

"We'll sign the agreement with manufacturers to develop enough equipment to treat coronavirus patients and overcome the pandemic," she says.

Chitra bubble helmet is counted as a more comfortable alternative to the traditional oxygen masks. The bubble helmet with a special collar helps the patient to

surmount breathing issues and avoid using ventilator.

Chitra acrylosorb is an equipment to collect body fluids and dispose it safely. It is a disposable device that will go into the incinerator, after use, say Dr S Manju and Dr Manoj Kamath, who led the biomaterial sciences team that developed the acrylosorb.

Unlike the material currently used, this spill-proof equipment do not carry re-contamination risk. Its suction canisters can absorb 20 times more liquid, according to the scientists.

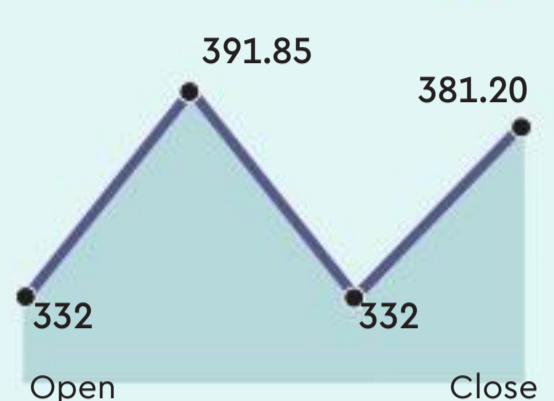
The Chitra isolation pod is a special module that can be used to shift the Covid-19 patient from one place to another. It comprises of a sterilised tent cover, which can be equipped with a light bed.

Street Signs

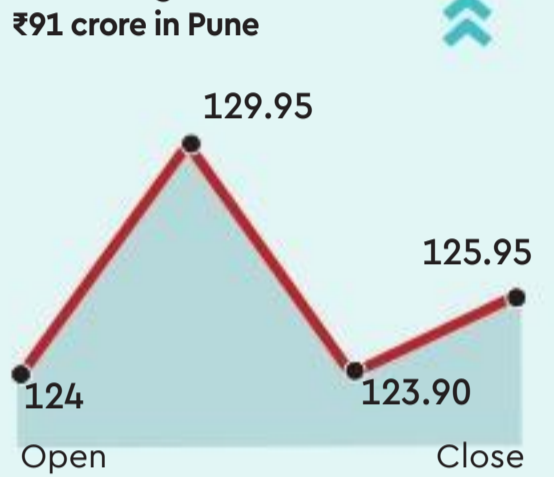
Cipla
Shares climb on US FDA nod for generic version of inhalation drug **12.96%**



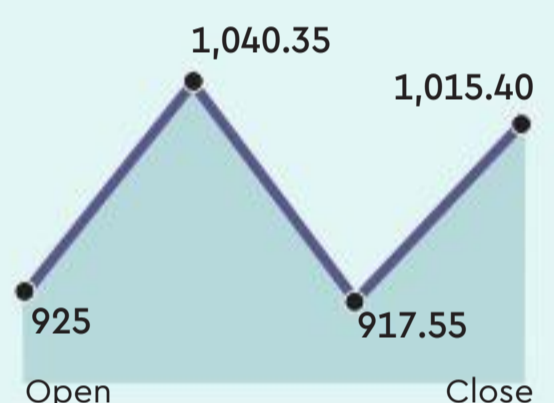
M&M
Stock rallies after Crisil reaffirms its long-term and short-term ratings **16.74%**



Kolte-Patil Developers
Stock gains after monetising land worth ₹91 crore in Pune **7.19%**



Titan
Shares surge after March quarter business update **11.12%**



Quick View

Radio listenership rises by 23%: Study

IN A BID to beat the lockdown boredom, more and more people are tuning in to radio for information and entertainment with a latest study saying that the time spent on the audio medium has increased by 23% to 2.36 hours everyday, second only to television. The study, commissioned by the Association of Radio Operators for India, also said radio industry has witnessed a listenership of 51 million people, which is nearly as much as television's reach of 56 million and social media's reach of 57 million.

GCPL partners Zomato, others for delivery

FMCG MAJOR Godrej Consumer Products (GCPL) on Thursday announced partnership with food delivery app Zomato, B2B supply chain startup ShopKirana and car rental company Zoomcar for delivery of essential goods during lockdown. Zomato will deliver GCPL products directly to consumers at their doorsteps while ShopKirana will deliver them to individual retailers by connecting with GCPL directly, said a statement.

L&T Cons bags major contracts in India, abroad

L&T CONSTRUCTION on Thursday said it has bagged major contracts for its power transmission and distribution business in India and abroad. "The power transmission and distribution business of L&T Construction has bagged orders in India and abroad," the company said. In Kuwait, an order has been awarded to upgrade substations and related power facilities in Kuwait National Petroleum Company's Mina Al Ahmadi oil refinery.

Sun TV donates ₹10 cr to Covid-19 relief funds

KALANITHI MARAN-PROMOTED Sun TV Network and its group companies on Thursday donated ₹10 crore to Covid-19 relief funds. The employees of Sun TV and other group companies numbering more than 6,000 will also contribute one day's salary, said a release by Sun TV Network. The money will be donated for several initiatives currently under way at various states.