NEW DELHI, WEDNESDAY, OCTOBER 14, 2020
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IN THE NEWS

Delisting plan fails, Vedanta to return $2.5 bn

BILLIONAIRE ANIL Agarwal's commodities group will return money raised from banks and bondholders after a plan to delist its Indian unit failed, reports **Bloomberg**. Vedanta Resources will repay $1.4 billion raised via bonds and another $1.1 billion in loans, with a small amount of interest, as early as this week, according to sources.

Money laundering: Deepak Kochhar sent to ED custody

A SPECIAL court in Mumbai on Tuesday remanded Deepak Kochhar, husband of ICICI Bank ex-CEO Chanda Kochhar, in the custody of the Enforcement Directorate (ED) till October 17, reports **PTI**. ED had arrested him in September under PMLA in the ICICI Bank-Videocon money laundering case.

196 pairs of festival special trains from Oct 20-Nov 30

ANTICIPATING A surge in rail travel during the festive season, the railways has announced 196 pairs of 'festival special' trains, which will be operated between October 20 and November 30, reports **fe Bureau** in **New Delhi**.

GST COMPENSATION

States to borrow ₹68,825 crore

20 states decided, eight are yet to pick option

FE BUREAU
New Delhi, October 13

THE CENTRE ON Tuesday gave the nod for 20 states to raise a total of ₹68,825 crore among them via open market borrowings to bridge part of their goods and services tax (GST) shortfall in FY21.

The move will ratchet up the supply of state government bonds at a time when there has already been a sustained increase in the cost of market borrowings across the states. However, the Centre will likely facilitate a mechanism in coordination with RBI to avoid a spiralling of the borrowing costs of these states under this special window.

The Centre's move comes a day after the GST Council failed to arrive at a consensus on how to make good the shortfall in states' GST revenue from the protected levels. Ten states have refused to accept either of the two borrowing options for states mooted by the Centre, and insisted that the Centre should borrow and transfer them the full compensation amount for FY21 in the year itself.

The Centre's decision reflects its resolve to go ahead with its plan, but it also shows a straining of the Centre-state ties and new power equations emerging at the Council, which has until recently functioned with minimal discord.

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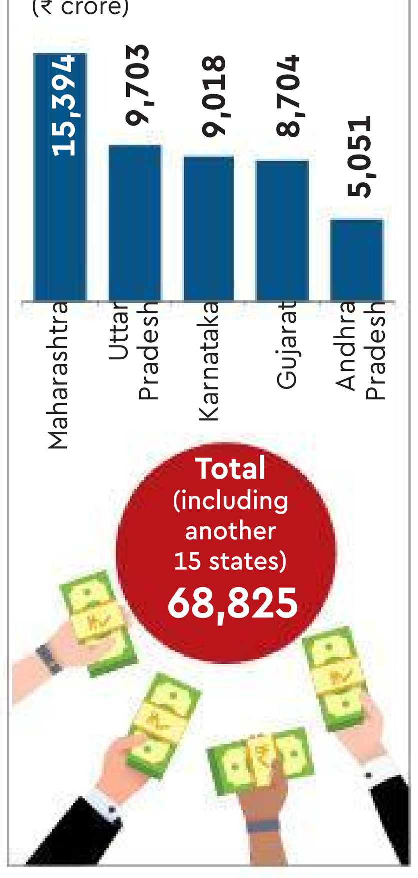
Borrowing by states to bridge GST shortfall
(₹ crore)



STRESS BUSTER

Interest relief to cost govt just ₹6,500 cr

FE BUREAU
New Delhi, October 13

A PROPOSED WAIVER of the compounding interest on loans up to ₹2 crore for the specified borrowers, including individuals and small businesses, during the six-month repayment moratorium will cost the Centre about ₹6,500 crore, a top government source said on Tuesday.

This indicates the prudence observed by the Centre in limiting the relief to the most vulnerable sections of the borrowers, despite persuasive comments from the Supreme Court to broaden the relief net.

The government is yet to decide on whether to appeal against the Vodafone arbitration award but it can't let it go without examination, the source said.

Govt yet to decide on **Vodafone arbitration appeal** but says BITs can't curb sovereign right over taxation

Govt not closing the option for **another round of stimulus**

No state has breached even the original **3% (of GSDP) borrowing target in FY21**, so they have space for further borrowing

PSU policy, proposal for setting up **infra financial company** will soon go to the Cabinet

Extending the interest relief to "all types of loans for all categories of borrowers" would cause a huge burden of ₹6 lakh crore on banks, likely wiping out a major part of their net worth and even rendering most of them unviable, the government had said in an affidavit in the apex court.

The court is likely to pronounce its order on Tuesday.

The government has already said it sees no possibility of giving any further broad-based debt relief.

Continued on Page 2

CEA bats for more fiscal spending

BATTING FOR more fiscal spending, chief economic adviser (CEA) Krishnamurthy V Subramanian said a boost to infrastructure and employment-related programmes like creation of an urban job guarantee programme would help pep up consumption demand, reports **fe Bureau** in **New Delhi**.

The Covid-ravaged economy will likely shrink by a record 9.5% in the current fiscal, Subramanian said on Tuesday, as he agreed with the central bank's latest assessment of the magnitude of growth slump. However, elevated inflation will still drive up nominal GDP.

■ Report on Page 2

CASHING IN

Wipro approves ₹9,500-cr buyback

Shares to be bought back at ₹400 apiece

■ Q2 **net profit drops** 3.4% to **₹2,465 cr**

■ IT revenues in Q2FY21 at **$1.99 bn, up 3.7% q-o-q**

■ In Q3FY21, IT revenues pegged at **$2.02-2.06 bn**

H1 free cash flows, as share of net income, at 160.7%

■ Board okays up to **₹9,500-cr** buyback plan

■ Shares to be bought at **₹400** apiece

■ At ₹400 apiece, price is 6.4% above **Tuesday's closing price of ₹375.5**

PRESS TRUST OF INDIA
New Delhi, October 13

IT SERVICES MAJOR Wipro on Tuesday posted a 3.4% decline in consolidated net profit to ₹2,465.7 crore for the quarter ended September 30, and said its board has approved up to ₹9,500-crore buyback plan.

The Bengaluru-based company, which had registered a net profit (attributable to equity holders of the company) at ₹2,552.7 crore in the year-ago period, has priced the buyback programme at ₹400 per share.

Wipro's revenue for the September quarter was nearly flat at ₹15,114.5 crore.

In a regulatory filing, Wipro said its board has approved a buyback proposal, subject to shareholders approval through postal ballot, for purchase of up to 23.75 crore equity shares at ₹400 per share that aggregates up to ₹9,500 crore.

This is 4.16% of the paid-up equity share capital of the company as on September 30, 2020, it added.

At ₹400 apiece, the buyback is 6.4% higher than Tuesday's closing price of ₹375.5 on BSE.

Wipro expects its revenue from IT services business to be in the range of $2,022-2,062 million for the December quarter, translating to a sequential growth of 1.5-3.5%. Its IT services segment revenue in the September quarter was at $1,992.4 million — an increase of 3.7% quarter-on-quarter.

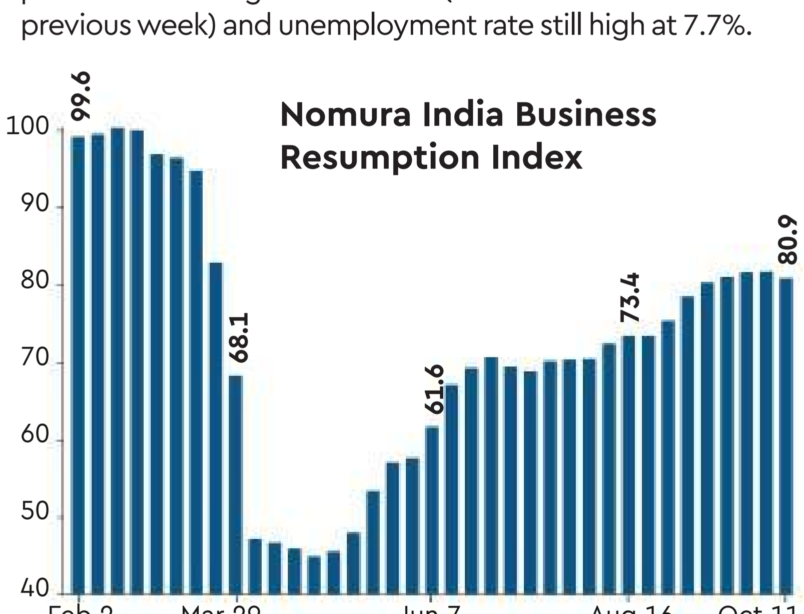
Continued on Page 2

Slow start

FE BUREAU

Activity shows signs of stalling

Business resumption is showing signs of stalling again in October. The labour market remains weak with the participation rate inching down further (to 40.6% from 40.8% in the previous week) and unemployment rate still high at 7.7%.



Source: Google, Apple, CMIE, Bloomberg & Nomura Global Economics

COMING SOON

A worker sanitises a cinema hall during a demonstration of SOPs to the media, at Malad on Tuesday, as multiplexes await the nod to reopen in Mumbai EXPRESS PHOTO: AMIT CHAKRAVARTY

SHARP DROP

Borrowing costs for states ease after RBI support steps

SUBHADIP SIRCAR
October 13

BORROWING COSTS FOR the states fell sharply after the Reserve Bank of India (RBI) recently said it will buy such debt via open market operations to help facilitate their increased borrowing requirements.

The cost of 10-year borrowing for states eased to 6.6%-6.69% at Tuesday's sale from the 6.84%-6.93% range in last week's auction, the central bank said in a statement.

States sold ₹19,250 crore of bonds versus plans to sell ₹17,750 crore of debt, it said.

RBI will purchase state bonds on its books as a special case this financial year to impart liquidity and facilitate efficient pricing, governor Shaktikanta Das said on Friday.

The move would improve secondary market liquidity and help compress spreads over sovereign bonds of similar tenors, he said.

Average yields on state bonds had already dropped 16 basis points in the last two sessions to 6.57% on Monday, according to Clearing Corporation of India index data.

Borrowing needs for states are rising as they face a revenue deficit amid the coronavirus pandemic. A shortfall in compensation from the Central government due to lower goods and services tax (GST) collections is adding to their woes. The spread of 10-year state debt over similar sovereign debt had widened to a four-month high of 88 bps at the October 6 sale, according to CARE Ratings.

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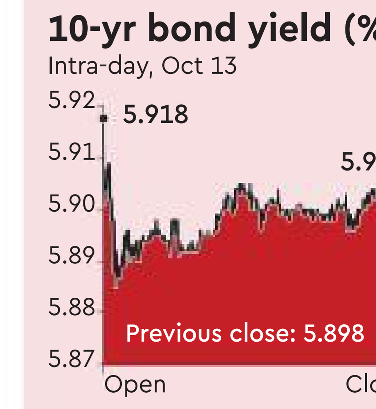
10-yr bond yield (%)
Intra-day, Oct 13



■ Cost of 10-year borrowing for states eased to be around 6.6%-6.69% at Tuesday's sale from the 6.84%-6.93% range in last week's auction

■ States sold ₹19,250 crore of bonds versus plans to sell ₹17,750 crore of debt, RBI statement said

COVID-19

J&J pauses vaccine trials after unexplained illness

REUTERS
October 13

JOHNSON & JOHNSON has paused clinical trials of its coronavirus vaccine candidate due to an unexplained illness in a study participant, delaying one of the highest profile efforts to contain the global pandemic.

The move comes around a month after AstraZeneca also suspended trials of its experimental coronavirus vaccine — which uses a similar technology — due to a participant falling ill.

J&J said on Monday the illness was being reviewed by an independent data and safety monitoring board as well as the US group's clinical and safety physicians.

The company, which reports quarterly financial results on Tuesday morning, said such pauses are normal in big trials, which can include tens of thousands of people.

It added the voluntary "study pause" in giving doses of the vaccine candidate was different from a "regulatory hold" imposed by health authorities.

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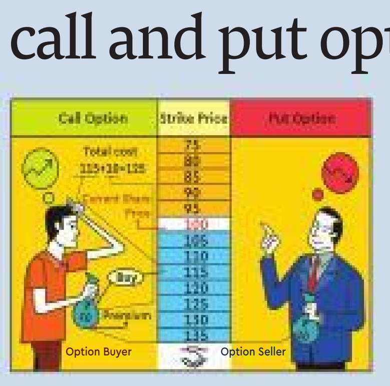
Special Feature

Know the essentials of call and put options



Call and put options are the deals in the stock markets and commodities markets where you get the right to buy or sell respectively, an underlying asset at a later point of time at an agreed upon price

■ **Personal Finance, P9**

SMALLER PENALTY

Cut in late payment fee to save discoms ₹6,000 crore annually

ANUPAM CHATTERJEE
New Delhi, October 13

THE UNION POWER ministry's proposal to reduce late payment surcharge for state-run power distribution companies could potentially provide a relief of about ₹6,000 crore annually to these distressed entities, given their current level of overdues to gencos, analysts said.

In the draft Electricity Late Payment Surcharge Rules, 2020, recently released by the ministry, it has proposed to reduce the rate of late payment surcharge from the existing 18%, to a graded payment linked to the "bank rate" which is 500 basis points (bps) more than SBI's marginal cost of funds-based lending rate.

Discoms' over-dues — payment default of 45-60 days or more — to power plants increased 52% annually to ₹1.19 lakh crore at August end.

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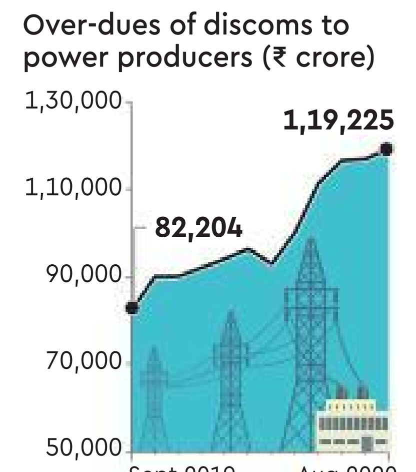
Over-dues of discoms to power producers (₹ crore)



QuickPicks

Future Ent defaults on interest payment on debentures

FUTURE ENTERPRISES is unable to service its obligations of interest payment on non-convertible debentures that were due on October 11, according to a stock exchange filing, reports **Bloomberg**. The company has defaulted on interest payment of ₹15.14 crore on debentures of ₹300 crore, according to the filing. The debentures carry a coupon of 10.15% to be paid on a half-yearly basis.

Indian economy to contract by 10.3% in FY21, says IMF

INDIA'S ECONOMIC growth forecast was slashed further by the International Monetary Fund (IMF) on Tuesday, with the country now facing the biggest contraction of major emerging markets in the wake of the coronavirus pandemic, reports **Bloomberg**. Gross domestic product (GDP) will shrink 10.3% in the fiscal to March 2021, the Washington-based lender said in its World Economic Outlook, far worse than the 4.5% decline predicted in June. PAGE 2

SMALL IS BEAUTIFUL

Maruti's Alto unstoppable, clocks 40 lakh units in 20 years

FE BUREAU
New Delhi, October 13

DESPITE A HOST of mid-size, premium compact sedans, SUVs (not to speak of luxury cars) of all brands now available in the market, India's tryst with small cars seems to be still going strong. Anyone having any doubt can just check the track record of Alto from the stable of Maruti Suzuki, whose reputation as an old war horse remains undiminished.

The company on Tuesday said the entry-level car has crossed the 40-lakh sales milestone since its launch 20 years ago. The only other car which comes near Alto is Maruti 800 — the car was once so popular that it never had a name and was known by its cubic capacity — which had sold 28 lakh units when it was phased out in January 2014 due to upgraded emission norms.

In that sense, Alto can appropriately be termed a worthy successor of the successful Maruti 800", to quote Maruti Suzuki India chairman, RC Bhargava.

If one goes out of Maruti stable, the only other vehicle to be this successful was also a small car — Santro from Hyundai Motor India. Santro, launched in 1998, sold 13 lakh units before it was phased out in 2014. A new Santro was launched by Hyundai in August 2018.

Alto was launched in 2000 and by 2004 it had already become India's No. 1 selling car. By 2008, the car had sold 10 lakh units and touched the 20-lakh mark in 2012, followed by 30 lakh in 2016.

Jagdish Khattar, who was Maruti's managing director when Alto was launched, says since India is in the process of motorisation, the base needs to be broadened and therefore despite bigger cars available in the market, the demand for small cars will always be there as there would be a large number of first-time buyers.

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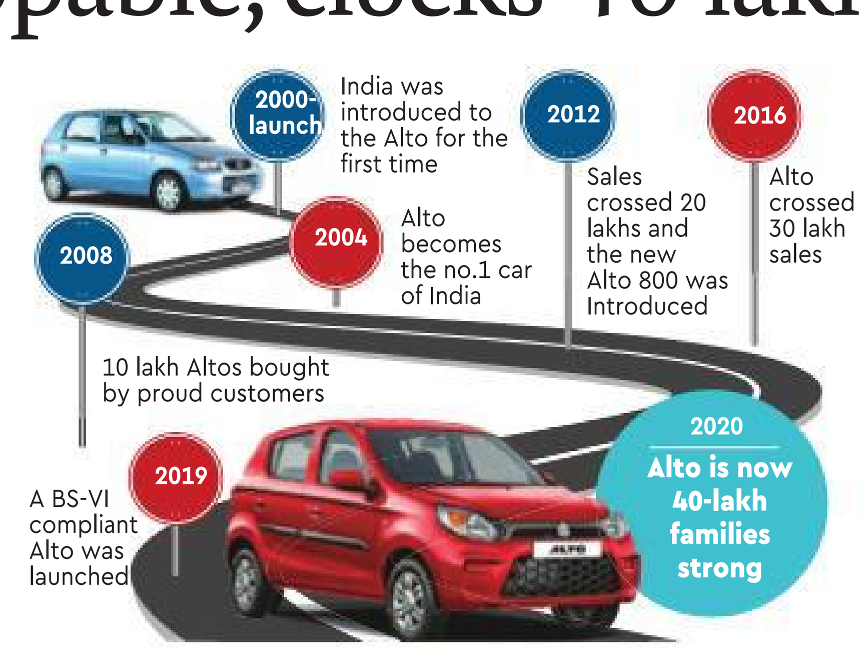


Economy

WEDNESDAY, OCTOBER 14, 2020

GLOBAL HUB

Amitabh Kant, CEO, Niti Aayog

The government has been working on multiple fronts to position India as a truly global manufacturing hub with a strong focus on exports...Aatmanirbhar Bharat does not mean self-isolation but a very deep integration into the global value chains

Quick View

EPFO launches WhatsApp helpline

RETIREMENT FUND BODY EPFO has launched a WhatsApp helpline service for speedy redressal of grievances of its subscribes, the labour ministry said on Tuesday. This facility is in addition to various other means of grievance redressal forums of EPFO which include EPFiGMS portal, CPGRAMS, social media platforms (Facebook & Twitter) and a dedicated 24x7 call centre.

'Imports from 10 key partners can go up by $21 bn'

INDIAN IMPORTS FROM key trading partners can rise by $21 billion, while the set of 10 countries represent an export headroom of only $17 billion, a report by a foreign lender said on Tuesday. Imports from the US, Malaysia, Indonesia, Singapore and the UK have the greatest opportunity for growth, Standard Chartered Bank said in its study.

Projects worth ₹50k cr in Kerala, says Gadkari

HIGHWAY PROJECTS WORTH ₹50,000 crore are being developed in Kerala as part of the Mumbai-Kanyakumari economic corridor under Bharatmala Pariyojana, Union minister Nitin Gadkari said on Tuesday.

WORST SLUMP AMONG EMs

India GDP to shrink 10.3%: IMF

VRISHTI BENIWAL
October 13

INDIA'S ECONOMIC GROWTH forecast was slashed further by the International Monetary Fund on Tuesday, with the South Asian nation now facing the biggest contraction of major emerging markets in the wake of the coronavirus pandemic.

Gross domestic product will shrink 10.3% in the fiscal year to March 2021, the Washington-based lender said in its World Economic Outlook, far worse than the 4.5% decline predicted in June. The 5.8 percentage-point downgrade was the biggest of the world's main economies.

In the group of emerging economies "revisions to the forecast are particularly large for India, where GDP contracted much more severely than expected in the second quarter," the IMF said in its report. India's lockdown at the end of March was the world's largest, causing the economy to contract 23.9% in the June quarter from a year ago as businesses and jobs were devastated. Authorities have failed to get the pandemic under control since then, with the number of coronavirus cases exceeding 7 million, second only to the US.

In China, where the virus outbreak originated but is now under control, the recovery is strengthening, with the IMF predicting 1.9% growth this year, up from 1% forecast in June.

"China's return to growth, which was stronger than expected" helped to underpin an improvement in the IMF's global outlook, the fund said. For emerging & developing economies excluding China, prospects continue to remain dim, the IMF said.

"All emerging market and developing economy regions are expected to contract this year, including notably emerging Asia, where large economies, such as India and Indonesia, continue to try to bring the pandemic under control," it said.

The IMF's outlook for India is worse than the central bank's prediction of a 9.5% decline in GDP in the current fiscal. FM Nirmala Sitharaman on Monday unveiled a set of measures to lift consumer spending after a previous package totaling ₹21 trillion ($286 billion) failed to give an immediate boost to demand.

– BLOOMBERG

CEA bats for more fiscal spending

FE BUREAU
New Delhi, October 13

BATTING FOR MORE fiscal spending, chief economic adviser Krishnamurthy V Subramanian said a boost to infrastructure and employment-related programmes like creation of an urban job guarantee programme would help pep up consumption demand.

The Covid-ravaged economy will likely shrink by a record 9.5% in the current fiscal, Subramanian said on Tuesday, as he agreed with the central bank's latest assessment of the magnitude of growth slump. However, elevated inflation will still drive up nominal GDP. Monetising the fiscal deficit in a year like this can't be ruled out as one of the financing options for the government, the CEA told CNBC-TV18. "We have time-one can do it within the borrowing programme itself-short-term borrowing so as not to increase the yields," he said.

"We might be looking at about 1.7- 1.8% of GDP ($50 billion) of current account surplus (in FY21)," he noted. With net tax revenues declining 30% on year in April-August (the budgeted growth was 21% in FY21 over the actual of FY20), analysts see fiscal deficit even doubling from the budgeted target of ₹8 lakh crore. The April-August fiscal deficit already touched 109% of the full-year target.

While estimating likely nominal GDP growth for FY21, the government has kept in mind an inflation of 6%, Subramanian said. Retail inflation scaled an eight-month peak of 7.34% in September, much higher than the upper limit of the central bank's target. As the government steps in to stir demand in the economy (on Monday, it announced steps to create extra consumption of ₹1 lakh crore), the CEA said for a sustained demand push to growth, "we need to focus on employment". Only assurances of income will discourage people from precautionary motive to save, he added.

Spending on infrastructure will create employment and help India get back to the high-growth trajectory, Subramanian said. Citing the example of the Asian financial crisis, he said it was the expenditure on infrastructure that helped India come back to the 8% growth path. Also, the country is well poised to tide over any external headwind and its current account may swing from a deficit of 0.9% of GDP in FY20 to a surplus of 1.8% in the baseline scenario this fiscal.

A number of established agencies have projected a steeper GDP slide (some expect it to be as much as 15%) for India in FY21 than assumed earlier, after the government announced a record 23.9% contraction, the sharpest among the G-20 economies, in the June quarter.

INTERVIEW: BHARTRUHARI MAHTAB, chairman, Parliamentary standing committee on labour

'Trade unions' apprehension of fixed-term employment provision justified'

The government has accepted most of the recommendations of the parliamentary standing committee on labour as it finalised the the three new labour codes – industrial relations, social security and occupational safety and health (OSH). The committee's chairman, BJD MP ***Bhartruhari Mahtab****, however, is not impressed with government's decision to keep fixed-term employment (FTE) open-ended. In an interview with* ***Surya Sarathi Ray****, Mahtab shares his views. Excerpts:*

Though the government has accepted most of the committee's suggestions, it has trebled the threshold for applicability of the standing orders to firms employing 300 workers. How do you react to this?

The minister has said that three-fourths of our recommendations relating to three codes have been accepted. But the recommendations that were not accepted are equally important. However, I will wait for the rules and regulations that are being framed by the government because some of our proposals may get reflected in it.

The committee has recommended the threshold of employees for industrial units to resort to lay-off without government permission be raised from 100 to 300. The government was of the opinion that respective state governments should take a decision on it, but we haven't agreed with it. It may create confusion in the country. Some states may keep it at 100 and some others at 300.

FTE, which the committee had earlier said, could lead to exploitation of workers and promote hire and fire, has been legalised in all sectors.

The committee had recommended that FTE should not be at the cost of permanent employment. FTE should have a fixed term of maximum 3-5 years and can be renewed only once more. But we see what is there in this law now is an open-ended provision. Apprehension that is being expressed by trade unions is justified. By not restricting the FTE to two terms, there is the possibility that fixed term employee become a permanent feature by giving him/her employment after completion of every fixed term.

The OSH Code allows the government to exempt new establishments from the law for a specified period in the interest of economic activity and employment. Such exemptions were availed earlier only for public emergencies and for just three months. Can it affect labour welfare?

It has been suggested in OSH Code that new establishments may be exempted from labour law for a specified period of time in the interest of the economy. Earlier such exemptions were availed only at emergency period and that too for a specific period, maximum for three months. I am of the opinion that nothing should be done by the union government or the state that would affect labour welfare. I believe productivity of the country can only be increased allowing both the capital and labour work in tandem.

There are provisions in the codes, both in the IR as well as OSH, under which labour laws can be kept in abeyance by the states through notification. What is the potential of misuse?

The state's responsibility is to see that the interest of the labour force is protected. There are provisions in the codes where the executive is empowered to take decisions for the interest of public good. Keeping that in mind at times, the government through notification may keep in abeyance certain labour laws. I have said earlier that decision of the executive, even if it is ratified by the legislature, it has to be concurred by the judiciary. This is the process in a democratic country. No amount of misuse can be tolerated. I believe that every organ of our democratic system is competent enough to respect constitutional provisions.

Finally, do you think that the reforms will spur growth and enhance employment? Are they win-win for both the labour and the capital?

Yes. Reforms in labour were long-felt need. It will definitely spur growth and will also enhance employment. For a conducive atmosphere, there is need to have trust between the employer and employee. Both have to work in a positive manner. The state should only be a facilitator. The four codes are in keeping with this holistic approach.

From the Front Page

Interest relief to cost govt just ₹6,500 cr

The breather already proposed by it to soften the Covid-19 blow is adequate enough, it feels. The apex court had observed that the Centre's offer to waive the interest on interest on loans up to ₹2 crore was "not satisfactory".

A day after the government rolled out measures to create additional demand of ₹1 lakh crore in the economy in FY21, the official said the Centre is open to extending further stimulus, if required.

Monday's announcements may cost the government about ₹40,000 crore from the Budget, or a tenth of the amount to be saved via expenditure controls already declared.

Vodafone Group last month won an arbitration case against the Indian government relating to retrospective taxation under which the income tax department had raised a demand of around ₹22,000 crore on the British telecom major.

Ruling in favour of Vodafone Group, the Permanent Court of Arbitration in Hague stated that the Indian tax department's conduct of imposing a tax liability along with interest and penalties was in breach of guarantee of fair and equitable treatment of the terms laid out in the bilateral investment treaty (BIT) between the Netherlands and India. However, the government source asserted that BITs are meant to only protect investments and they can't override the country's sovereign right over taxation.

As for the relief to borrowers on the interest on interest, the Supreme Court had earlier asked the government and the central bank to place on record the actions taken on KV Kamath committee's report on debt restructuring. It also urged both to consider the relevant "issues raised by the real estate associations and power producers".

The government, for its part, has reiterated that the banks are fully empowered to resolve Covid-19 related stress and customise reliefs to individual borrowers, other than big borrowers, through grant of various concessions/reliefs, in terms of alteration in the interest rate or by taking haircuts.

Under the RBI's special window, lenders are allowed to recast stressed retail and corporate loans without classifying them as non-performing, provided that they set aside 10% provisions on such advances.

In the affidavit, the finance ministry told the apex court: "This category of borrowers, in whose case the compound interest will be waived, would be MSME loans and personal loans up to ₹2 crore of the following category — MSME loans, educational loans, housing loans, consumer durable loans, credit card dues, auto loans, personal loans to professionals and consumption loans."

Maruti's Alto unstoppable, clocks 40 lakh units in 20 years

"Alto is a very good car from every point of view and would obviously be the first choice for first-time buyers in India whose numbers are large," Khattar told *FE*.

Bhargava, who was Maruti's MD before Khattar, says apart from India being a small car market, the success of Alto can also be attributed to the market becoming bigger. "When Maruti 800 was launched in 1983, the market for cars in India was 40,000 units a year. Even in 1997 the market was 3 lakh units a year and Maruti 800's share was 80% of it. Today, around 3.5 million cars are sold in a year and with India being a small car market, obviously the market for Alto has grown bigger. India is going to remain a small car market for a very long time," Bhargava said.

"Alto, over the past two decades, has changed the way India commutes. It has been ranked the No. 1 selling car in the last 16 years and continues to win hearts and surprise Indian car buyers with its exciting value proposition," Maruti Suzuki India executive director (marketing & sales) Shashank Srivastava said. "We have seen that nearly 76% of Alto customers have selected it as their first car in 2019-20, which has further increased to 84% for the current year," Srivastava added.

In 2019-20, 59% of Alto sales came from upcountry markets which has increased to 62% for the current year.

J&J pauses Covid-19 vaccine trials after unexplained illness

AstraZeneca last month paused late-stage trials of its experimental coronavirus vaccine developed with the University of Oxford due to an unexplained illness in a British study participant.

While AstraZeneca's trials in Britain, Brazil, South Africa and India have since resumed, its US trial is still on hold, pending a regulatory review.

The J&J and AstraZeneca vaccines are both based on a so-called adenovirus, a harmless modified virus that instructs human cells to produce vaccine proteins.

They are both also part of the US government's Operation Warp Speed programme to support vaccine development.

"This could be a second case of adenoviral vaccine to spur safety concerns," said Bryan Garnier analyst Olga Smolentseva.

AstraZeneca and medical experts say trial suspensions to look into the cause of a participant's illness are not uncommon. Underwriters of clinical trial insurance have said premiums for coronavirus vaccines studies are only marginally higher than for pre-pandemic vaccines.

J&J on September 22 became the fourth Warp-Speed participant to enter the final stage of testing on humans, with the aim of enrolling 60,000 volunteers in the United States and abroad.

"Everybody is on the alert because of what happened with AstraZeneca," Dr William Schaffner, a professor of infectious diseases at the Vanderbilt University School of Medicine, said by email, adding it could take a week to gather information.

"This is likely to be a neurological event," he said.

Last month, J&J said its vaccine candidate produced a strong immune response in an early-to-mid stage clinical trial. This prompted the company to start the large scale trial, with results expected by the end of this year or early 2021.

J&J declined to elaborate on the illness due to privacy concerns. It did say some participants in studies get placebos, and it was not always clear whether a person suffering a serious adverse event in a trial received a placebo or the treatment.

Cut in late payment fee to save discoms ₹6,000 crore annually

The ministry's move is seen to cut late payment surcharges (LPS) by about 5 percentage points, and given the high amount of dues, lower surcharges can provide some desperately needed additional liquidity to the discoms.

To help these stressed entities, the Union government is injecting liquidity through loans worth about ₹1.20 lakh crore from PFC-REC to clear their dues to power generators. As on September 16, ₹24,742 crore had been disbursed out of the ₹70,590 crore sanctioned under this liquidity scheme.

The trend of rising dues to power plants continues despite the Union power ministry implementing the letter of credit (LC) mechanism since August 2019 to compel discoms to become more disciplined in meeting payment obligations.

A senior power ministry official told FE that the LC mechanism has controlled the creation of new dues, but the issue of legacy dues continues to pile up, partly due to the late payment penalties. Also, since some power purchase agreements for renewable energy plants do not have the provision of LCs, the Union government cannot enforce this payment security measure for these projects. During the months of the lockdown in this fiscal, most state-run discoms paid very small portions of their monthly power bills, contributing to the pile-up of over-dues.

According to data available with the power ministry's 'Praapti' portal, private power producers to which discoms owed the most as over-dues at August end were Adani Power (₹20,122 crore), Bajaj Lalitpur (₹2,957 crore) and GMR Energy (₹1,340 crore). NTPC's invoices to discoms which remain not honoured as on August end totalled ₹19,270 crore. State-run power generator Rajasthan Rajya Vidyut Utpadan Nigam has dues of ₹26,808 crore from its own discoms. Delaying payments to generators helps cash-strapped discoms manage their working capital cycles, meet short-term obligations and avoid costly working capital loans.

GST compensation: States to borrow ₹68,825 crore

Justifying the decision, a top government functionary said no state has breached even the original 3% (of GSDP) borrowing target so far this fiscal. The limit was raised to 5% from 3% in the wake of the pandemic, subject to certain riders.

The Centre, in contrast, borrowed as much as ₹7.66 lakh crore, or close to 4% of the country's GDP, from the market in H1. So the states have much leeway to borrow, the source said, indicating the Opposition's allegations that the Centre is pushing the states into a debt trap are unfounded.

Under the borrowing Option 1, the Centre had put the upper limit of combined borrowing by all states at ₹1.1 lakh crore. The amount is related entirely to losses due to implementation of GST while it is estimated that total shortfall, which includes impact due to pandemic, would be ₹2.35 lakh crore for the current fiscal.

"Additional borrowing permission has been granted @0.50 % of the Gross State Domestic Product (GSDP) to those States who have opted for Option- 1 out of the two options suggested by the Ministry of Finance to meet the shortfall arising out of GST implementation," the expenditure department said in a statement. Further, these states would be allowed to utilise the 0.5% of final additional borrowing space allowed earlier without any condition. "Action on the special borrowing window is being taken separately," the government said.

The states don't have to bear the interest or principal repayment costs; the repayments would be fully adjusted against future collections of the cess, which has been extended beyond June 2022, till such time necessary for servicing the debt fully.

Already, the gross State Development Loan issuance expanded by a substantial 56.8% to ₹3.53 lakh crore in H1FY21 from ₹2.25 lakh crore in H1FY20. The net SDL issuance rose by an even higher 91.4% on year in H1FY21 to ₹3.02 lakh crore.

The weighted average yield of state government dated securities (across states and tenures) auctioned October 6 was at 6.80%, 23 bps higher than week ago and 31 bps higher than that in the first week of September.

The states to use the borrowing facility for GST are Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura, Uttar Pradesh and Uttarakhand.

The Centre, in view of the Covid-19 pandemic, had in May allowed an additional net borrowing of up to ₹4.28 lakh crore (2% of GSDP) to states for FY21. While 0.5 pecentage point (pp) of the extra borrowing window (₹1.07 lakh crore) is available to all states unconditionally, one pps was to be made available in four equal tranches with each to "clearly specified, measurable and feasible reform actions". The balance 0.5 pp was to be accessed by states, subject to their 'completely achieving' the milestones in at least three out of four reform areas. This last condition has now been waived for the states using the Option 1 of special GST window.

Wipro approves ₹9,500-cr buyback

"We had an excellent quarter with growth in revenues, expansion of margins and robust cash generation. I am very excited about the opportunities that are ahead of us and encouraged by the acceleration in business momentum we have seen this quarter," Wipro CEO and MD Thierry Delaporte said.

He added that the company's strategy is to focus on growth in prioritised sectors and markets led by vertical solution offerings.

Borrowing costs for states ease after RBI support steps

The Union government has given states an option to borrow ₹1,10,000 crore to meet part of the shortfall in GST compensation. States, especially the ones ruled by opposition parties, have insisted that the Centre should borrow instead. Members of the GST Council failed to arrive at a unanimous decision over this issue, finance minister Nirmala Sitharaman said at a briefing on Monday.

- Bloomberg

Railways to run 196 pairs of trains for festive season

FE BUREAU
New Delhi, October 13

ANTICIPATING A SURGE in rail travel during the upcoming festive season, the Railways has announced more special trains across the country. The Railways has approved Zonal Railways' proposal for the operation of 196 pairs of 'Festival Special' trains which will be operated between October 20 to November 30 and will be discontinued thereafter.

These special trains would be operated at a minimum speed of 55kmph to offer superfast services and the fare applicable will be akin to that for special trains. Zonal Railways have been asked to operate the services with more AC-3 tier coaches in good condition. Earlier this month, the Railways had given approval to various zones to run 39 additional new trains in order to meet the growing demand for trains. These trains will be introduced as special services from an early convenient date and will mostly be in the category of AC Express, Duronto, Rajdhani and Shatabdi. The date of operation of these additional trains is yet to be declared by the government. The earlier system of preparation of second reservation charts has also been restored from October 10 after being paused in the wake of the Covid pandemic for the last few months.

These special trains would be operated at a minimum speed of 55kmph to offer superfast services and the fare applicable will be akin to that for special trains

Besides, the Indian Railway Catering and Tourism Corporation is expected to restart the operation of Tejas Express Trains from October 17. The Lucknow-New Delhi and Ahmedabad-Mumbai Tejas Express trains were suspended from 19 March due to the Covid pandemic.

CIL recasts e-auction sales while confronting financial stress

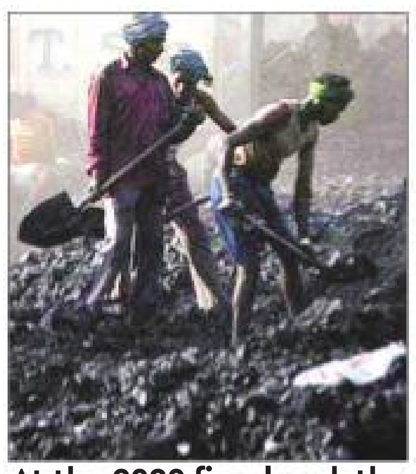
The CIL board has decided to put the reserve price for October auctions higher by 10% of the notified price

INDRONIL ROYCHOWDHURY
Kolkata, October 13

CASH REALISATION HAS come up as a major challenge to Coal India (CIL) with net cash flows from operations drastically falling. The company is in a bid to recast its e-auction sales since it has the widest possibility to bring in some immediate cash, the company badly needs.

The CIL board has decided to put the reserve price for October auctions higher by 10% of the notified price, changing the last six month's practice of setting the reserve price at the notified price. This would bring the floor or the reserve price to a level of the average premium price that the e-auctions fetched in the last six months.

The average premium fetched was 10% from the e-auctions for the six months this fiscal against an average 48%, it fetched during the corresponding period last fiscal.



At the 2020 fiscal end, the PSU miner's net cash flow from operations stood at ₹4,146 crore, a dip by ₹12,209 crore from the previous fiscal's net cash flow from operations

Changing the reserve price has been for more of dipstick survey on the market response, seeing which the company would further decide on the reserve price for the November auctions, a CIL official said on the condition of anonymity.

The PSU miner has been confronting with the low cash flows since the last fiscal. At the 2020 fiscal end, the PSU miner's net cash flow from operations stood at ₹4,146 crore, a dip by ₹12,209 crore from the previous fiscal's net cash flow from operations.

Immediately after the fiscal end, Covid-19 and the lockdown had hit the economy further estranging CIL's cash realisation. The power sector dues climbed up from ₹17,000 crore in April this fiscal to ₹20,000 crore by June end. By July end the dues reached ₹22,000 crore.

The dues are essentially from the power sector, especially from the state gencos of Andhra Pradesh, Telangana and West Bengal. But there are dues from more or less all discoms with dues increasing by ₹2,000 crore in a gap of every 15 days, an official said.

Considering the cash crunch situation of the power sector, CIL has eyed on the e-auctions, in which mostly the traders and the non-power sector players participate. Such players may give a higher premium. This has been drawn because of the total coal imports of 242.97 million tonne in FY 20, traders made 40% of the imports. Moreover, lifting coal from exclusive non-power e-auction witnessed 428% increase with the auction bookings at 13.4 mt for the six months in the ongoing fiscal against 2.3 mt booked during the same period last fiscal.

E-auction allocation rises 65% in April-Sept

The company's e-auction allocation was 65% higher in the first half of the ongoing fiscal over last year's same period with bookings at 41.4 mt compared to 25.1 mt booked during the six months last fiscal.

The booked quantity under spot e-auction, both for regulated and non-regulated consumers was highest at 16 mt during the first half of FY21 compared to 11.2 mt booked in April-September in FY20. It was followed by 13.4 mt booked in exclusive auction for non-power consumers. The special forward auction for power producers booked 10 mt, while special spot auction yielded 2 mt.

Even as e-auctions bookings were high, that didn't fetch the desired premium, affecting cash flows. "We anticipated the liquidity crunch that Covid would bring to our customers. So we brought down the reserve price to zero (notified price level) to help them lift more coal during the lockdown phase," the official said.

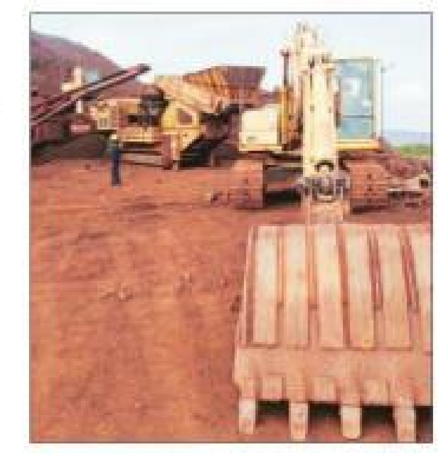
SC extends time till Jan-end for removal of mined iron ore in Goa

INDU BHAN
New Delhi, October 13

IN A RELIEF to miners in Goa, the Supreme Court on Tuesday gave mining companies time till January-end to remove and transport validly mined iron ore lying unused at various mining sites subject to payment of royalty and other charges to the state government.

A bench led by Chief Justice S A Bobde while disposing of the pleas seeking permission to transport the already mined iron ore said that the lessees can remove the minerals excavated/mined on or before March 15, 2018, by the end of January 2021. The quantity of mineral so removed will have to be verified by the concerned officials based on the government records maintained at the relevant point of time, it said.

However, the apex court said "if the lessees fail to remove the mineral within the stipulated time, the government shall invoke the power under Rule 12(1)(hh)" of the Minerals



(Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules 2016 to confiscate the mineral.

Welcoming the decision, Minescape Minerals counsel Jayant Mohan told Financial Express that the miners have got the "lifeline" as they were already going through a rough phase due to mining ban. "The livelihood of thousands of workers and others got affected. Even the state is already suffering economic distress due to mining ban and this order will address the economic hardships being faced by the mining firms and the state," he said.

Various lessees led by mining firm Chowgule and Company had sought extension of time on two grounds - the delay on the part of the statutory authorities in issuing transit permits for the transportation of the royalty paid ore and the imposition of lockdown within two months of the January 30 judgment that allowed such transportation of the mined minerals.

However, Goa Foundation, the NGO, had opposed the grant of any further extension saying that the ore on which royalty had not already been paid can never be removed and any extension of time is bound to be misused by the lessees. It further said that the ore inside the lease-hold area on which advance royalty had already been paid was only 73,850.26 tonne.

The state government had argued that it had all details about the mineral already excavated on or before 15.03.2018 and lying at the site and the lessees cannot remove more than what is in its records.

Special court sends Kochhar to ED custody

A SPECIAL COURT in Mumbai on Tuesday remanded Deepak Kochhar, husband of former ICICI Bank CEO Chanda Kochhar, in the custody of the Enforcement Directorate (ED) till October 17.

Deepak Kochhar was arrested by the ED in September under the Prevention of Money Laundering Act (PMLA) in the ICICI Bank-Videocon money laundering case.

He was remanded in the ED custody till September 19 after his arrest, but it was suspended after he tested positive for coronavirus and he was sent in judicial custody. He then underwent treatment at a hospital. The probe agency produced him before the special PMLA court here again after he recovered from the infection and sought his remand.

The ED case followed an FIR registered by the CBI against Chanda Kochhar and Deepak Kochhar, Videocon Group promoter Venugopal Dhoot and others. **— PTI**

Vardhan stresses on Covid-19-appropriate behaviour during festival season, winter months

PRESS TRUST OF INDIA
New Delhi, October 13

UNION HEALTH MINISTER Harsh Vardhan appealed to people on Tuesday to observe Covid-19-appropriate behaviour during the forthcoming festival season and the winter months "when the likelihood of an increase in the disease is high".

Vardhan, who chaired the 21th meeting of the high-level Group of Ministers (GoM) on Covid-19 via video-conference here, said India has the highest Covid-19 recovery rate of 86.78% globally with 62,27,295 recovered cases and the lowest fatality rate at 1.53%, according to a Health Ministry statement.

New daily coronavirus cases drop to below 60,000

THE NUMBER of new coronavirus infections reported daily across the country dropped below 60,000, even as the caseload surged to 71,75,880 and the total recoveries crossed 62 lakh, the Union health ministry data stated on Tuesday. The total cases mounted to 71,75,880, with 55,342 infections being reported in a day, while death toll climbed to 1,09,856 as the virus claimed 706 lives in a span of 24 hours, the data updated at 8 am showed. For the fifth day in a row, the active cases of Covid-19 remained below 9 lakh. **—PTI**

At the outset, Vardhan expressed deep gratitude and offered salutations to all the Covid-19 warriors who have been steadfastly fighting against the pandemic since many months, the ministry said.

He informed the meeting of the sturdy public health response mounted by India in its fight against the pandemic and the encouraging results so far, it said in the statement.

"A total of 1,927 labs at present have led to an upsurge in testing. India's testing capacity has been hiked to 1.5 million tests per day. Close to 11 lakh samples were tested in the last 24 hours," he was quoted as saying in the statement.

"The Prime Minister has launched the countrywide Jan Andolan to encourage people to adopt and encourage Covid-appropriate behaviours to curb spread of the diseases while celebrating the festivals," he stated.

"Pointing out the pattern of influenza and vector-borne diseases which peak during this season, he noted with concern the less reporting of cases of Influenza due to the Covid-19 pandemic across the country," a report from National Centre for Disease Control (NCDC) said.

Hughes India to connect remote panchayats

PRESS TRUST OF INDIA
New Delhi, October 13

THE GOVERNMENT HAS selected Hughes Communications India to connect 5,000 village panchayats in border and Naxal-affected states as well as in island territories with satellite broadband under BharatNet project by March 2021.

The 5,000-gram panchayats are located in north-eastern states, including Manipur, Meghalaya, Tripura, Mizoram, Arunachal Pradesh, and the Galwan Valley in Eastern Ladakh as well as in Andaman and Nicobar and Lakshadweep that lack terrestrial connectivity, such as fiber or cable, Hughes said in a statement on Tuesday.

Second sero survey begins in Pune

FE BUREAU
Pune, October 13

A SECOND AND a much larger serological study is being conducted in Pune to gauge the prevalence of Covid-19. This survey is being carried out by the Pimpri Chinchwad Municipal Corporation (PCMC), along with the DY Patil Medical College and Research Centre. The study funded by the PCMC will have a sample size of 5,000 people across the industrial township of Pimpri Chinchwad. An antibody-based sero-survey estimates the prevalence of infection in the past in the surveyed population.

The Pimpri-Chinchwad area has so far reported 8.40 lakh Covid-19 positive cases with 2,007 deaths, of which almost 1,000 deaths were reported in September 2020. Pune district has reported 3.15 lakh cases with 7,167 deaths. While the number of

daily positive cases has started reducing this month, Pune district still has a high fatality rate at 2.5% compared to the national rate of 1.53%. This has been attributed to the delay in admitting patients into hospitals.

The previous serological surveillance study was conducted in five high-incidence sub-wards coming under the the Pune Municipal Corporation area. This survey studied blood samples of 1,664 people. The survey study released in August 2020 had reported seropositivity rate of 51.5%. The spread of SARS-CoV-2 ranged from 36.1% to 65.4%. This was the highest rate found in any of the sero-surveys conducted in the country.

The study had indicated that there had been an extensive spread of infection in the five high sub-wards. But since then, there has been a surge in Covid-19 cases and it has spread across Pune city and further moved into the entire Pune district.

Companies

WEDNESDAY, OCTOBER 14, 2020

GAINING GROUND

Pirojsha Godrej, executive chairman, Godrej Properties

Bengaluru is a key market for us and this (Sarjapur) project addition fits well with our strategy of deepening our presence across the country's leading real estate markets.

Quick View

CCI approves CG Power acquisition by Tube Investments

FAIR TRADE WATCHDOG Competition Commission of India (CCI) has approved the proposed acquisition of shares in troubled CG Power and Industrial Solutions by Chennai-based Tube Investments India (TII), a subsidiary company of ₹38,000-crore Murugappa Group.

Wow! Momo Foods raises ₹60 cr in debt funding

WOW! MOMO FOODS, which owns and operates two quick-service restaurant brands Wow! Momo and Wow! China, announced raising ₹60 crore in debt funding from Anicut capital as it sees a bounce-back from the slowdown witnessed as the coronavirus crisis took hold.

Pepper Content raises $4.2 m, round led by Lightspeed India

CONTENT MARKETPLACE START-UP, Pepper Content on Tuesday said it has raised $4.2 million (around ₹30 crore) in Series A funding round led by Lightspeed India. The fresh fund will be used to enter into new content categories such as video and audio and expand into new geographies like Southeast Asia.

Vivo, IDFC First and Bajaj Finance enter into pact

SMARTPHONE MAKER VIVO India on Tuesday said it has partnered IDFC First and Bajaj Finance to waive dealer charges paid by retailers for selling devices under installment schemes. Vivo India Director for Brand Strategy Nipun Marya said the company has completed six years in India and acquired around 7 crore customers.

Total CEO reviews projects with Gautam Adani

FRENCH SUPERMAJOR TOTAL'S CEO Patrick Pouyanne made a day-long visit to India to review the gas and renewable energy projects his firm has with Adani Group. Pouyanne flew into Ahmedabad on Monday on a day-long visit to hold reviews of joint ventures with Adani Group.

Ather Energy to set up 135 more charging stations

AS PART OF setting up one of the biggest public charging infrastructure with Ather Grid across, electric vehicle manufacturer Ather Energy on Tuesday said it will be setting up 135 public fast-charging stations across the country by December 2020.

Grofers hires 60 people from premier institutes

ONLINE GROCERY DELIVERY platform Grofers on Tuesday said it has inducted a batch of 60 people from premier B-schools and engineering colleges in India, including IIT Delhi and IIM Bangalore. Grofers has honoured all offers to campuses and has already initiated the virtual onboarding processes of the new hires, a statement said.

Benefits of up to ₹10k on Piaggio's Vespa, Aprilia

ITALIAN AUTOMAKER PIAGGIO on Tuesday announced benefits worth up to ₹10,000 on the purchase of Vespa and Aprilia scooters as part of festive sales offer. The offer entails insurance benefit of up to ₹7,000, complementary accessories worth upto ₹4,000 and e-commerce booking benefit of ₹2,000, the release stated.

Optimistic about future, says PepsiCo India

FOOD AND BEVERAGES major PepsiCo is "cautiously optimistic" about the future and feels that the worst due to the coronavirus pandemic is behind, buoyed by revival signs led by strong rural demand and in-home consumption in urban markets, according to its India President Ahmed ElSheikh.

Theatres set to resume biz, several releases lined up

ASMITA DEY
New Delhi, October 13

ALTHOUGH CINEMA THEATRES are set to resume operations this week, the sector's road to recovery seems daunting given the divided opening and restriction on seating capacities. While states such as Maharashtra, Tamil Nadu, Telangana and Kerala, that drive considerable sales are yet to give exhibitors the green signal, they are expected to allow theatre screenings very soon.

Nonetheless, with six months of the year gone, multiplexes are expected to incur Ebitda (earnings before interest, tax, depreciation and amortisation) losses in the current financial year according to an estimate by Crisil Ratings.

That compares with average operating profit of 17-19% seen through fiscals 2018-2020. Ticket sales that generate around two-thirds of exhibitors' total revenues are likely to see a decline of nearly 55%, analysts at the ratings agency said in June. PVR recorded consolidated net losses of ₹226 crore in the April-June quarter against profits of ₹18 crore reported in the year-ago period.

Sanjeev Kumar Bijli, joint managing director at PVR told *FE* that he expects cinema theatres will open pan-India by the

first week of November.

Although a mix of Hindi, regional and international movies are in store to keep the show running, big releases will be critical to get businesses back on track, Bijli said.

Exhibitors are betting on a December release for Akshay Kumar-starrer Sooryavanshi, a tent-pole property for its producer, expected to be screened at the theatres. "We do have a lot of fresh content for which customers would be willing to come back to the cinemas," Bijli said.

PVR is opening 496 screens across 10 states and four union territories starting October 15.

During the lockdown period, producers have courted over- the-top (OTT) companies, releasing a slew of movies across platforms. The bulk of the direct to digital movies has been acquired by Netflix, Amazon Prime Video and Disney+Hotstar. Recently, Amazon Prime Video announced the acquisition of nine new films across five languages that include Hindi movies Coolie No.1, Chhalaang and Durgavati.

Bijli, however, ruled out the possibility of theatres screening the OTT releases in the interim given that movies have a "shelf life" and the appetite to consume such movies would be tepid.

Bijli expects the exhibition business to reach pre-Covid levels by March-April next year if the country is spared a second wave of infections.

PLAYING SAFE

India moving ahead 'cautiously' on BPCL's privatisation: Pradhan

NIDHI VERMA
New Delhi, October 13

INDIA IS "TREADING very cautiously" in its plan to privatise state-run oil refiner Bharat Petroleum Corp, oil minister Dharmendra Pradhan said on Tuesday, in a sign that the process could be delayed.

The Centre's plan to sell its 53.29% stake in BPCL was first announced in November 2019, and is part of a broader programme to spin off or sell stakes in dozens of state-owned companies.

The government had planned to sell the stake by the end of the fiscal year to March 2021.

"Bharat Petroleum divestment is very much on the cards," Pradhan told a virtual energy conference.

"But we all will appreciate looking into the net worth and looking into the size ... the government is treading very cautiously (on) how to offload (the stake) through (a) proper process".

Reuters last month reported that BPCL's privatisation could spill over into the next fiscal year that begins in April 2021 and that Saudi Aramco and Russia's Rosneft may not participate in the bid as low oil prices affect their investment plans.

BPCL's shares have tumbled by about 38% from highs seen in November last year as fuel demand in India has been hit by restrictions imposed to stem the spread

Oil minister Dharmendra Pradhan

of the coronavirus.

Long term, India's demand for refined products is expected to rise, requiring a 40% increase in the country's refining capacity to 350 million tonne a year or 7 million barrels per day (bpd) by 2030, Pradhan said.

India plans to build a 1.2 million bpd refinery and petrochemical plant on the country's west coast through a joint venture made up of Indian state refiners, Saudi Aramco and Abu Dhabi National Oil Co.

But the project has been held up as the joint venture has not yet acquired land after protests from farmers.

Pradhan said the local issues impacting the project would be sorted out "very soon." The minister also said that the federal government planned to gradually end the subsidy on cooking gas. —REUTERS

Voda Idea ropes in IBM for 'big data' platform

FE BUREAU
New Delhi, October 13

VODAFONE IDEA (VIL) has selected IBM for implementation and management of its big data platform, based on open source framework. The collaboration will allow Vodafone Idea to reduce costs across enterprise by leveraging open source for big data.

As a part of the implementation, IBM will be responsible for programme management, consulting, system integration, infrastructure services, application operations, and maintenance support. Additionally, IBM will help in enhancing network security.

The implementation builds on IBM's existing work to advance VIL's hybrid cloud transformation using open technologies. This includes an agreement earlier this year to deliver its open universal cloud with IBM and Red Hat to accelerate network and IT modernisation. IBM has been a strategic IT partner to Vodafone Idea for more than a decade.

By partnering on this implementation, IBM is helping VIL transform the way data

is optimised and delivered to partners, employees and internal systems.

Fragmented, siloed data can now be streamlined for seamless data availability. VIL will also be able to combine insights from the big data platform and better leverage cloud native technologies and artificial intelligence (AI) to enhance revenues, reduce costs and elevate customer experiences.

Vishant Vora, chief technology officer, VIL, said, "VIL has set up world-class network with largest spectrum portfolio, huge capacity and deployed many principles of 5G architecture that has helped us transform into a future-fit, digital network for the changing customer needs.

"The open source approach has helped us in modernising infrastructure and network experience, helping our people and partners in quicker business decision making".

Vora also said the company is doing trials in Bengaluru of OpenRAN or open radio access network. Open RAN allows technology products of various suppliers to co-exist with different software providers. Recently, telecom operators have started propagating OpenRAN as the future of telecom networks as it reduces costs as compared to a propriety-based network, where hardware and software is given by the same company.

On 5G, Vora said the company has a 5G ready network. He also gave a reference of China and Japan, where 5G spectrum have been allocated administratively allowing telecom operators to invest in building the network. Asked about 5G trials and participation of Chinese players, he said the company will follow government policy on the issue.

Wipro to acquire Eximius Design for $80 mn

PRESS TRUST OF INDIA
New Delhi, October 13

IT SERVICES MAJOR Wipro on Tuesday said it will acquire engineering services company Eximius Design for $80 million (about ₹586.3 crore).

In a regulatory filing, Wipro said the purchase consideration is $80 million.

"Eximius complements Wipro's EngineeringNXT core strengths and 35-year pedigree in VLSI and systems design," it added.

This acquisition will help Wipro to expand into newer market segments and elevate the customer's journey in next-generation technologies such as connected products, embedded AI and security, it said.

Eximius Design has around 1,100 employees and had registered consolidated revenues of $35.2 million in 2019.

It provides end-to-end solutions and services for building smarter, smaller and faster-connected products for various use cases of IoT, Industry 4.0, Edge Computing, Cloud, 5G and Artificial Intelligence.

Founded in August 2013, Eximius is headquartered in San Jose, US and has design centres in the US, India and Malaysia.

Their clientele include companies across semiconductors, cloud and hyper-scale infrastructure, consumer electronics and automotive segments.

Roots Ventures aims ₹200-cr investment fund by Dec; Vijay Shekhar Sharma doubles commitment

PRESS TRUST OF INDIA
New Delhi, October 13

PAYTM FOUNDER AND CEO Vijay Shekhar Sharma on Tuesday said he has doubled his commitment for an investment fund being set up by alternative asset manager Roots Ventures.

Roots Ventures expects to close the fund in December with a corpus of ₹200 crore, according to its founder Japan Vyas. It plans to invest in "direct-to-consumer" brands that provide natural and organic categories, plant based protein, and healthy beverages like tea monk.

"I am happy to increase my investment with Vyas and the team at Roots Ventures who have an investing track record of picking winners across business cycles over more than a decade," Sharma told *PTI*.

Sharma added that right from his days when he invested in Paytm in 2010 or later when he bet on firms like RBL Bank, NSE, Indusind Bank, Veeba and Hindustan Foods, Vyas has been able to identify emerging trends and invest into them ahead of others.

"Their low-profile investing style has held them in good stead even in their current fund which has weathered the

Paytm founder and CEO Vijay Shekhar Sharma said right from his days when he invested in Paytm in 2010 or later when he bet on firms like RBL, Roots Ventures founder Japan Vyas has been able to identify emerging trends and invest into them ahead of others

Covid-19 disruption admirably.

"I think it is upon us to back such homegrown managers who encourage and support innovation and entrepreneurship by taking a differentiated long-term approach," Sharma said.

Though he did not disclose his contribution, two sources shared that his earlier commitment in the fund was ₹10 crore, which will be doubled to ₹20 crore.

Vyas said it is a matter of pride and continuing responsibility when existing investors increase their commitment to the fund.

"It reinforces our belief that we are on the right track. I am thankful to Sharma for having doubled his commitment to the fund bang in the middle of a pandemic," Vyas said.

He added that Sharma's conviction will also help our fundraising efforts, which are picking up steam after the past few months of lockdown.

He also said Roots Ventures is in advanced discussions with a couple of domestic and international fund of funds and niche wealth advisory outfits who are taking its offering to their high network individual clients and family offices.

"Our portfolio has performed remarkably during Covid-19 with our disbursed portfolio up 50% in less than a year of our investing, attracting marquee investors, and almost 80% of our portfolio above their pre-Covid-19 monthly matrix," Vyas said.

Delisting plan fails, Vedanta to return $2.5-bn funds

SWANSY AFONSO, SUVASHREE GHOSH & BAIJU KALESH
October 13

BILLIONAIRE ANIL AGARWAL'S commodities group will return money raised from banks and bondholders after a plan to delist its Indian unit failed.

Vedanta Resources will repay $1.4 billion raised via bonds and another $1.1 billion in loans, with a small amount of interest, as early as this week, according to people with knowledge of the matter. It comes after minority shareholders last week scuppered a plan to take Vedanta private, throwing the spotlight on its debt load and whether they'll try to delist again.

A representative for Vedanta declined to comment.

Once the biggest shareholder of Anglo American, Agarwal's commodities ambitions can draw close scrutiny and even investor ire. The purchase of a $200 million economic interest in Anglo by a Vedanta unit prompted a slump in shares and a slew of downgrades amid questions about the complexity of the deal and who held voting rights. The billionaire exited his investment last year, pocketing an estimated $200 million to $300 million after fees.

The attempt to take Vedanta private follows a series of moves by Agarwal to simplify his investments, including delisting London-based parent Vedanta Resources in 2018 and merging an oil unit with Vedanta

"Agarwal has been in the eye of the storm, first for corporate governance, then for merging unlisted Vedanta companies, so investors were really angry with him," said Sanjiv Bhasin, director at IIFL Securities. "The stock has immense value and the business has turned. Astute shareholders will not sell the share at a discount."

The attempt to take Vedanta private follows a series of moves by Agarwal to simplify his investments, including delisting London-based parent Vedanta Resources in 2018 and merging an oil unit with Vedanta.

Vedanta's delisting plan was approved back in May, with some analysts at the time raising concerns about a lack of shareholder enthusiasm. When the offer closed on Friday, it fell short of the 1.34 billion public shares it needed to proceed. —BLOOMBERG

Pilots shut down Pratt engine on Airbus mid-air even after fixes

ANURAG KOTOKY
New Delhi, October 13

PILOTS OF AN Airbus A320neo jet in India shut down a Pratt & Whitney engine midair last month after it encountered problems, people familiar with the incident said, reviving concerns about the turbines that have been plagued by issues since their debut in early 2016.

The twin-engine jet, operated by Go Airlines India, landed safely using its other engine in Ahmadabad on September 19, people familiar with the matter said, asking not to be identified because the matter is confidential.

Both the engines' turbines had already been modified following repeated glitches, the people said. Indian regulators are looking into faults in the engine's heat-management and oil systems as possible causes, one of the people said.

Representatives for Pratt and GoAir didn't immediately respond to requests for comment. A spokesperson for Airbus wasn't immediately able to comment. A representative for the aviation ministry, which oversees the Directorate General of Civil Aviation, didn't respond to a request for comment.

The latest problem adds another layer to the woes of Pratt, which is owned by Raytheon Technologies. The new engine for narrow-body jets has cost $10 billion to develop but has faced delivery delays and multiple issues leading to mid-air shutdowns. IndiGo, the biggest customer for Airbus's best-selling A320neo, decided last year to switch away from the engines, placing a $20 billion order instead with rival CFM International, a venture between General Electric and France's Safran. Outside of durability issues and delivery delays, Indian regulators have been concerned about Pratt's so-called third-stage low-pressure turbine blades. —BLOOMBERG

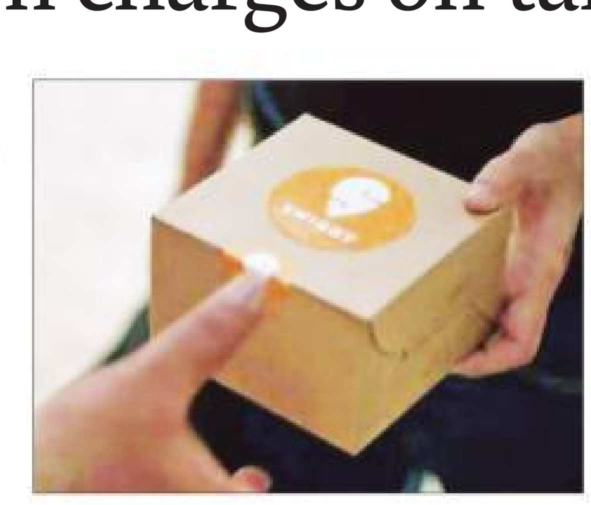
Hotel association writes to Swiggy, Zomato to cut commission charges on takeaway services

FE BUREAU
New Delhi, October 13

THE FEDERATION OF Hotel & Restaurant Associations of India (FHRAI) has written to Swiggy and Zomato, seeking a reduction in commission charges on takeaway services as the hospitality sector struggles to get their finances back in shape.

In a letter addressed to Zomato founder & CEO Deepinder Goyal and Swiggy's co-founder & CEO Shriharsha Majety earlier this week, the association urged the online food aggregators to decrease the commission charges by 5% with retrospective effect from May 2020.

At present, the commission rates vary anywhere between 18-40% of the order value. The amount depends on different parameters like the size of the order and the type of restaurant. FHRAI has requested the reduced commission



charges be implemented till the time restaurants are allowed to operate without restrictions.

"Due to the surging numbers of infections all over the country, the recovery process is going to be a long drawn out affair for the sector, co-existent with the increased focus on health, hygiene and introduction of preventive vaccine against the pandemic," the association said in the letter reviewed by *FE*.

The dine-in segment that drives bulk of the revenues for the restaurant industry has been severely hit as consumers shunned non-essential movements and took to online food ordering. As business shrunk, many restaurants closed outlets to rein in costs and pivoted to a takeaway and delivery led model.

"In view of this significant business growth of the Food Service Aggregators (FSAs), we earnestly believe that being the co-travellers in the food business, the FSAs have an ethical responsibility to show solidarity with the hospitality sector," FHRAI said.

Zomato recently said that the food delivery volumes in India have reached the pre-Covid peaks and the sector is expected to grow at around 15%-25% month-on-month for the foreseeable future.

Don't impose 15-day waiting period on renewal of Corona Kavach policies: Irdai to insurers

PRESS TRUST OF INDIA
New Delhi, October 13

REGULATOR IRDAI ON Tuesday asked insurance companies not to impose a waiting period of 15 days on renewal of Corona Kavach or Corona Rakshak policies by insured persons.

As per the guidelines issued by the Insurance Regulatory and Development Authority of India (Irdai), the short-term Corona Kavach or Corona Rakshak policies are issued by insurance companies for three-and-a-half months, six-and-a-half months or nine-and-a-half-months.

These policies are designed to cover the cost of treatment of coronavirus.

In a circular, Irdai further said insurers also have the choice to allow renewal, migration and portability for these Covid specific standard health products — Corona Rakshak Policy, Corona Kavach Policy and Group Corona Kavach policy.

"'Corona Kavach' and 'Corona Rakshak' policies of any tenure may be renewed for further terms of three-and-a-half months (3 ½ months), six-and-a-half months (6 ½ months) or nine-and-a-half months (9 ½ months) as per the option exercised by the policyholder," it said.

However, renewals, if any, may be done before the expiry of the existing policy contract.

"Where policy is renewed, additional waiting period of 15 days shall not be imposed and the coverage shall be continued seamlessly," Irdai said.

It further said that during renewal, sum insured may be allowed to be changed by the policyholder.

For any increase in the sum insured, the waiting period shall start afresh only for the enhanced portion of the sum insured, the circular said, adding that Corona Kavach and Corona Rakshak policies are permitted to be renewed till March 31, 2021.

On portability, Irdai said general and health insurers are permitted to allow portability of Corona Kavach (individual) policy from one insurer to another.

"The accrued gains of waiting period served in the existing Corona Kavach policy shall be protected in respect of coverage of Covid-19, by the porting-in insurer," it added.

Also, in respect of Corona Kavach individual policies, insurers have the choice to offer migration to any other indemnity based health insurance product offered by them as per the option exercised by the policyholder.

Commenting on Irdai's circular, Amit Chhabra, Head-Health Insurance, Policybazaar.com, said amongst the various guidelines issued, the most important for consumers is that they can now shift from a corona specific health policy to a comprehensive health insurance cover that will apart from providing them protection from Covid-19 will also provide adequate coverage for more severe ailments like cancer, heart disease, accidents, kidney-related ailments and many more.

Govt seeks proposals for development of EV charging infra on major highways

PRESS TRUST OF INDIA
New Delhi, October 13

THE GOVERNMENT HAS invited proposals for installation of charging stations for electric vehicles (EVs) on major highways and expressways.

The Department of Heavy Industry has floated an Expression of Interest (EoI) for inviting proposals from government organisations, PSUs (state/ central), state-owned discoms, oil PSUs and other public and private entities to build and operate public EV charging infrastructure.

Proposals have been invited from interested entities to build and operate EV charging infrastructure on the Mumbai - Pune, Ahmedabad-Vadodara, Delhi-Agra, Bengaluru-Mysore, Bengaluru-Chennai, Surat - Mumbai, Agra - Lucknow, Eastern Peripheral and Hyderabad-ORR expressways.

Proposals have also been invited for highways including Delhi - Srinagar, Delhi-Kolkata, Agra-Nagpur, Meerut to Gangotri Dham, Mumbai - Delhi, Mumbai-Panaji, Mumbai-Nagpur, Mumbai-Bengaluru and Kolkata to Bhubaneswar.

Under Phase-II of the FAME India Scheme, the Government of India (GoI) intends to support the development of EV charging infrastructure by extending capital grant to organisations for promoting the use of electric vehicles.

PGIM India Mutual Fund

PGIM India Asset Management Private Limited
(Erstwhile DHFL Pramerica Asset Managers Private Limited)
2nd Floor, Nirlon House, Dr. A.B. Road, Worli, Mumbai - 400 030.
Tel.: +91 22 6159 3000. **Fax:** +91 22 6159 3100
CIN: U74900MH2008FTC187029 **Toll Free No.:** 1800 266 7446
Website: www.pgimindiamf.com

NOTICE [No. 25 of 2020-21]

Notice is hereby given that PGIM India Trustees Private Limited (erstwhile DHFL Pramerica Trustees Private Limited), Trustee to PGIM India Mutual Fund, has approved declaration of dividend under the following schemes of PGIM India Mutual Fund with **October 19, 2020** as the record date:-

Scheme Names	Plans / Options	Quantum of dividend per unit (Gross of Statutory Levy, if any)* (₹)	Face Value (₹ per unit)	NAV of Dividend Option as on October 12, 2020 (₹ per unit)#
PGIM India Arbitrage Fund	Regular Plan - Monthly Dividend Option	0.036	10	10.4342
	Direct Plan - Monthly Dividend Option	0.042	10	10.5804
PGIM India Hybrid Equity Fund	Regular Plan - Monthly Dividend Option	0.108	10	19.13
	Direct Plan - Monthly Dividend Option	0.125	10	20.00

#Pursuant to payment of dividend, the NAV of the Dividend Option of the above-mentioned Schemes would fall to the extent of payout and statutory levy, if any.

Dividend will be paid to those unit holders whose names appear in the records of the Registrar as at the close of business on the record date. For units in dematerialized form, all unit holders whose names appear in the beneficiary position file downloaded from the depositories as on the record date will be entitled to receive the dividend.

*The dividend will be subject to the availability of distributable surplus under the schemes and may be lower to the extent of distributable surplus available on the Record Date.

For PGIM India Asset Management Private Limited
(Investment Manager for PGIM India Mutual Fund)
Sd/-
Authorized Signatory

Place : Mumbai
Date : October 13, 2020

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Nippon india Mutual Fund
Wealth sets you free

MUTUAL FUNDS Sahi Hai

Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)
(CIN - L65910MH1995PLC220793)
Registered Office: 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013. Tel No. +91 022 6808 7000 • Fax No. +91 022 6808 7097 • www.nipponindiamf.com

NOTICE NO. 67

Record Date October 19, 2020

DIVIDEND DECLARATION

Notice is hereby given that the Trustee of Nippon India Mutual Fund ("NIMF") has approved declaration of dividend on the face value of Rs. 10/- per unit in the undernoted scheme of NIMF, with October 19, 2020 as the record date:

Name of the Scheme(s)	Dividend (₹ per unit)*	NAV as on October 12, 2020 (₹ per unit)
Nippon India Fixed Horizon Fund XXXII - Series 4 - Dividend Payout Option	Entire distributable surplus available in the scheme as on the Record date	13.1709
Nippon India Fixed Horizon Fund XXXII - Series 4 - Direct Plan - Dividend Payout Option		13.3059

*Income distribution will be done/dividend will be paid, net of tax deducted at source, as applicable.

Pursuant to payment of dividend, the NAV of the Scheme will fall to the extent of payout, and statutory levy, if any.

For units in demat form: Dividend will be paid to those Unitholders/Beneficial Owners whose names appear in the statement of beneficial owners maintained by the Depositories under dividend plan/option of the Scheme as on record date.

All unit holders under the dividend plan/option of the above mentioned scheme, whose names appear on the register of unit holders on the aforesaid record date, will be entitled to receive the dividend.

For Nippon Life India Asset Management Limited
(Formerly known as Reliance Nippon Life Asset Management Limited)
(Asset Management Company for Nippon India Mutual Fund)
Sd/-
Authorised Signatory

Mumbai
October 13, 2020

Make even idle money work! Invest in Mutual Funds

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

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wipro

Extract of audited financial results of Wipro Limited and its subsidiaries for the quarter ended September 30, 2020

Consolidated Audited Financial Results of Wipro Limited under IFRS

(₹ in millions, except per share data, unless otherwise stated)

Particulars	Quarter ended September 30, 2020	Half year ended September 30, 2020	Quarter ended September 30, 2019
Total income from operations (net)	151,305	301,738	151,897
Net Profit / (Loss) before tax, exceptional and extraordinary items	32,071	63,022	31,343
Net Profit / (Loss) before tax but after exceptional and extraordinary items	32,071	63,022	31,343
Net Profit / (Loss) after tax, exceptional and extraordinary items	24,843	48,956	25,612
Total Comprehensive Income after tax	25,525	54,627	26,914
Equity Share Capital	11,430	11,430	11,426
Reserves excluding Revaluation Reserve	601,120	601,120	503,379
Earnings Per Share (after extraordinary items) (of ₹2/- each)			
Basic:	4.33	8.53	4.30
Diluted:	4.32	8.51	4.29

The audited interim consolidated financial results of the Company for the three and six months ended September 30, 2020 have been approved by the Board of Directors of the Company at its meeting held on October 13, 2020. The statutory auditors have expressed an unmodified audit opinion.

Financial Results of Wipro Limited under Ind AS

The interim condensed financial results are prepared in accordance with Indian Accounting Standards **("Ind AS")**, the provisions of the Companies Act, 2013 **("the Companies Act")**, as applicable and guidelines issued by the Securities and Exchange Board of India **("SEBI")**. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendment rules issued thereafter.

These financial statements, are prepared in accordance with Ind AS.

Consolidated Audited Financial Results of Wipro Limited under Ind AS

Particulars	Quarter ended September 30, 2020	Half year ended September 30, 2020	Quarter ended September 30, 2019
Total income from operations (net)	150,967	300,195	151,306
Net Profit / (Loss) before tax, exceptional and extraordinary items	32,073	63,026	31,345
Net Profit / (Loss) before tax but after exceptional and extraordinary items	32,073	63,026	31,345
Net Profit / (Loss) after tax, exceptional and extraordinary items	24,844	48,959	25,613
Total Comprehensive Income after tax	25,622	54,729	26,815
Equity Share Capital	11,430	11,430	11,426
Reserves excluding Revaluation Reserve	596,981	596,981	499,398
Earnings Per Share (after extraordinary items) (of ₹2/- each)			
Basic:	4.33	8.53	4.30
Diluted:	4.32	8.51	4.29

The audited interim consolidated financial results (under Ind AS) of the Company for the three and six months ended September 30, 2020 have been approved by the Board of Directors of the Company at its meeting held on October 13, 2020. The statutory auditors have expressed an unmodified audit opinion.

Standalone Audited Financial Results of Wipro Limited under Ind AS

Particulars	Quarter ended September 30, 2020	Half year ended September 30, 2020	Quarter ended September 30, 2019
Total income from operations (net)	122,504	244,433	125,226
Net Profit / (Loss) before tax, exceptional and extraordinary items	28,530	56,519	27,684
Net Profit / (Loss) before tax but after exceptional and extraordinary items	28,530	56,519	27,684
Net Profit / (Loss) after tax, exceptional and extraordinary items	22,440	44,366	22,470
Total Comprehensive Income after tax	24,703	50,096	22,235
Equity Share Capital	11,430	11,430	11,426
Reserves excluding Revaluation Reserve	504,026	504,026	421,147
Earnings Per Share (after extraordinary items) (of ₹ 2/- each)			
Basic:	3.94	7.79	3.79
Diluted:	3.93	7.78	3.78

The audited interim financial results of the Company for the three and six months ended September 30, 2020 have been approved by the Board of Directors of the Company at its meeting held on October 13, 2020. The statutory auditors have expressed an unmodified audit opinion.

Notes:

1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Bombay Stock Exchange website (URL: www.bseindia.com), the National Stock Exchange website (URL: www.nseindia.com) and on the Company's website (URL: www.wipro.com).
2. On October 13, 2020, the Board of Directors approved a buyback proposal, subject to the approval of shareholders through postal ballot, for purchase by the Company of up to 237,500,000 equity shares of ₹2 each (being 4.16% of total paid-up equity share capital as at September 30, 2020) from the shareholders of the Company on a proportionate basis by way of a tender offer at a price of ₹400 per equity share for an aggregate amount not exceeding ₹95,000 million, in accordance with the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder.
3. On October 13, 2020, the Company entered into a definitive agreement to acquire Eximius Design, LLC and Eximius Design India Private Limited, a leading engineering services company with expertise in semiconductor, software and systems design for a total consideration of USD 80 million. The acquisition is subject to customary closing conditions and regulatory approvals and is expected to be concluded in the quarter ending December 31, 2020.

By Order of the Board,
For Wipro Limited

Rishad A. Premji
Chairman

Place: Bengaluru
Date: October 13, 2020

Registered Office: **Wipro Limited,** Doddakanneli, Sarjapur Road, Bengaluru-560035, India
Website: www.wipro.com | Email Id- Info@wipro.com | Tel: +91-80-2844 0011; Fax: +91-80-2844 0054
CIN: L32102KA1945PLC020800

Opinion

WEDNESDAY, OCTOBER 14, 2020

PROGRESSIVE REFORMS

Prime minister of India Narendra Modi

Today opportunities are being created to take farming and farmers from the role of *annadata* (food provider) to entrepreneurship

Correct auction design can yield some noble results

Too much emphasis is put on maximising revenues; for govt services, emphasis must be on raising societal welfare

GIVEN THE POTENTIAL benefits to be got by getting an auction structure right—to be able to get as much of the 'consumer surplus' as possible—it is not surprising that Paul Milgrom and Robert Wilson are the winners of this year's Sveriges Riksbank Prize in Economic Sciences (Nobel prize) for their work in auction design. In 1994, the FCC in the US used their methodology to conduct its first auction and rake in $617 million from spectrum sales. Instead of the policy of receiving bids in a sealed cover and then allocating the resource to the highest bidder or using a lottery system to allocate spectrum, Milgrom and Wilson's approach involved companies simultaneously bidding on the spectrum in multiple areas to determine the best value. Nor is it surprising that one of the winners—Milgrom—was one of the advisor's for Google's IPO. Allowing multi-stage bidding is a good way to get more value as every participant gets more time to match/outbid the previous highest bid; to that extent, it is better price discovery.

In India, however, the model has wrought havoc on the finances of telecom companies—government greed made it worse—so the model needs to be finessed if it is to work. One possibility is to use the 'second-price' auction theory of another economics Nobel, William Vickrey, to avoid the winner's curse; in this case, allow the winning bidder to pay what the second-highest bidder offered. The problem with the Milgrom-Wilson model is that it is designed to maximise value for the person holding the auction; in the case of government auctions, like those for spectrum, it needs to be designed to maximise societal welfare, which would mean the provision of telecom services for as many people as possible. One way to do this is to put conditions on, say, rural penetration. If a condition is put that allows a telco to participate in a bid only after it agrees to install 30% of its base stations in rural areas, auction prices will automatically come down. Auctions for water distribution, for instance, could insist that a certain proportion of residents will get water at a certain price; it could also lay down a minimum number of hours of water supply. While the bidding process will ensure complete transparency, the initial conditions will maximise societal value, and also ensure bid prices remain reasonable.

What has made the auction outcome much worse in India is government greed. In 2014, when the initial 20-year period of the first private telecom licenses expired, the government refused to renew them unless telcos rebid for spectrum; with their entire revenue stream at risk if telcos did not win back their spectrum, not surprisingly, the 900MHz auction fetched very high prices. Nor was this the only instance of poor government policy. While there are different reasons for why individual auctions saw sky-high bidding, as a general rule, the telecom regulator (Trai) used the last auction price as the reserve price for the next auction, thereby ensuring that prices were hardly ever based on demand and supply; not putting enough spectrum on auction also meant most auctions were conducted in a situation of constrained supply.

While some will argue that putting conditions to ensure bidding doesn't go out of control hurts the exchequer, this is not true either. A recent letter from RJio to the government points out that just a third of the spectrum put on auction since 2012 has been sold; and, there has been no auction in the last four years. Based on the reserve price fixed in the auctions, according to RJio, the government has unsold spectrum worth ₹3.9 lakh crore on its hands compared to the ₹2.5 lakh crore that it got in the auctions between 2012 and 2016. Even if the maximisation of government revenue was to be the sole criterion, it is clear the auction strategy has failed miserably, apart from the destruction of telco balance sheets.

Readying the ground

Property cards a good step, but the real need is conclusive titling

ONE-LAKH FARMERS receiving property cards under the Swamitva scheme is, without doubt, a step forward towards establishing clear land ownership in the country; as the prime minister highlighted in his speech at the distribution of the cards, this will help them secure credit against the land. Economist Hernando de Soto, nearly three decades ago, had estimated that 80% of the world is undercapitalised as a result of insecure property right; in 1997, he wrote, $9.3 trillion ($15 trillion in today's terms) was lying as dead capital in the developing and underdeveloped nations. However, Swamitva can only be the first step; the endgame is conclusive titles, a recommendation made by numerous committees on land and property reforms.

In the late 1980s, the DC Wadhwa committee had pushed for titling based on the Torrens system in force in Australia, where the state provides compensation if a land title granted by it is successfully challenged. Despite the land record modernisation scheme—one of the first steps towards conclusive titling—starting in 1988, and being repurposed as National Land Records Modernization Programme (NLRMP) in 2008, full digitisation has not been achieved. The Digital India Land Records Modernization Programme dashboard shows that land records in 90.1% of villages across the country have been digitised across the country. But, an analysis shows that only 61% of these villages have digitised mutation records. That means the remaining 39% records may have digitised land records, but these have not yet been updated. Besides, only 41% have a clear record of rights; maps have been linked in only 40% of the cases. Survey or resurvey work has been completed in a meagre 11% villages. As per the 2019-20 NCAER Land Records and Services Index, states that have implemented land reforms have done better on the digitisation of records, but lag in terms of quality of land records. Madhya Pradesh, which tops the table, scores 2.5 out of 5 in terms of updating ownership and 2 out of 5 for recording encumbrances (whether a property is free from legal and monetary liabilities or not).

A property card may help secure credit, but without clear titles, the large-scale tenancy that is envisioned to happen under the new farm reforms may not happen till the time the Centre rolls out a comprehensive land titling law. The first attempt was made in 2011, following recommendations of the Financial Services Committee in 2009, and then again in 2013. Some states have implemented their own laws. Rajasthan did this in 2016 for urban settlements, and Maharashtra announced a law in 2019. But if the Centre does not bring a comprehensive titling law, little will change on the ground. The government can set up fast-track land-dispute courts (as done in Mexico) or can implement the Torrens model or follow through with the idea of title insurance under the RERA Act. NITI Aayog announced last year that it would be working on a model law, but enacting the law will be the onus of the Centre. Land reforms can't be shelved any longer, especially given how land disputes (accounting for nearly two-thirds of all civil cases) choke the courts.

DigitalDIVIDEND

Kerala becomes the first state to have 100% digitally-equipped public sector schools

ALL PUBLIC SECTOR schools in Kerala are now digitally enabled. With the pandemic having underscored the importance of incorporating digital technologies in education delivery, the state's achievement is praiseworthy. Government schools in Kerala are now equipped with hi-tech classrooms. The public education rejuvenation programme was one of the flagship schemes of the present dispensation. Around 45,000 high-tech classrooms were made available for class 8 to 12 in 4,752 government- and government-aided high schools and higher secondary schools. Also, 11,275 primary schools have been equipped with modern digital laboratories.

The Kerala government's investment in modernising public sector schools comes at a time when such investment isn't prioritised by most governments. With financial assistance from the Kerala Infrastructure Investment Fund Board, apart from MP/MLA funds, and even contributions from local bodies, Kerala should offer a cue for other states to follow. Such investment ensures that digital access doesn't become a barrier to education—had students been trained in accessing education digitally before the pandemic, a major hurdle for rolling out online education could have been dealt with. Going forward, children from backward classes can get conversant with digital tools; the Kerala Infrastructure and Technology for Education, a state government establishment to promote digital technology in education, provided free software for 2 lakh laptops given to the schools. Such digital impetus builds on the already high digital penetration in the state. The wide digital gap in the other states, with the exception of Himachal Pradesh, shows how much work needs to be done if rural India is to be truly and fundamentally digitally empowered.

CORPORATE GOVERNANCE

INDEPENDENT DIRECTORS CAN ONLY BE EFFECTIVE IF THEY ARE INDEPENDENT OF THE PROMOTERS; ELSE, HAVING THEM JUST CREATES A FALSE SENSE OF GOOD CORPORATE GOVERNANCE

The myth of independent directors

PRITHVI HALDEA

Founder-Chairman of PRIME Database Group, which has been researching directors for the last 15 years. *Views are personal*

GLOBALLY, A MAJOR theme in corporate governance has been the institution of independent directors (IDs), which is created only to prevent the growing incidence of promoters/management enriching themselves, through unfair means or outlandish remunerations, at the expense of the minority shareholders. Clearly, therefore, if IDs are to perform their role, they have to be independent of the promoters; otherwise, the entire concept becomes meaningless, and expectations get misplaced.

A key issue in India has been the appointment of IDs. While regulations specify who cannot be an ID, they are almost silent on qualifications or experience. The field is wide open for the appointment of people who can be described as 'home directors'—friends, school/college mates, ex-colleagues, relatives (not covered by definition), neighbours, etc. It is not difficult at all for any company to find 3-4 such persons to achieve numerical compliance.

In any case, which promoter in his senses, would ever induct a stranger, however, qualified she may be and get exposed to unwanted roadblocks. And, conversely, no sensible person would ever join an unknown company and expose herself to potential liabilities. Little wonder, given that over 95% of the companies are promoter-driven where the stranglehold of the promoter is near-total, 'home directors' are omnipresent.

Of course, some companies do induct eminent people like professionals and retired bureaucrats ('value directors'), but this is done to either "open doors" or get advice or to give positive signals to the potential investors that they are willing to be monitored. The problem here is that most 'value directors' get paid so handsomely that independence tends to get compromised. Compensations run in lakhs and crores. At the extreme end, imagine a retired professional making, as an ID, ₹5.07 crore from a single company in a year or another one, a retired PSU banker, making a total of ₹5.45 crore across four companies, which would be far more than the aggregate of her lifetime's remuneration! Would such people ever bite the hand that feeds them, and feeds them so lavishly? Almost all IDs, with no investments, play along with the promoter, who has money in the game and help prevent obvious non-compliances.

This conflict becomes more acute as a high majority of 'value directors' are retired people, who are significantly dependent on the ID remuneration, thus, becoming dependent independent directors. Paradoxically, to become eligible, a person cannot have any pecuniary relationship with the company. But, what about the pecuniary relationship that gets established after becoming an ID?

> Since independent directors cannot be wished away, only a totally new paradigm may help. At the core of this is the appointment process and having different regulations for different type of companies

The nomination and remuneration committees that have been mandated to identify persons for ID positions have, by and large, become a mocking formality. In reality, these committees recommend only such persons as are suggested to them privately by the promoter.

So, the biggest paradox is that an ID is appointed by the very promoter whose "wrongdoings" the ID is supposed to prevent. In Indian culture, guests are always polite to their hosts. In this case, these guests are also paid by the hosts. As such, IDs, who are expected to "deliver us from evil", are a myth.

Another moot point is whether even the 'value directors' have been of help in preventing frauds. What made and still makes Satyam relevant, even today, is that a huge scam could be perpetrated, and that too for several years, under the very eyes of some of the most reputed and competent persons serving its board as IDs (four highly successful and renowned academics, an accomplished retired cabinet secretary of the Union government and a world-renowned technology genius).

It is clear that since IDs typically have no forensic skills, and many do not even have deep knowledge of finance. Besides, they attend just 5-6 meetings in a year where the promoter sets the agenda. So, expecting them to detect frauds, or even smell them, is utopian. Corporate scandals have been erupting with worrying regularity. All one hears from the 'value directors' is the need to reduce the liabilities of the IDs; of course, this again is for self-preservation. What purpose, then are the IDs serving? There is only a finger-count of insightful 'value directors', and of well-governed companies. But that is more because the DNA of the promoter is good. Governance cannot be valid only for such 50-75 companies, but for all 1,800+ listed companies.

It is amusing to see how 'value directors' keep arguing, surely in self-interest, that the role of IDs is much more; their function is of a brain trust or a consultant, and surely they add value even for the minority shareholders. But then, would it not be better for a company to hire them as consultants, instead of on boards? Unfortunately, such redefinition continues to dilute the rationale of IDs and, therefore, leads us to find weak solutions.

Little wonder, we have been struggling for over 15 years with regulations to define the role of IDs, and have been tinkering with these. The important elements of the concept of and rationale for IDs remain curiously obscure and unexamined, leading to inappropriate and inconsistent rules. If in reality, there are no real IDs, what use is any regulation, and why place any expectations on them?

There is another disturbing development, that of rising resignations of IDs, especially of 'value directors' who have been the first to resign when they see anything amiss as the fear of reputation loss and legal cases now looms large. In just the last five years, as many as 4,088 IDs left boards according to *primeinfobase.com*. The 'value directors' who still are on boards, even in safe, reputed companies, find themselves vulnerable, clueless and angry when a fraud gets unearthed, which then leads to more resignations across many boards. It is an irony that boards are getting emptied of qualified people. Of course, no resigning ID has ever played the role of a whistle-blower. Even in the reasons for resignations, just three have cited disagreement with the promoters.

Why are we continuing to be in denial mode? Why are we expecting a pet lamb to act as a watchdog? It is fatal to continue to expect corporate governance through IDs. Global experience also is now increasingly questioning their role. They are only creating a false sense of security for the public. It is time we reject emulation of international practices, which are at best valid only for widely-held companies and different cultures, and rather have a localised version of norms suited to the Indian environment.

Since IDs cannot be wished away, only a totally new paradigm may help. At the core of this is the appointment process and in having different regulations for different type of companies. And, in changing our focus for governance on the right entities; it is unfair that IDs are being made scapegoats being soft targets. Await my next article.

Economists are thinking like engineers

There is a sea change for economics as a discipline. Suddenly, models work not just as allegories but as exact mathematical predictors of human behaviour. And that means that economics is, increasingly, an engineering field

NOAH SMITH

Bloomberg

THE NOBEL-PRIZE-WINNING work of economic theorists Paul Milgrom and Robert Wilson of Stanford University on how to set up auctions shows how the field is evolving. No longer is economic theory merely a glorified way of using mathematics to tell allegories about the world—now it has practical engineering applications.

As my *Bloomberg Opinion* colleague Scott Kominers notes, this year's award is well-deserved and long-awaited. In fact, I had predicted Milgrom to win last year; he is such a virtuoso that it was only a matter of time (Wilson, Milgrom's thesis advisor, is certainly no slouch either). Milgrom's work in finance theory, for example, illustrated why the ever-present fear of trading against someone who knows more than you do tends to make financial markets inefficient.

But, it was for auction theory that Milgrom and Wilson won the prize. Auction theory is special because it has direct real-world applications.

Most economic theories are basically mathematical parables. Although they are written in equations, the variables in those equations only loosely correspond to real-world things that we can measure. For example, Milgrom and co-author Lawrence Glosten's model of financial-market trading depicts an interaction between informed traders, who understand how much an asset is worth, and market-makers who know less about those assets.

That is a useful way of thinking about trading, but in the real world it is not possible to identify these different types of traders (and they generally overlap). So while a model like this illustrates a principle about financial markets, you can't plug numbers into it and use it to make quantitative predictions, like you can with a model in physics or chemistry.

Auction theory is different. When people, companies or computers bid in an auction, the rules of the game are well-defined and everyone knows how to play. The buyer's goal at any auction is simple—purchase something for the lowest price possible, as long as you pay no more than the item is worth to you. Given those rules, economists can use game theory to make very quantitative, precise predictions of how people will bid. And those predictions can be used by the people setting up auctions to make sure that items reliably get sold at good prices to the buyers who really want them.

But getting those predictions right can be very tricky, because real-life auctions can be extremely complex. Each bidder may know only a little information about how much an item is worth, for example, and they may reveal this information to each other during the bidding process. Sometimes sellers want to auction off a bunch of items at the same time. Sometimes bidders try to cheat by collaborating behind the scenes, and so on.

Milgrom and Wilson's research helped figure out what to do in these complex cases. One of their most impressive achievements was helping the Federal Communications Commission come up with better ways to auction off the rights to broadcast spectrum frequencies for things like mobile communications. Their work has also been applied to electricity sales and allocation of airplane landing slots. Private companies, too, are increasingly reliant on auction theory—Google's whole business model depends on auctioning ads efficiently, using cutting-edge economic models.

This is a sea change for economics as a discipline. Suddenly, models work not just as allegories but as exact mathematical predictors of human behaviour. In fact, auction theory is just one example of this; matching theory, which won a Nobel in 2012, is another model with wide applications.

And that means that economics is, increasingly, an engineering field. Just as with physics or chemistry, economic theories—a few of them, at least—can create useful technologies for both companies and governments. That is one reason economists, once relegated to giving policy advice, are now in big demand in the private sector.

As computer systems become ever more sophisticated and ubiquitous, expect this trend to continue. Unlike humans, algorithms are perfectly suited to economic analysis—they know exactly what they want, follow well-defined rules and make few mistakes. The more commerce depends on computers trading with other computers, the more exact and reliable the predictions of economic theory will become.

So expect the Nobel for economics to continue rewarding theorists whose work has engineering applications. Although there have been few new fundamental theories in recent years, the opportunities for theorists to design practical and useful technologies remain vast and unexplored. Instead of becoming dentists, as John Maynard Keynes famously wished, economists may end up as engineers.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners

LETTERS TO THE EDITOR

Bollywood's lawsuit

The lawsuit filed in the Delhi High Court by four Bollywood associations and 34 producers seeking a restraining order against Republic TV and Times Now was a corollary of months of relentless smear campaign by them against the Hindi film industry. TV anchors named in the petition have been wont to make derogatory and defamatory remarks in their systematic attempt to slander Bollywood, despite the fact that some of the maladies blown out of all proportions were not unique to Bollywood. The question that inevitably arises is whether these TV anchors would be so hostile to Bollywood without the tacit support of the powers-that-be. These anchors share a common narrative in support of the ruling dispensation and elites. Bollywood celebrities with a few honourable exceptions like Anurag Kashyap, Deepika Padukone and Swara Bhaskar have played ball and kept a studied silence over the attacks on innocent citizens and passage of discriminatory laws in our country. They have not raised their voices against injustices out of selfishness and cowardice. They needed to find themselves at the receiving end of an onslaught by a few news channels to take a position and defend themselves. However, their decision to not take the tirades of abuse against them tried as diversionary tactics lying down must be welcomed. Bollywood is right in saying that the vilification drive by TV channels has direct consequences for the livelihoods of thousands employed in the film industry. It certainly has a strong case when it prays before the Delhi High Court to direct the TV channels in question to abide by the provisions of the Programme Code under the Cable Networks Rules, 1994.

— G David Milton, Maruthancode

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MADAN SABNAVIS

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ECONOMICS NOBEL

Designing the right auction

The major challenge is to eschew the winner's curse, and here the laureates argue that the best way out is to place bids below their estimate of the common value

THE TERM 'AUCTIONS' is used often in business and finance, as this is a process used for price discovery in the primary market. When there are myriads of players in the stock markets, the 'bids and asks' are based on the previous traded price and this resembles an auction when we place our orders. Though commonly associated more with the sale of art, auctions in the bond market where the Reserve Bank of India (RBI) conducts them when selling government paper are well established. This is the most efficient way of discovering the price.

But in auctions there is always a problem of paying a higher price, especially if the object being sold is not as common as, say, a bond. For a 10-year government bond, the prevailing yield is known at, say, 6%, and hence the bids will be around this number. For example, when bidding on a web portal for a product one has a fair idea as to what would be the true value. This would hold even for second-hand cars where the cost price would be known, and one could take an informed guess on the rundown value. Even when there are M&As, there are defined ways of reckoning the right price for the acquisition, and the chartered accountant or management consultant can give the right number.

But when it comes to radio spectrum or airport landing slots, one may end up bidding at a higher price and then realising that it is too much (the winner's curse), or bidding at a lower price and not being considered. Solving such conundrums is the focus of the work done by Paul Milgrom and Robert Wilson, which has won them the Nobel Prize in Economics for 2020. In fact, in 1994, the US used one of their formats to sell bands of radio spectrum, which was largely successful and set a norm for future sales. This helped in ensuring that the taxpayers gained from the sale of frequencies owned by the government and was of value to the operators who paid for these rights.

By some coincidence, all winners of various prizes this year are from the US, and the two economists have a background from Stanford. Their work is something that we all would identify with as the auction has been the best way for price discovery. Almost all prices are discovered through an auction-like process, and this holds even when there are no benchmarks. One may recollect that the controversies around the irregularities in sale of coal blocks or spectrum in India had moved the needle to having more transparent auctions.

Milgrom's work has focused on creating bidding strategies that determine how the format of an auction can give the seller higher expected revenue as bidders try and figure out the 'private value' others place on the item on sale. So, it is a case of guessing what others feel is the intrinsic value of the product under the hammer. Wilson's writings have been on the theory of a 'common value', which is the best estimate of what an item is worth that bidders then try to set their offers below to avoid overpaying. The games that are played must finally make the private and common value get closer to one another, which benefits the bidder and the seller.

The major challenge is to eschew the winner's curse, and here the laureates argue that the best way out is to place bids below their estimate of the common value. In all these exercises, we need to distinguish between a private value and a common value. Art, normally, has a private value, which we can be right about as the importance placed while viewing the painting on the wall every day is personal and cannot be contested. When it has a snob effect, the private value can be higher than the common value and does not matter as the buyer has the ability and willingness to pay a higher price as it improves the self-image in the eyes of others (the Veblen effect). But when one wants to sell the same, what matters more is the common value or what others think are the best possible prices. Private value ceases to matter. This is where the matching of private and common value matters. The rational way out is hence to place a bid below this perceived common value.

According to Milgrom and Wilson, there are different motivations behind winning at an auction. Maximising revenue could be the main goal, but often it could also be a way of managing liquidity or emissions that have become important in today's world. In the early days when auctions came in the fishing space, there was always a doubt on what the 'catch' would be, and hence there was a risk in bidding for these rights. The same holds when bidding for minerals, where the outcome may not be known—while the bidder has some sense of what could be the quantity that could be fished or mined, the certainty is never there.

This is where their work adds sheen, because the goods being dealt with are complex and there is no certainty on the outcome. When one bids for spectrum, it is unclear as to how would the demand work out or, for that matter, even regulation as seen in India. This can make it hard to place bids, unlike in the financial markets where there is a vanilla product that must be priced.

Mind theory has become more important of late when analysing markets and price determination. Getting successful in auctions is very much a part of game theory, where each player must analyse what the other really thinks of the product and, accordingly, place a bid. While this does not matter when it is a commonly traded good like a financial instrument, it becomes progressively complex as one gauges the reactions or behaviour of other bidders. Progressively, governments would be selling more of their assets—natural resources, which can range from spectrum and minerals, to spaces (docks and airports), and getting it right can impact the financials of bidding companies. From the point of view of the government, too, this works well, as it makes systems transparent and free of controversy. The idea, however, is to get the best possible price for both the sides and create a Pareto optimal solution.

LABOUR CODES

A step towards *atmanirbharta*

SHISHIR JAIPURIA

President, All India Organisation of Employers, an allied body of FICCI

The new labour Codes do away with the regressive regime that existed so far

INDIA'S LABOUR LAWS date to post-Independence era—they were framed between 1947 and 1980. There had been no significant legislative changes since then. However, from then till now, there have been changes in how we do business and engage labour. We have gone through the whole cycle—from industrialisation to opening up economy to foreign investments. The increase in market demands has led to the engagement of flexible workforce through contractors. In recent times, a new segment of gig and platform workers has entered the labour market.

Labour laws, due to their multiplicity and complexity, were looked upon as a major irritant in matters of investment promotion and employment generation. A simple, transparent and compatible labour law was needed to spur growth and competitiveness. The recent labour codes that have received Presidential assent, therefore, are welcome.

In the past, none of the labour laws have had a common definition or concept. Neither did they have any consistency. The current labour codes have, to a great extent, succeeded in bringing common definitions and concepts, ensuring that there is a commonality and uniformity across codes. Labour codes give a chance to rectify compliance before any action is taken against them. Offences can be now compounded under the code. This is a major development and has been industry ask for long. E-maintenance of register and records already exists and provides substantial relief to employers.

The definition of wages as spelled out in the Codes needs more clarity

Once the code comes into play, it will prevail over all other laws in force. Given its overriding clause, it will be interesting to observe how it plays out for legislation under each state. Keeping in view the nature of Indian economy and its sectoral diversification, and predominance of informal sectors, the codes need to be tweaked partially for more effectiveness and better implementation. The central rules for each code will be very important for effective implementation.

The definition of wages as set out in the codes needs clarity. It has been the government's endeavour to simplify the law, but basic terms such as 'wages' as drafted are prone to several interpretations, which may lead to litigation. Secondly, due to the new wage definition, there will be a substantial increase in statutory payments that will be an additional burden on the employer. The graded penalty and fixing of the wage period is welcome, but doing away with the concept of schedule employment for fixing wages may render certain types of small household work, requiring limited number of manpower and lower capital, unviable.

Under the Industrial Relations Code, the increase in the threshold limit from 100 to 300 for the purpose of rationalisation measure is appreciable, but applying it across the board, i.e. in all types of industrial establishments, is bound to increase problems manifold. It is in this context that the provision under Chapter V-B needs to be retained. There has also been a need for recognising a bargaining agent to reduce inter- and intra-rivalries amongst trade unions. Hence, the provision for negotiating unions for settling dispute to have 51% membership for sole bargaining right is welcome. Introducing compulsory arbitration on the failure of conciliation will reduce pressure on adjudication machinery, which already has many cases pending.

Under the OSH & Working Conditions Code, employers fully support the increase in the threshold limit of the factory from 10 to 20 with aid of power and 20 to 40 without the aid of power. We welcome allowing women for night shifts, with adequate security measures. Employers welcome the reduction in the lead time for permission of approval for obtaining licence from three months to 30 days.

Inclusion of gig and platform workers and formulation of schemes for providing comprehensive social security to workers in unorganised sectors under the Social Security Code is laudable. We're sure the new codes will promote ease of doing business, thereby encouraging investment and promoting entrepreneurship, and also lead to employment generation by opening new horizons for the informal sector. I am certain these reforms will help us become *atmanirbhar*.

A monetary policy to remember

Holding the repo rate at the current 4% level, rather than cutting it, while continuing with unconventional measures such as proactive bond purchases, should be the strategy under the present circumstances

KAUSHIK DAS

The author is India Chief Economist, Deutsche Bank AG

THE OCTOBER MONETARY policy was special for several reasons and one that will be remembered for a long time. We discuss five key elements of policy announcement and our take on it.

Inflation: The MPC's decision to look through the recent high inflation prints while formulating monetary policy stance is apposite and shows that inflation targeting need not be conducted in a strict mechanical manner based on point estimates of CPI inflation, particularly when the economy has been impacted severely by an unprecedented shock. While the MPC continues to target CPI inflation as per the predefined target band of 4% +/- 2%, its decision to make allowances for the severe supply-shocks posed by Covid-19 allows the "flexible inflation targeting framework" to become truly flexible and adds to its credibility. As per RBI's forecast, CPI inflation should ease from 6.8% average in July-September to 4.3% in April-June'21. Given this base case projection, the MPC has done the right thing, to exercise patience and allow the natural moderation to happen over time, aided by a favourable base, seasonal correction in food prices and continued easing of supply constraints.

Growth: RBI's real GDP growth forecast for FY21 is -9.5% yoy, with risks tilted to the downside. Our own growth forecasts are slightly less negative at -8% yoy. With a number of high frequency indicators having recorded a sharper-than-expected sequential improvement recently, a new set of demand-boosting measures being announced earlier this week and the economy almost fully open now, there is a possibility that growth in 2HFY21 fares slightly better than RBI's projections. While sequential improvement in growth will continue from the lows seen in April-June'20 (-23.9% yoy), GDP levels will take a long time to return to the pre-Covid-19 position; as per our forecasts, nominal GDP will touch $2.8 trillion by end-2021, which was at the same level in end-2019.

Forward guidance: Probably based on this consideration, the MPC provided a US Federal Reserve-like forward guidance, which is a master stroke. While in the past the MPC stated that it will maintain an accommodative stance for as long as it was necessary to revive growth—without committing to any particular time-frame—in the October policy it went one step further with five out of six MPC members voting to continue with the current accommodative stance even into the next financial year, given the severity of the growth shock. Explicit commitment to maintain the current accommodative stance for a defined long time-period will help to assuage fears about any potential pre-emptive triggering of exit strategy, thereby reducing the risk-premium associated with policy uncertainty. But it will help more if the MPC members can provide a US Federal Reserve-style "dot-plot" showing up to what time they expect the accommodative stance to continue based on their individual assessment of the evolving growth-inflation dynamic. This should be the next logical evolution of the MPC, in its quest to sharpen and increase the efficacy of forward guidance and central bank communication tool.

Liquidity and monetary transmission: Another additional ₹1 trillion TLTRO was announced, which takes the cumulative liquidity support provided by RBI in excess of ₹12 trillion since February 2020. The sizeable liquidity support provided this year was absolutely necessary, and to give credit to the central bank, the authorities had already moved to maintaining surplus liquidity in the banking system from mid-2019, to reduce any potential financial stability risks and to ensure effective and speedy transmission of monetary policy. Indeed, the weighted average lending rate (WALR) of fresh loans has reduced cumulatively by 91bps, in response to the 115bps repo rate cut delivered from March 2020, while corporate bond spreads have also reduced materially in response to the various liquidity support programmes. This has made it clear that surplus liquidity is a necessary condition to expedite monetary transmission, though there could be other critical impediments that need to be tackled separately. We think the current alignment of easy liquidity and rate stance helps to impart clarity and guide the market better, which should be maintained as long as it is necessary to support growth.

Soft yield curve control: The October policy was special on various counts, but probably more on account of the central bank's explicit commitment to keep long-term bond yields from inching up (without mentioning any particular target level though), by agreeing to engage proactively through open market operations and use of other instruments. RBI called the yield curve a "public good" and expected various stakeholders to work towards a cooperative solution, in a competitive yet non-combative manner. We think the forward guidance to the bond market is extremely important and useful to guide market yields lower, or at least from inching higher.

It is critical that the risk-free rate, which influences the entire term structure of interest rates, is maintained as low as possible to support growth and reduce the adverse impact on the public debt dynamic. Banks cannot be expected to do the heavy lifting, both in terms of supporting credit growth and bond market, and given the enhanced borrowing requirements of the central and state governments, it is clear that active participation from the central bank is crucial to put a lid on yields. Given this inevitability, we think it made sense for RBI to have communicated upfront about its willingness to buy central and state government bonds, which will help provide comfort to market participants. Rather than cutting the repo rate any further, maintaining it at the current 4% level for an extended period of time along with the continuation of other unconventional measures like proactive bond purchases will be a better strategy under current circumstances, in our view.

International

WEDNESDAY, OCTOBER 14, 2020

COVID CAUSED FEAR OF FUTURE

Larry Fink, BlackRock chairman and CEO

I believe we still have more to go on the upside even in front of probably rising infection rate with Covid-19. We are seeing a record amount of retail participation in the marketplace. I do believe that pandemic actually has created that fear of the future.

GRIM FORECAST

IMF sees shallower recession, tough path back to complete recovery

Fund's chief economist Gita Gopinath says close to 90 m people expected to fall into extreme deprivation

ERIC MARTIN
October 13

THE INTERNATIONAL MONETARY Fund (IMF) warned that the world economy still faces an uneven recovery until the coronavirus is tamed, even as it offered a less dire view of this year's recession following massive stimulus from central banks and governments.

The fund now forecasts world gross domestic product to shrink 4.4% this year, compared with the 5.2% drop seen in June, according to the latest World Economic Outlook released on Tuesday. For 2021, the IMF sees growth of 5.2%, down from 5.4%. The report includes revisions to June's forecasts and other historical data to reflect updated country weightings.

The contraction would still be the deepest since the Great Depression, with Covid-19 having killed more than one million people and shut down large swaths of business. The report sets the tone for this week's annual meetings of the IMF and World Bank — being held virtually, like April's spring meetings, due to the pandemic — as global policy makers discuss how to avert a wave of debt defaults in poorer nations resulting from the virus's impact.

"Recovery is not assured while the pandemic continues to spread," chief economist Gita Gopinath wrote in the report. "Economies everywhere face difficult paths back to pre-pandemic activity levels."

The impact of the downturn has been cushioned by policy initiatives, including a European pandemic-recovery package, and large-scale central bank asset purchases, the fund said. Such unprecedented support helped ease financial conditions since June in advanced economies and in most emerging and developing economies.

Policy makers must avoid prematurely withdrawing support in order to avoid setbacks, Gopinath said. The forecasts assume monetary policy is maintained at current settings through 2025, helping to alleviate debt service burdens for many countries. Governments globally have implemented $6 trillion in direct tax and spending measures, according to the IMF.

Gopinath said some $12 trillion in fiscal support and unprecedented monetary easing from governments and central banks helped to limit the damage, but employment remains well below pre-pandemic levels, with low-income workers, youth and women hardest hit.

"The poor are getting poorer with close to 90 million people expected to fall into extreme deprivation this year," Gopinath said in a blog posting. "The ascent out of this calamity is likely to be long, uneven, and highly uncertain. It is essential that fiscal and monetary policy support are not prematurely withdrawn."

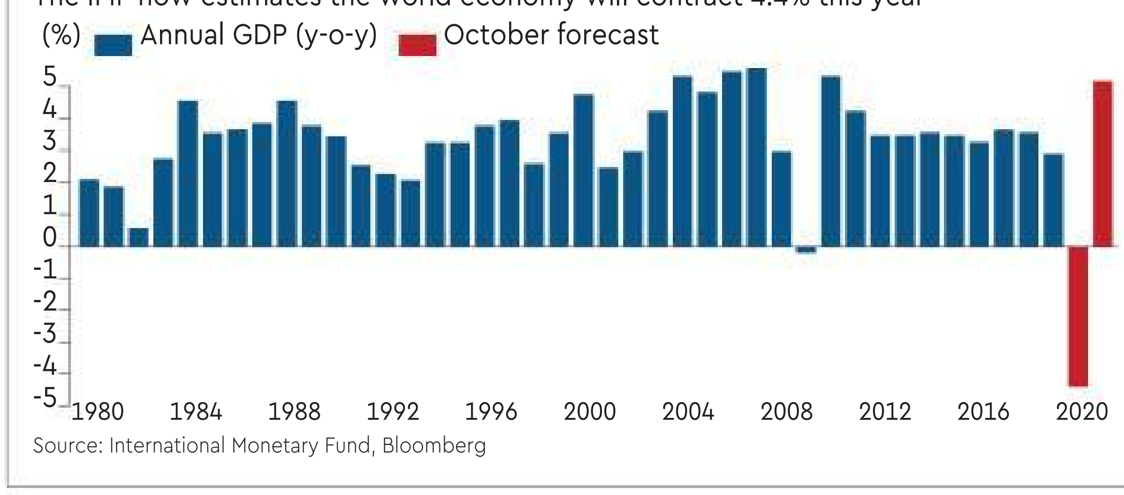
The fund's forecast is based on the expectation that social distancing will continue into next year but gradually fade over time as vaccine coverage expands. It also is premised upon local transmission of the virus being brought to low levels everywhere by the end of 2022.

The upward revision in the IMF's 2020 growth forecast reflects in particular better-than-projected second-quarter growth in the US and the euro area, a stronger-than-anticipated return to growth in China and signs of a more rapid recovery in the third quarter.

— BLOOMBERG

Small upward revision

The IMF now estimates the world economy will contract 4.4% this year



Source: International Monetary Fund, Bloomberg

MAPPING THE VIRUS

Cases pass **37.8 million**

Deaths **1.08 million**

Recoveries **28,676,520**

- Covid, Brexit and job cuts converge on a defiant English town
- Europe eyes new restrictions as virus cases hit record high
- Amazon pandemic Prime Day steals rivals' Black Friday spotlight
- 14% of cases were Health workers: WHO
- Countries across Europe widened curbs to try to regain a grip on the pandemic
- Abu Dhabi's IHC invests in Oxford Nanopore to help boost Covid-19 testing

Governments across Europe are ratcheting up restrictions in an effort to contain the spread of the coronavirus as the continent recorded its highest weekly number of new infections since the start of the pandemic.

In a study of 83 countries, mostly in Europe and the Americas, about 14% of the cases reported to the WHO affected health-care workers, who make up less than 3% of the global population.

The National Institute of Allergy and Infectious Diseases, part of the National Institutes of Health, launched a study designed to determine whether certain approved therapies or drugs in late-stage clinical development show promise against Covid-19 and merit advancement into larger clinical trials.

Polish Premier Mateusz Morawiecki has gone into quarantine after coming into contact on Oct. 9 with a person who was confirmed this morning to have the virus, his office said in a statement.

Morawiecki doesn't have Covid-19 symptoms.

Iran recorded 254 fatalities from coronavirus in the past 24 hours after reporting its deadliest day of the pandemic with 272 deaths the previous day. The number of cases rose by 4,108, down from 4,206 Monday. The country now has 29,070 deaths.

European Union aid rules were loosened again to allow governments to cover as much as 3 million euros ($3.5 million) of companies' fixed costs as the European economy suffers the steepest recession in living memory.

China may give students vaccines still being tested

BLOOMBERG
October 13

ONE OF CHINA'S leading vaccine developers is working on a plan to inoculate students going overseas with Covid-19 shots that are yet to get regulatory approval, according to people familiar with the matter, as the country pushes scientific boundaries in the race for a viable immunisation.

The China National Biotec Group, or CNBG, a subsidiary of the state-owned Sinopharm Group, is in talks with the Chinese government about giving students headed abroad to study its experimental vaccines, said the people, who asked not to be identified as they're not authorised to speak publicly. Various government agencies are still working on the plan and no final decision has been made, the people said.

The two shots being developed by CNBG, which are still in the final, third phase of testing, were authorised for emergency use in China and have already been administered to hundreds of thousands of people there, including medical workers and employees of state-owned companies working in high-risk countries.

Students would represent an unprecedented expansion in the use of vaccines

which haven't completed full human testing, though the Chinese regulator can determine that the group can come under the remit of emergency use.

"This would indeed be expanding the granted emergency use permit to beyond their intent," said Nigel McMillan, director of the infectious diseases and immunology program at Griffith University's Menzies Health Institute Queensland.

"While obviously very important to the families and students involved, studying abroad is not an emergency — no lives are at threat here."

CNBG did not respond to multiple calls and text messages seeking comment, and China's Ministry of Education also didn't respond to phone calls.

Quick View

Amazon faces strike ahead of Prime Day

A GERMAN TRADE union called on workers at seven Amazon warehouses to go on strike on Tuesday to coincide with the global 'Prime Day' event that was postponed due to the pandemic. Verdi said it was organising the two-day strike as part of a long-running battle with Amazon in Germany over better pay and conditions, noting that a coronavirus bonus introduced for workers in Germany in March had been scrapped again in May.

Tesla cuts prices of its Model S in US, China

TESLA SAID ON Tuesday it has cut the price of its Model S 'Long Range' sedan by 4% in the United States, days after the electric-car maker reported record quarterly deliveries. The company, which is expected to report third-quarter results on Oct.ober 21, cut the price to $71,990 from $74,990 in the US. It also trimmed the starting price of the Model S by 3% in China.

BlackRock quarterly results beat estimates

BlackRock's quarterly results exceeded analysts' estimates on Tuesday, as the recovery rally in global financial markets helped world's largest asset manager end the quarter with a record $7.81 trillion in assets under management. "Each of our strategic investment areas... continue to grow, while strong investment performance has driven positive active flows over the last year," chief executive Larry Fink said.

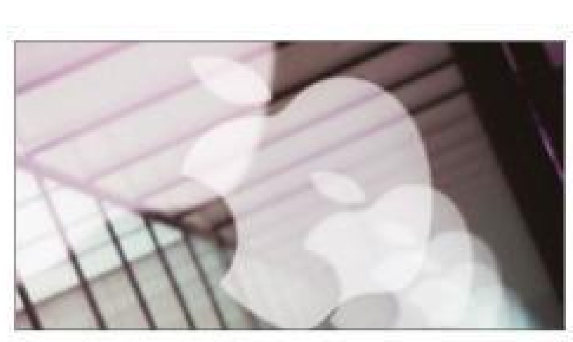
Apple unveils iPhone 12 with 5G, HomePod Mini smart speaker

REUTERS
October 13

APPLE ON TUESDAY launched the iPhone 12 with faster 5G connectivity, which the Cupertino, California company hopes will spur a wave of upgrades and keep its sales booming through the end of the year.

Verizon Communications CEO Hans Vestberg said the new iPhones would work with the carrier's "ultrawideband" 5G network designed to alleviate bottlenecks in major cities like New York and Los Angeles as well as in crowded areas like NFL stadiums.

Apple said all iPhone 12 models in the United States will support millimeter wave 5G, the fastest variant of the technology, as well as lower-frequency bands. Some rival Android devices support only the lower-frequency versions of 5G.



The iPhone 12, with a 6.1-inch display, has flat sides with a flush display, similar to the company's iPhone 5 and a departure from rounded edges in recent years.

The new phone will have a "ceramic shield" glass cover to resist cracks when dropped. Apple also announced a HomePod Mini smart speaker that will come in white and gray, cost $99 and be shipped starting November 16. The new HomePod offers features like allowing use by multiple users in a home and sending information to car-based systems. For example, a user can tee up driving directions to a store after asking the HomePod what time it closes. Many of the features serve as a catch-up to similar offerings from Amazon.com and Alphabet Inc's Google.

The annual launch event is nearly one month later than normal and comes as the coronavirus pandemic has disrupted Apple's well-oiled machine for designing and churning out its biggest-selling product.

The iPhones announced Tuesday will test whether Apple can keep up that streak and ride a wave of consumer excitement around 5G wireless data networks.

SoftBank's Vision Fund plans blank-check firm

ERIK SCHATZKER & SARAH MCBRIDE
October 13

SOFTBANK GROUP'S VISION Fund will outline plans for a blank-check company in the next two weeks, seeking to capitalise on the investor frenzy surrounding the unusual fundraising vehicle.

Rajeev Misra, the head of the Vision Fund, teased the effort in an interview with Bloomberg at the Milken Institute's virtual conference, without providing details. Misra separately addressed reports from last month that SoftBank was the "Nasdaq whale" and downplayed its influence in stirring froth in the market for tech stocks.

The target size of the blank-check company has yet to be determined, according to a person familiar with the plans. SoftBank is expected to seek outside funds and may contribute some of its own capital, said the person, who asked not to be identified.

SoftBank's experiments beyond its traditional expertise have spooked some investors, including earlier this year when it traded billions in stock options. Some accused the company of pumping up tech valuations with its purchases, but Misra dismissed that idea in the interview.

"Are we buying a few billion of other stocks to diversify away from the Alibaba we sold in the past six months?" Misra asked. "We're still sitting on a lot of cash. It's a liquidity-management strategy, it's a diversification strategy ... Nobody buying $10 billion of Nasdaq over a few weeks is going to move the Nasdaq. We're not even a dolphin; forget being a whale."

— BLOOMBERG

> Nobody buying $10 billion of Nasdaq over a few weeks is going to move Nasdaq. We're not even a dolphin; forget being a whale
>
> — RAJEEV MISRA, HEAD OF SOFTBANK'S VISON FUND

Citigroup quarterly profit tumbles on low interest rates, loan demand

REUTERS
October 13

CITIGROUP REPORTED A 34% drop in quarterly profit on Tuesday, as rock-bottom interest rates and a slowdown in loan demand outweighed the boost from a surge in financial market trading.

A 16% jump in trading fees somewhat offset a shrinking loan book and bullish results from US peer JPMorgan Chase helped prod shares higher in early trade. Bond trading revenue rose 18% from a year earlier, while equities trading increased 15%.

But the results showed revenue falling for the first time this year, sliding 7% to $17.3 billion as consumers used extra cash from stimulus programmes to pay down debt and corporate clients tapped capital markets for cash rather than rely on credit.

The US Federal Reserve cut interest rates to near zero in March in an emergency move to help shore up the economy and has kept it unchanged since then, crimping banks' lending margins and their ability to grow revenue.

Credit card customers are also spending less. Revenue in North American branded cards, the growth engine for Citi's consumer bank going into the year, tumbled 12%. Expenses rose 5%, primarily due to a $400 million fine tied to risk-and-control failures across the international bank. Executives have committed $1 billion to overhauling its operations systems.

Citi has faced renewed regulatory scrutiny since an "error" led the bank to mistakenly send Revlon creditors $900 million of its own funds in August. Since then, Chief Executive Mike Corbat announced he would retire earlier than expected in February, handing the reins to Jane Fraser.

JPMorgan posts surprise jump in profit

JPMORGAN CHASE, in its third quarter under the shadow of the pandemic, showed that the surge in trading is holding up — and so are borrowers. The biggest US bank posted a surprise increase in earnings, fuelled by a 30% jump in markets revenue as elevated volume kept its stock and bond traders busy. It also defied expectations by cutting its reserve for credit losses by $569 million, after adding $20 billion to the allowance in the first half, as charge-offs of bad loans declined from a year earlier. Those improvements and a 9% gain in investment-banking fees led to the most profitable quarter of 2020.

"The corporate and investment bank continues to be a big driver of firm performance," Chief Executive Officer Jamie Dimon said in a statement on Tuesday. "We maintained our credit reserves at $34 billion given significant economic uncertainty and a broad range of potential outcomes." The pandemic has wreaked havoc on the global economy, and bank investors have been waiting to see how much that translates into losses from soured loans. Delinquencies have remained low so far, helped by lenders' forbearance programmes and government stimulus efforts, but bank executives have warned effects could drag on for years. JPMorgan's earnings hint at what's to come when the rest of Wall Street reports results this week.

— BLOOMBERG

Biden made corrupt bargain for his party's nomination: Trump

PTI
Washington, October 13

JOE BIDEN HAS agreed to hand over the control of the Democratic Party to the socialist, Marxist and left-wing extremists to get the party's nomination, US President Donald Trump has said as he resumed his re-election campaign from the battle ground state of Florida.

Trump was briefly forced to pause his re-election campaign after he tested positive for Covid-19 on October 1 and was admitted to a military hospital for three nights and four days.

In a memorandum issued on Monday night, White House physician Dr Sean Conley said that Trump "has tested negative, on consecutive days" using the Abbott BinaxNOW antigen card.

At a rally in Florida on Monday, Trump,

US President Donald Trump addresses a rally in Florida on Monday. PHOTO: REUTERS

who is trailing his Democratic rival Biden in the run-up to the November 3 elections, said, "This is the most important election in the history of our country. And I used to say it in 2016. I'm sorry at the time. I thought it was. These people are crazy. We have to win," Trump said addressing thousands of his supporters. "Most important we've ever had. Biden has made a corrupt bargain in exchange for his party's nomination. He's handed control to the socialist, the Marxist, and the left-wing extremists. And you know that. And he's got no strength left. He's got no power left. He's got nothing going," he said.

Trump said if Biden won, the radical left will be running the country, asserting that they are addicted to power.

"God help us if they ever got it. Because we would never have the same country again and you couldn't make a comeback. You don't make comebacks from where they'd take us. If I do not sound like a typical Washington politician, it's because, frankly, I'm not a politician. I'm embarrassed by the term," Trump said.

"Joe Biden is also owned by the radical globalist, the wealthy donors, the big money, special interest who shipped away your jobs, shut down your factories, through open your borders, and ravaged our cities while sacrificing American blood and treasure in this ridiculous endless wars, set up endless wars that we've been in for a long time, 19 years," he said. The troops are now coming back home, he said.

"The corrupt political class is desperate to regain their power by any means necessary. We're the ones standing in their way. We're the one standing up for the American worker, the American family, and for the American dream, and that's what we're doing this beautiful evening," Trump said.

With the crucial elections just 22 days ahead, Trump exuded confidence of winning Florida where, according to Real Clear Politics, Biden is leading by 3.5 percentage points. Florida has 29 electoral college votes.

China warns Asian countries to be vigilant on US strategy in region

REUTERS
KUALA LUMPUR, October 13

Beijing and ASEAN members should work together to remove "external disruption" in the South China Sea, top diplomat Wang Yi said

THE CHINESE GOVERNMENT'S top diplomat, state councillor Wang Yi, on Tuesday urged Asian countries to remain "vigilant" over the risk of US strategy stoking geopolitical competition in the South China Sea and other parts of the region.

Beijing and members of the Association of South East Asian Nations (ASEAN) should work together to remove "external disruption" in the South China Sea, Wang said during a joint news conference with Malaysia's foreign minister.

"We (China and Malaysia) are both of the view that the South China Sea should not be a ground for major power wrestling teeming with warships," said Wang, who is on a short Southeast Asian tour. "China and ASEAN have full capacity and wisdom, as well as responsibility, to maintain peace and tranquillity in (the) South China Sea."

Malaysia's Foreign Minister Hishammuddin Hussein said maritime disputes should be resolved peacefully through regional dialogue. China has in recent months held military exercises in disputed parts of the strategic waterway, while Washington has accused Beijing of attempting to build a "maritime empire" in the area.

Personal Finance

WEDNESDAY, OCTOBER 14, 2020

ON STOCK MARKETS
Vinod Nair, head, Research, Geojit Financial Services

"Market may consolidate due to below than anticipated stimulus package and the large part of the positive Q2 results announced till date is well-factored into the prices."

EQUITY TRADING

Know the essentials of call and put options

Call and put options are the deals where you get the right to buy or sell respectively, an underlying asset at a later point of time at an agreed upon price

HEMANTH GORUR

WHILE INVESTORS ARE familiar with stock market instruments like shares and mutual funds, there is another class of investment instruments called Options, which are advanced investment instruments.

While options exist for assets in the commodities market as well, we will be restricting ourselves to the stock markets here. Let us see what options are.

A unique agreement

Suppose your friend has 100 grams of gold worth ₹5 lakh kept in a bank locker. There are two locks for this locker and you need both keys to open this locker for ownership of its contents. You are considering buying the gold but are not sure if gold prices will rise in future or not. Yet, you do not want to miss the opportunity to buy it at a low price in case the price does go up later. So you get into a unique agreement with your friend, wherein you get the first locker key upon paying an upfront fee of, say, ₹50,000. This means you have the sole right to open this locker or get ownership of its contents if you choose.

Since you need some time to decide on whether to buy it or not, you also agree with your friend to come back sometime after three months and buy the gold at a specific agreed upon price, say ₹6 lakh, at which point you will get the second locker key, and thus ownership of the gold. It is also agreed that if you do not come back after three months to buy the gold, you will forfeit the upfront fee, at which point you will return the first locker key to your friend.

The concept of options

The concept of options is similar. When you buy an option in the stock market, you get the right to buy (or sell) the underlying asset at a later point in time, called "expiry". This right is your first locker key as in the bank locker example. The expiry period is similar to the three-month period in the bank locker example.

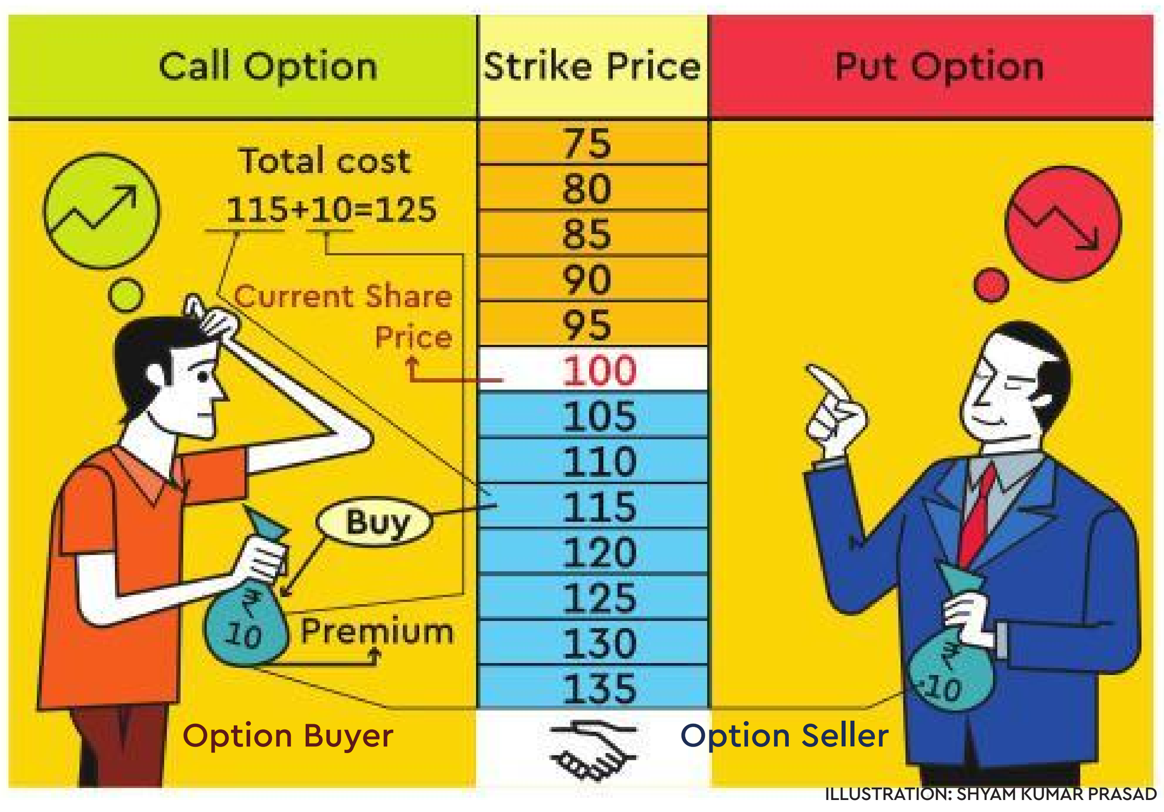


ILLUSTRATION: SHYAM KUMAR PRASAD

CALL & PUT OPTIONS: TERMS OF REFERENCE

- When you buy the right to buy shares, you are buying a call option. This happens when you expect the share price to rise later, so you want to lock in a good (low) buying price
- You buy a put option when you expect the share price to fall later, so you want to lock in a good (high) selling price
- The final agreed upon price at which you agree to buy (or sell) the shares later is called the strike price.

The underlying asset for an options contract is a company's shares, similar to the 100 grams of gold earlier. The upfront fee here is called the "premium". The final agreed upon price at which you agree to buy (or sell) the shares later is called the "strike price". Also, an options contract usually specifies a fixed minimum number of shares, called the "lot size".

Types of options & implications for investors

When you buy the right to buy shares, you are buying a call option. This happens when you expect the share price to rise later, so you want to lock in a good (low) buying price. For example, say the current share price is ₹100, and you buy a call option with a one-month expiry and strike price of ₹115, for a premium of ₹10. If you do exercise your right to buy at expiry, your cost will be ₹125 (strike price plus premium). Clearly, you will exercise your right to buy the share at expiry only if the share price at expiry is more than your cost of ₹125. In which case, you will buy the share at the strike price of ₹115 and immediately sell it to pocket the difference. If the share price is less than ₹125, you simply walk away without buying and lose only the premium of ₹10.

The other type of option is the put option, where you buy the right to sell shares. This works in exactly the opposite way. You buy a put option when you expect the share price to fall later, so you want to lock in a good (high) selling price.

Assuming the same numbers as above, with a strike price of ₹95, you will exercise your right to sell the share when the share price at expiry is less than ₹85 (strike price minus premium), in which case you will immediately buy the share from open market and sell at the strike price to make a profit. Else, you walk away and forfeit only the premium paid.

The writer is founder, Hermoneytalks.com

YOUR MONEY

ADHIL SHETTY

Plan a special festive fund and keep an eye on deals

THE FESTIVE SEASON is usually the time when people ramp up their discretionary expenses. From new clothes, gifts and electronic appliances to furniture, automobiles and home renovations, this is the time of the year when people like to indulge themselves. However, this time around when the coveted celebrations will take place under the shadow of the Covid-19 pandemic, things could be different for some of us who are uncertain about their financial future as they might find it difficult to loosen their purse strings like in years gone by.

Special budget for festive spends

Having a special budget can help you to estimate your spending threshold during the festive season. List all the expenses such as apparels, appliances, gifts, home decoration, etc., and organise them from top to bottom as per their priorities. If your budget is not adequate to meet all the expenses, you may remove some of the low-priority expenses from your list. Plan your expenses based on your budget, like if you want to buy an Ultra High Definition TV or a smartphone, try to find out which particular model would fit your budget and if there are any discounts available on it.

ILLUSTRATION: SHYAM KUMAR PRASAD

The idea should be to save as much as you can on your favourite purchases so that you can accommodate even your low-priority expenses without exceeding your spending threshold. This planning should ideally not be a last-minute exercise. Set up a special fund in advance and allocate savings or channelise investment returns every month to build the fund and reduce excessive financial stress during the festive season.

Spending via credit and debit cards

The festive season is also the time when most retail stores and e-commerce websites come up with shopping deals. Firstly, many e-commerce websites organise big shopping festivals where you can avail special discounts on your favourite purchases. On top of that, your credit or debit card may qualify for additional deals and discounts. For example, you may find that your preferred smartphone worth ₹50,000 is available for ₹40,000 if you buy it during the big shopping bonanza organised by your preferred e-commerce website. You may save another ₹5000 if you buy it through your credit or debit card and an additional ₹5,000 if you exchange it for your existing smartphone. All these deals could ensure you get this smartphone for just ₹30,000, i.e., at a 40% discount.

Many e-commerce websites organise big shopping festivals where you can avail special discounts. On top of that, your credit or debit card may qualify for additional deals and discounts

Secondly, if your existing credit or debit card doesn't qualify for additional discounts, check whether your credit card reward points can sweeten the deal or not. The reward points accumulated on your credit card throughout the year can give you additional cashback on your total outstanding dues or get you merchandise for free on redeeming your reward points that you would have to purchase otherwise.

Thirdly, many credit cards also offer no-cost EMIs which can convert your big-ticket purchases to affordable instalments. So, check whether your credit card offers this facility on your planned festive expenses. However, ensure the new EMIs don't add excessive burden to your monthly budget for credit card expenses and always clear your total outstanding in full within the interest-free deadline every month to avoid paying interest charges and late payment penalties.

As such, a detailed plan and a savvy approach can help you save a lot more on your preferred festive spends. Also, ensure you have a clear repayment plan which will not disturb your financial health if you plan to take a loan to fund your festive spends.

The writer is CEO, BankBazaar.com

YOUR QUERIES

Chaitali Dutta

You may not be able to close car loan before one year

● I took a car loan two months ago. Now I want to clear the loan but the bank says I cannot pay off the loan before one year. What should I do?

—Amrit Singh

Yes, in an auto loan there is usually a one-year period in which you cannot repay the loan. This clause must be there in your sanction letter. Please check. Park the designated funds in a liquid/arbitrage mutual fund or a bank FD after checking the interest rates and considering the taxation on it.

● I want to pay off my housing loan of ₹30 lakh for a flat which I booked seven years ago and still have not got possession. The builder has defaulted and now we residents are planning to complete the construction. Please tell me if I am taking the right decision and what will be the tax implications?

—S R Krishnan

I hope you have sought legal recourse to recover your money from the builder. As far as all of the residents coming together to complete the construction is concerned, it is a good idea to make use of your sunk funds. However, do consult a legal entity to draft an agreement between the residents to ensure that going forward things don't go wrong. I presume you have to pool in money to complete the remaining work.

LOANS

● My loan was sanctioned by an NBFC four months ago. Now it is insisting that I get a guarantor who has a property in the same city, or else it will cancel the loan. What should I do?

—Vivek Mishra

I am not aware of such a rule. This NBFC is trying to arm-twist you. Go to another bank/ NBFC for this loan.

● I am planning to buy a property from a secondary sale. The bank is asking for utility bills (electricity and gas) for the flat. But the bills are not in the owner's name. Why would banks insist on utility bills to sanction home loan?

—Prakash Chandra Sharma

Your bank is sanctioning the loan to you looking at your repayment capacity but it also creates a mortgage on the property financed by them. Therefore, it is critical to see the title of the property before the bank parts with the funds. Utility bills in the owner's name are usually asked for as additional proof of ownership.

The writer is founder, AZUKE Personal Finance Advisory (www.azukefinance.com). Send your queries to fepersonalfinance@expressindia.com

eFE

BEYOND THE STADIUM

How NTT brought this mega cycling event to your screens

Real-time data analytics ensured an immersive experience for fans of Tour de France 2020

SANDHYA MICHU

THE LAST SIX-SEVEN months have been challenging for everyone across the globe, but it has also reaffirmed the importance of technology in solving problems faced across regions, industries and day-to-day life. The work being done at Tour de France is one such example of innovation and this can be replicated across sporting events to enhance user experience.

Over the last five years, Amaury Sport Organisation (ASO) has built the Tour de France with telecom giant NTT for delivering this digital fan experience from an infrastructure and security perspective all the way to sharing data insights about the riders and the race on social media and broadcast TV. Unarguably, the fan experience is very different this year as people are encouraged not to gather in crowds, thereby making the ability to experience the race safely from home really important.

"Looking at where we are now, just about every sporting code is adjusting to managing a sporting event in a physical location while most of the fan experience takes place in a remote, virtual one," says Jason Goodall, CEO, NTT. "We've seen some incredible innovation in this area, from enabling virtual editions of events such as Le Mans and the Tour de France to having virtual crowds at football matches. Technology has played a huge role in this and will continue to do so."

> "Looking at where we are now, just about every sporting code is adjusting to managing a sporting event in a physical location while most of the fan experience takes place in a remote, virtual one
>
> — JASON GOODALL, CEO, NTT

Sharing the experience of conducting this 23-day-long cycling event, Peter Gray, SVP for Advanced Technology, NTT, says, "Sport is so important for people and their morale, and we wanted to ensure that despite the challenges this year, the Tour de France continues to bring people together, even if they can't gather at the roadsides in France. The partnership was also a testbed for new emerging technology trends such as Internet of Things and machine learning. I think an agile digital-first approach will continue beyond Covid-19. It has really exposed what's important and what's a little more flexible."

Sensors were mounted beneath the saddle of every rider in the Tour de France. These provided real-time data on speed and GPS location every second. This was transmitted using a moving mesh-network through gateways on the television, motorbikes, helicopters, and aircraft, where it was multiplexed with the broadcast video and transmitted to the finish line. NTT had created a Virtual Zone Technique which acted as a communication and control centre, streaming live data to the NTT Cloud, and to the television graphics team.

The cloud-based real-time analytics platform processes millions of data points a minute, organising and distributing it to a global team of technologists, data scientists, and marketers to create the stories that have come to define the Tour de France viewing experience. The data produces real-time data insight into the race situation, team tactics and individual's performances. The NTT Predictor machine learning engine makes live race predictions such as stage favourites and estimated time of arrival for the peloton at any point on the course.

MINDING THE MIND

Smart meditation that you can measure

Dhyana is a new-age meditation tracking device that guides you through effective meditation sessions

SUDHIR CHOWDHARY

THE COVID-19 PANDEMIC might have severely restricted people's movements, however it has brought about a drastic change in their health behaviours at home. For instance, home-based exercise has definitely piqued people's interest. Multiple organisations such as the WHO, CDC and Harvard Medical School all suggest meditation to help preserve mental health and abate stress and anxiety, especially during these turbulent times. Towards this, a new-age meditation tracking device called Dhyana is drawing a lot of attention among the health-conscious lot.

A creation of Avantari Technologies, Dhyana is basically a meditation tracking device in the form of a wearable ring that costs less than a month of Yoga sessions; originally priced at ₹6,999, it will be available at an attractive price of only ₹5,300 from October 17 this month, for customers of the Amazon Great Indian Festival sale.

While there are many apps and teachers for meditation, up until now there has not been any scientific method of knowing how well a meditation session impacts a user's body. Company officials reckon that Dhyana will guide you through effective meditation sessions, while measuring your body's response to stress. Here's how Dhyana does it.

The Dhyana ring tracks mindfulness by recording, monitoring and analysing a user's heart rate variability (HRV) and translates this information into three mindfulness metrics:

Breathing: This analysis tells a user how deep and focused are their breaths;

Focus: This is an intelligent guide in the accompanying app's interface that understands a user's emotional state and trains her to concentrate better;

Relaxation: This is a live wave that visualises the state of mind – the calmer the mind, the more tranquil the wave.

The Dhyana ring also decodes a user's meditation session and tracks their mindful minutes, that is, the amount of time they are truly mindful in a meditation session. Research shows that a minimum of 21 minutes of mindfulness can provide all the benefits of meditation and therefore, the algorithm is designed for this specific duration; however the user may extend or reduce this time as they desire.

Long story short, with this innovative wearable you can master the practise of mindfulness and gain tangible benefits for your mind and body.

Markets

WEDNESDAY, OCTOBER 14, 2020

SPOT EXCHANGE IN BASE METALS

P S Reddy, MD & CEO, Multi Commodity Exchange

We don't have a robust spot market and that is one area we will cater to in the future by setting up a spot exchange which will help us to arrive at a fair price discovery

Money Matters

G-SEC

The benchmark yield rose under selling pressure 0.006%

₹/$

The rupee ended lower amid volatile trade 0.102%

€/$

The euro fell against the dollar 0.212%

HARBINGER IN BANKING

BoB mulling to move 50% of staff into WFH in 4-5 yrs

FE BUREAU
Mumbai, October 13

BANK OF BARODA (BoB) is looking to move half of its workforce to the work-from-home (WFH) model, while the other half works from branches, MD and CEO Sanjiv Chadha said on Tuesday. The lender is also considering different variations of the model and the transition could allow it to tap into talent hitherto unavailable to the bank, he added.

Chadha said that organisations are changing in terms how they view work and employees now prefer different models of work at different stages of their career. "Our HR (human resources) models must encompass this change and if we are sufficiently creative and flexible and employee-centric, I don't believe that this transition needs to be painful at all unlike previous transitions that might have been," Chadha said, adding, "I think it is quite possible that over the next four-five years, BoB is looking at having a workforce only 50% of which may be full-time employed in branches and the balance would be working from home." He was speaking at the annual HR conclave organised by the Indian Banks' Association (IBA).

The assisted digital mode is going to be an important part of banking, Chadha said. Even as 80% of bank staff are deployed in front offices, customers may not necessarily be coming to branches. They may want to be served where they are and digital banking is becoming more and more routine, according to Chadha, and therefore, the imperative of keeping 80% of the staff at the front office is going to change. BoB is likely to divide its staff into three categories — people who need to work in the branches, people who are working remotely from the back office and people working in a hybrid manner. Customer needs will dictate the nature of this reorganisation.

Our HR (human resources) models must encompass this change and if we are sufficiently creative and flexible and employee-centric, I don't believe that this transition needs to be painful at all unlike previous transitions that might have been.

— SANJIV CHADHA , MD & CEO, BoB

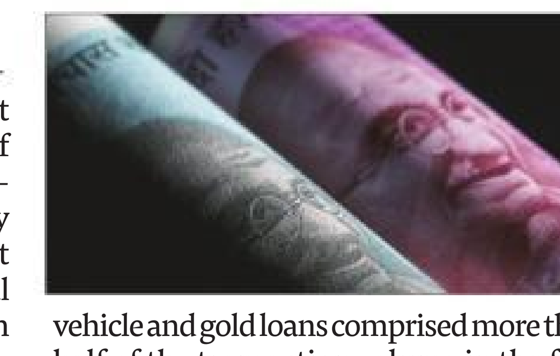
"This also gives an opportunity to access talent which was not possible previously. Since you allow people to work remotely or some work can be done remotely, you can actually access top-class talent which may be available for a few hours a day," Chadha said.

FE had reported in September that BoB is scouting for consultants to help overhaul its strategy and processes. Among the areas of revamp was the move to a new HR and digital model. The lender had said in a public document that during the pandemic, the need to shift working from centralised and large administrative locations to distributed administration and operations became apparent. Further, there is a need to infuse many new capabilities and "many more hands" required to take BoB to serve over a hundred million existing and future customers.

BoB is working to "reimagine the branch" through a branch transformation programme, which will include centralisation, digitisation and simplification. They will also help identify people freed from branches to be moved into sales and revenue-generating roles.

Securitisation transactions in H1FY21 drop 80%: Crisil

FE BUREAU
Mumbai, October 13



RATING FIRM CRISIL on Tuesday said that securitisation transactions in the first half of the current fiscal plunged 80% year-on-year (y-o-y) to just over ₹20,000 crore by value. The securitisation volume stood at ₹96,000 in the same period last financial year. However, September saw a rebound in transactions to around ₹10,000 crore as economic activity began clawing back after lockdown. Securitisation is a common method used by non-bank lenders to free up capital and generate immediate liquidity by selling loan portfolios to those looking to build their loan books.

Krishnan Sitaraman, senior director, Crisil Ratings, said, "Disbursements by non-banks had declined sharply in the first half as business activity hard-braked. That also reduced the need for non-banks to access the securitisation market to churn assets."

The securitisation volume in the first half of fiscal 2018 was around ₹37,000 crore, which surged to ₹68,000 crore in the same period of fiscal 2019, and onwards to ₹96,000 crore in the first half of fiscal 2020. Non-banking financial companies (NBFCs) had to increasingly take recourse to securitisation to raise funds after IL&FS default. Securitisation proceeds accounted for 26% of the disbursements done by the top 20 non-banks in fiscal 2020. In FY19 and FY18, the numbers were 18% and 12%, respectively. In terms of asset classes, commercial vehicle and gold loans comprised more than half of the transaction volume in the first half of this fiscal.

While private banks and insurers remained the main investors, public sector banks and NBFCs also put money into some securitised pools. However, mutual funds, major investors in recent years, have been largely inactive this fiscal. Investors preferred to acquire loans given to borrowers who had not opted to avail of the moratorium from June to August this year. Reserve Bank of India (RBI) had allowed a repayment break to borrowers for six months from March 1, 2020.

Rohit Inamdar, senior director, Crisil Ratings, said, "As more data becomes available on borrower behaviour at portfolio and pool levels, and if they point to predictable, and pre-pandemic-level, collection efficiencies, investor interest will increase." The contours of the one-time restructuring likely for borrowers will determine the extent of the securitisation recovery in the near term, he added. The central bank had permitted one-time restructuring of personal and corporate loans for borrowers impacted by Covid-19.

MCX plans to launch spot exchange in base metals

MULTI COMMODITY EXCHANGE of India on Tuesday said it is planning to launch spot exchange in base metals which will help develop and discipline the fragmented physical market and complement bourse's delivery-based futures market.

"We don't have a robust spot market and that is one area we will cater to in the future by setting up a spot exchange which will help us to arrive at a fair price discovery," MD and CEO P S Reddy said.

The country's largest commodity exchange is a monopoly exchange in delivery-based base metals futures and options.

After delivery of over 1,00,000 tonne of base metals in the last one-and-a-half years, the bourse is planning to introduce the delivery of domestically refined lead futures, currently based on the one traded on the London Metal Exchange (LME).

Other base metals contracts too are benchmarked against LME. Reddy said the LME benchmark is not relevant for India.

Quick View

Rupee dips for 2nd day, skids 7p to 73.35 versus dollar

THE RUPEE DEPRECIATED 7 paise to close at 73.35 against the US dollar on Tuesday, tracking muted domestic equities and a strengthening greenback overseas. At the interbank forex market, the rupee opened on a weak note at 73.41, and shuttled between a high of 73.32 and a low of 73.41 against the American currency. It finally finished at 73.35, down 7 paise over its previous close of 73.28. The dollar index, which gauges the greenback's strength against a basket of six currencies, rose 0.18% to 93.23.

SBI Card starts festive season with cashback, discounts

SBI CARD ON Tuesday said it has kick-started festive season offers in line with the changing shopping trends and customers will be offered discounts as well as cashback across a host of brands. With over 1,000 offers across 2,000 cities, SBI Card endeavors to bring customers a rewarding shopping experience on their festive season purchases, it said. The festive offers that started from October 1, will run till November 15, 2020.

dentsu X wins media mandate on Amfi again

DENTSU X INDIA, the media specialist from the house of dentsu international, has won the media mandate for the Association of Mutual Funds in India (Amfi). The agency won the account following a multi-agency pitch. For the record, dentsu X was also the incumbent, having handled the brand since 2016. The other agencies contending for the business were Mindshare, Madison and Initiative.

Capital Float reaches 1 million customers

DIGITAL FINANCIAL SERVICES provider Capital Float on Tuesday said it has crossed the one million customers milestone and has disbursed over $1.2 billion (₹9,000 crore) till date to small businesses and retail borrowers. Capital Float has crossed "one million lifetime customers" as more Indians find value in the company's credit services, it said. Since the onset of Covid-19, the firm has seen demand surge for its small-ticket digital credit facilities, particularly for making purchases online.

Sundaram Bluechip Fund NFO mobilises over ₹650 cr

SUNDARAM MUTUAL HAS concluded their Sundaram Bluechip Fund New Fund Offering which was open from September 17 to October 1, 2020. The offering has collected over ₹650 crore from over 46,000 customers spread across 562 cities. According to the fund house, despite the Covid pandemic, this collection figure is a significant increase over those of our previous two NFOs in the last one year.

Karnataka Bank Q2 net rises 13% to ₹119 crore

PRESS TRUST OF INDIA
New Delhi, October 13

PRIVATE SECTOR KARNATAKA Bank on Tuesday reported a nearly 13% rise in net profit at ₹119.44 crore for the September quarter as bad loans moderated.

The bank had posted a net profit of ₹105.91 crore in the July-September period of the previous fiscal.

Total income rose to ₹1,933.52 crore in the quarter under review, against ₹1,902.41 crore in the same period of 2019-20, Karnataka Bank said in a regulatory filing.

However, the interest income fell to ₹1,603.71 crore from ₹1,629.64 crore a year ago. Income from other sources rose to ₹329.81 crore from ₹272.77 crore.

The lender witnessed an improvement on the asset quality front, as the gross non-performing assets (NPAs) fell to 3.97% of the gross advances as on September 30, 2020, from 4.78% in the year-ago period.

In value terms, the gross NPAs were down to ₹2,188.80 crore from ₹2,594.27 crore. Net NPAs or bad loans fell to 2.21% (₹1,194.60 crore) from 3.48% (₹1,863.11 crore). However, provisions for bad loans and contingencies were raised to ₹322.13 crore for the September quarter of 2020-21, as compared to ₹262.40 crore in Q2FY20.

With regard to provision requirement of 10% against moratorium availing accounts due to the Covid-19 impact, Karnataka Bank said it provided ₹24.08 crore on such loans for the March 2020 quarter, and ₹73.91 crore for the June quarter. The aggregate Covid-19 provision of ₹97.99 crore has been continued for the period ending September 30, 2020, it added.

The bank has been able to keep the bottom line intact with a steady growth in net profit, improve the asset quality significantly and gross and net NPAs decreased to 3.97% and 2.21%, respectively, managing director and CEO Mahabaleshwara M S said.

Further, the provision coverage ratio has reached an all time high of 75.44% on account of accelerated prudent provisioning.

Pandemic-driven loan recast to take GNPAs to 11.5% by March, says Care Ratings

PRESS TRUST OF INDIA
Mumbai, October 13

THE PANDEMIC-INDUCED ONE-TIME loan restructuring will spike the system-wide gross non-performing assets (GNPAs) to 11-11.5% by March, says a report.

Care Ratings expects 4-5% of the existing loans to be stressed and opt for restructurings through the course of the year.

The system-wide GNPAs stood at 8.2% in Q1 of FY21, down from 9.5% in Q1 FY20, thanks to the recoveries and higher write-offs during the period.

The ratings agency expects fresh additions to the dud assets pile to primarily come from loans under SMA 1 and SMA 2 categories which were already under moratorium and not eligible for restructuring, lower rated corporates and personal loans not eligible for the restructuring scheme and the unsecured personal loans.

The new loan recast will ensure that the country continues to have the third highest bad loans among large economies after Greece and Russia. Smaller countries with higher ratios include Ukraine, Cyprus, Ghana and Kenya, the report said.

While Greece had GNPAs of 36.4% in 2019, down from 45.6% in 2017 and from 42% in 2018, the same for Russia stood at 9.3%, 10% and 10.1%, respectively.

The comparable numbers for India stood at 9.2% in 2019, 10% in 2017 and 9.5% in 2018.

In absolute terms, India's GNPAs rose steadily from ₹7.1 lakh crore in Q4 of FY17 to ₹8.8 lakh crore in Q3 of FY18, and spiked to ₹10.2 lakh crore in Q4 of FY18.

The highest incremental NPA addition of ₹1.4 lakh crore was in Q4 FY18, after which the numbers began to moderate and came down to ₹8.4 lakh crore in Q1 of FY21.

Of the total dud loans, state-run banks accounted for around 80% of the pile till Q1 of FY20, after which there was substantial contraction in their GNPAs and it stood at ₹6.4 lakh crore in Q1 of 2021, down from ₹7.4 lakh crore in Q1 FY20.

Meanwhile, GNPAs of private sector lenders remained steady at ₹2 lakh crore between September 2017 and September 2019.

System-wide asset quality has been improving due to recoveries (SBI ₹4,056 crore, Canara Bank ₹1,440 crore, PNB ₹1,069 crore and Bank of India ₹546 crore) and higher write-offs.

As of June 2020, state-run banks saw a 13.4 per cent contraction in their GNPAs, while that of the private lenders grew by 7.5 per cent.

Meanwhile, the pandemic-related provisions surged in the June 2020 quarter with banks providing higher additional provisions — ICICI Bank ₹5,550 crore, SBI ₹1,836 crore, IndusInd Bank ₹1,203 crore, Bank of Baroda ₹996 crore, Axis Bank ₹733 crore and Kotak Mahindra Bank ₹667 crore, along others, taking the total provisions to ₹0.47 lakh crore.

Further, top 100 borrowers accounted for 17.5% of gross advances, but only 12.6% of GNPAs in March 2020.

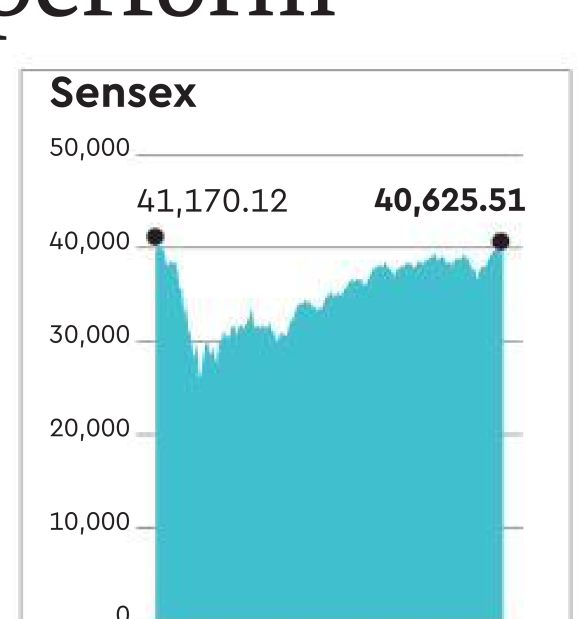
Markets end flat as banks' stocks underperform

FE BUREAU
Mumbai, October 13

BROADER MARKETS UNDERPERFORMED the benchmark indices on Tuesday ending the trading session with losses as compared to the benchmarks that ended the day flat. The Nifty was up by 3.5 points (0.03%) to close at 11,934.5, while the Sensex rose by 31.7 points (0.08%) to close at 40,625.51. Conversely, Nifty Midcap 100 and Nifty Smallcap were down by 0.48% and 0.17%. The markets were helped because of buying in Reliance Industries and information technology stocks, which offset the drag in the financial stocks that were down after the Supreme Court postponed the hearing on the interest waiver case.

The benchmarks have been range bound for the last two trading sessions. The midcap and smallcap stocks have been under duress since the start of October, with the Nifty Midcap 100 and Nifty Smallcap 100 indices down by 0.76% and 0.27% so far this month. This is the first time since the rout in March that the midcap and smallcap stocks have underperformed the broader markets. G Chokkalingam, chief investment officer, Equinomics Research and Advisory, said, "The overall market cap has crossed ₹160 trillion, which means that valuations have peaked. IPOs, offer for sales and placements too have sucked the liquidity out of the system. Additionally, investors are cautious ahead of the quarterly results which is why the markets will trade at the current levels and can possibly see a correction of 4% to 5% this month."

Additionally, after the banking stocks especially Nifty Bank declined by 0.93% after the Supreme Court announced that it would take up the much awaited hearing on the interest waiver case the next day instead of Tuesday. The biggest losers on Nifty Bank were Bandhan Bank, RBL Bank, ICICI Bank, Punjab National Bank, and Axis Bank which were down by 2.84%, 2.83%, 2.13%, 2.11%, and 1.7%. So far, the Nifty Bank since the start of the year is down by 26.8%.



The outperformance that the banking stocks had over the benchmarks since 2016 to 2019 has been completely wiped out because of their current market underperformance. Banks are also set to announce their September quarter results. According to HDFC Securities Institutional Research Desk, the banking sector is going to continue to see polarisation. In its report, the brokerage said, "We expect the space to witness increased polarisation. Consequently, larger banks with sufficient capital, strong granular liability franchises, and a good asset quality track record are expected to emerge stronger."

Asian markets were trading flat on Tuesday with the stock markets in South Korea and Taiwan down by 0.02% to 0.03%. Shanghai Composite, China's benchmark was up by 0.03%. European markets in France, the UK, and Germany were down between 0.37% to 0.67%.

ANALYST CORNER

Fair value of ₹30 on Cipla for concerns on IV Tramadol

EDELWEISS SECURITIES

THE USFDA'S COMPLETE Response Letter (CRL) to Avenue Therapeutics' (Avenue) NDA for IV Tramadol, while likely to raise concerns over the drug's future as approval pathway remains unclear, poses limited risk to Cipla as future payment is based on several conditions being met, failing which Cipla can renegotiate deal terms. In case of delay in approval or unfavourable outcome (label, REMS), Cipla could terminate the deal and write off $35m; or renegotiate deal terms and pay less than the committed $180m. We have built in INR30 fair value for IV Tramadol (~4% of fair value) assuming FY22 launch.

The CRL stated that IV tramadol is not safe to treat the intended population i.e., those in acute pain requiring opioids. According to the FDA, if the patient requires an analgesic after the first dose of IV tramadol, then it is most likely to be an opioid. This is likely to cause opioid-related side effects, thus, negating the intended aim of IV tramadol. However, the FDA did not identify a safety signal in Avenue's clinical development programme. In addition, the CRL stated that the FDA requires an adequate terminal sterilisation validation prior to NDA approval, which is planned for later this quarter.

Avenue is attempting a Type A meeting (urgent meeting for a stalled drug development) within the next 30 days to reach some kind of understanding with the FDA. The company believes the drug can be approved by April 30, 2021, but is not committing to this timeline at this stage. We have built in INR30 fair value for IV tramadol for Cipla, which is ~4% of fair value. This is based on 75% probability of approval, $250mn peak sales in FY30 and an expected launch in FY22.

Cipla had invested $35mn in FY19 for 33% stake and was expected to buy out the balance for $180mn subject to certain conditions FDA approval by April 30, 2021; no REMS programme; general pain label (and not restricted to any surgery); and d) a Schedule-4 drug (low potential for abuse). In the likelihood of conditions not being met, Cipla has the right from May 1-October 31, 2021, to: a) terminate the deal entailing write-off of $35m that stands on its balance sheet as a one-off in the worst case; b) not go ahead with balance stake purchase; and c) renegotiate the second payment tranche (of $180m) .

Upgrade Dr Lal Pathlabs to 'neutral' with TP of ₹2,155

NOMURA

ACTION: UPGRADE TO Neutral; new TP of INR2,155 implies 1% upside This past week, Metropolis (METROHL IN, Not rated) and Thyrocare (THYROCAR IN, Not rated) released 2QFY21 business updates, and reported 25% and 37% y-y growth in revenues, respectively. While the companies' non-Covid-19 businesses improved, it was the higher contribution from Covid-19 tests that surprised us positively. We note that EBITDA contribution from Covid-19 tests was much higher than we had previously estimated due to high volumes and a drop in raw material costs. We expect Covid-19 tests to continue to boost DLPL's near-term earnings, as the number of cases remains high in India and the positive test rate at ~6.5% is higher than the WHO's recommended rate of below 5%; efforts will be made to increase the proportion of RT-PCR tests (this test is the main contributor to Covid-19 revenues), which are more accurate than Rapid Antigen Tests; likely higher demand for antibody tests for surveys; and some tail demand beyond the pandemic for patients exhibiting normal flu-like symptoms. These positives are likely to be negated by reduced pricing of tests, as dictated by state government orders. Covid-related revenues should peak in 2QFY20F. We factor in 21% and 6% revenues in FY21F and FY22F, respectively. We lift our estimates to reflect the increased contribution from Covid-19 tests in revenue and margins. Hence, our FY21F/22F/23F earnings are up by 30%/19%/17%.

We value DLPL based on 45x (40x earlier) Sep'22 EPS of INR47.9 to arrive at our TP of INR2,155. Our TP implies upside of 1%, hence we upgrade to Neutral. Our target valuation multiple is slightly higher than the past 4.5 years average multiple of 42.2x. We had argued for a fair value range of 30-50x. The downside of the valuation range was driven by our concerns over Covid-19's impact. With our concerns on Covid-19 impact now significantly lower, we expect fair value range at 40-50x. Our DCF model suggests a fair value range of 38-51x. One could argue for a higher multiple given low capital intensity and growth supported by under-penetration and market share consolidation. We think the entry barriers are low, and there is risk of competition from other large industry participants or regulatory interventions driving down pricing.

New norm for debenture trustees in case of default

PRESS TRUST OF INDIA
New Delhi, October 13

MARKETS REGULATOR SEBI on Tuesday came out with a uniform procedure that needs to be followed by debenture trustees in case of default by issuers of listed debt securities.

The process also includes seeking consent from the investors for enforcement of security or for entering into an inter-creditor agreement (ICA), Sebi said in a circular. The decision has been taken in consultation with stakeholders, including investors, debenture trustees (DTs) and issuers.

Due to the presence of multiple ISINs which may have been issued under the same Information Memorandum (IM) or a single ISIN which may have been split across multiple IM(s), Sebi said 'event of default' will be reckoned at the ISIN level. This is because all terms and conditions of issuance of security are same under a single ISIN even though it might have been issued under multiple IMs.

ISIN (International Securities Identification Number), which has 12 characters, is used for uniquely identifying securities like stocks, bonds warrants and commercial papers.

Sebi said the resolution plan in the ICA may involve restructuring, including roll-over of debt securities, requiring consent of the investors. Under the process for seeking consent for enforcement of security and for signing the ICA, Sebi said DTs will send a notice to the investors within three days of the event of default by a registered post or hand delivery with proof of delivery, or through any other mode and proof of dispatch of such notice will be maintained. Investors in debt securities, being financial creditors, are approached by other lenders to sign an agreement, referred to as the ICA, under specific terms detailed in the framework as stipulated by the RBI.

The notice will contain the negative consent for proceeding with the enforcement of security, positive consent for signing the ICA, the time period within which the consent needs to be provided (consent to be given within 15 days from the date of notice) and the date of meeting to be convened. Sebi said DTs will convene the meeting of all investors within 30 days of the event of default.

Challenges and growth paradigm for India

SUSHIM BANERJEE

Former DG, Institute of Steel Growth and Development

WHEN WE IN India first heard of Covid-19 pandemic at the beginning of the current year, we knew it has originated in China and knowing the impressive stride China has taken recently to revitalise its economy, we convinced ourselves that the country would be able to face the crisis head on. Meanwhile, the devil had engulfed almost all the nations.

Today, nearly 1.07million have lost their lives to this virus, more than one-sixth of global youths have lost their jobs, more than 90 million people have been reduced to extreme poverty, according to recent estimates. In India this calamity has taken lives of nearly 0.11 million people, unemployment rate exceeded 7.0%, income inequality has also risen much, although no firm estimates are available.

Along with global GDP and global trade, both of which have been predicted to contract by 4.5% and 11.9%, respectively, India's GDP contraction has been predicted to be one of the highest. One plausible explanation provided earlier was the prolonged lockdown undertaken by the country, which has enabled it to reduce the mortality rates (stringency index developed by Oxford university) but the economic impact was disastrous.

It is an extremely difficult choice for a democratic government that is accountable for loss of human lives more than anything else. In addition, one major distinction between advanced economies and emerging economies like ours concerns the existing social welfare measures. The unemployment benefits by the US were boosted and in the European Union, around 40 million workers were placed in furlough schemes. As a result, the gross public debt as a percentage of GDP in advanced countries jumped from 105% to 132% during the year.

With the prevailing low or negative interest rates, the repayment may not pose a serious risk. India's scenario is different and it would be interesting to list out the critical economic factors that need special focus in the remaining period of the current fiscal year to get the economy back to rails. Indian economy has been predicted to de-grow by 4.9% in 20-20 by IMF before growing by 5.4% in 2021. These figures may undergo a change in the revised estimates due next week.

This is the first time that RBI has come out with economic scenario analysis for the country (Monetary Policy Committee Report, October'20). The base line forecasts (with assumptions that inflation will come down and no recurrence of Covid) de-growth at 9.5% in the current fiscal and rebound of a positive 10.1% in FY22.

(Views expressed are personal)

Non-life insurance industry's gross direct premiums clock 4.41% fall

FE BUREAU
Mumbai, October 13

GROSS DIRECT PREMIUM underwritten by the non-life insurance industry saw growth in the first half of the current financial year. However, the premiums came down 4.41% in September as motor insurance and crop insurance businesses remained under pressure. Market participants are of the opinion that in the last few months, premiums in health insurance have increased for the whole industry.

Data from the Insurance Regulatory and Development Authority of India (Irdai) revealed that general insurance companies' registered premiums grew 1.57% to ₹97,025.04 crore over April and September this year, compared to ₹95,528.40 crore clocked in the previous financial year. In September this year, the non-life insurance industry saw gross direct premiums of ₹23,056.80 crore against ₹24,121.56 crore in September last year, clocking a fall of 4.41%.

Irdai data revealed that general insurance cos' registered premiums grew 1.57% to ₹97,025.04 cr over April and September this year, compared to ₹95,528.40 cr clocked in the previous financial year

Mahesh Balasubramanian, MD and CEO of Kotak General Insurance, said, "Commercial lines of business-like property, engineering and fire have grown because of price rise and overall increase in premiums. Even health premiums have seen good surge as people are now realising the importance of having a health insurance due to the ongoing pandemic." He also added that motor insurance had de-grown in the past few months and new vehicle sales had been depreciated.

The standalone health insurance companies saw gross premiums at ₹7,810.97 crore in the first half of the current fiscal year compared to ₹6,099.50 crore in the last financial year, registering 28.06% growth. Currently, health and motor insurances have market shares of around 31% and 30%, respectively, in new business premiums. Market participants said motor insurance numbers should look positive in the next two months due to the festive demand.

Industry players also said the fall in premiums in September could be related to crop insurance. According Care Ratings, "In September 2019, the premiums had increased primarily due to higher crop insurance premiums. In the current year, crop insurance premiums till August 2020 have been higher, but anecdotal data suggests that as the crop insurance scheme has been made optional, farmer enrolment has reduced. Another reason for the drop in farmer enrolment is reportedly the delay in pay-outs."

भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited

EXPRESSION OF INTEREST FOR HR CONSULTANCY SERVICES

BHEL is desirous to engage a professional consulting agency, to carry out diagnosis and assessment of HR Function. It is intended that the process shall result in rejuvenation of HR Systems and Processes by identifying and removing impediments and making it more contemporary. The overall purpose is to ensure alignment of HR systems & processes in supporting business growth and operational excellence.

For full details – log on to BHEL website:
http://www.bhel.com/index.php/eoi_tenders)

Form No. INC-25A

Advertisement to be published in the newspaper for conversion of public company into a private company

Before the Regional Director, Ministry of Corporate Affairs Northern Region

In the matter of the Companies Act, 2013, section 14 of Companies Act, 2013 and rule 41 of the Companies (Incorporation) Rules, 2014

AND

In the matter of **M/s Lanark Overseas Limited** having its registered office at AP-70/A, Ground Floor, Pitampura, New Delhi-110034 ...***Applicant***

Notice is hereby given to the general public that the company is intending to make an application to the Central Government under Section 14 of the Companies Act, 2013 read with aforesaid rules and is desirous of converting into a private limited company in terms of the special resolution passed at an Extraordinary General Meeting held on September 11, 2020 to enable the company to give effect for such conversion.

Any person whose interest is likely to be affected by the proposed change/ status of the company may deliver or cause to be delivered or send by registered post of his objections supported by an affidavit stating the nature of his interest and grounds of opposition to the concerned Regional Director, B-2 Wing, 2nd Floor, Paryavaran Bhavan, CGO Complex, New Delhi-110003 within fourteen days from the date of publication of this notice with a copy to the applicant company at its registered office at the address mentioned below:

AP-70/A, Ground Floor, Pitampura, New Delhi 110034, IN

For **LANARK OVERSEAS LIMITED**
Sd/-
DINESH KAKAR
(Director)
DIN: 01113121

Date: 14.10.2020
Place: New Delhi

TATA CAPITAL HOUSING FINANCE LIMITED

Registered Address: 11th Floor, Tower A, Peninsulaa Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013

BRANCH ADDRESS :- Office SCO-56, IInd Floor Sector 26-D, Chandigarh (U.T) - 160012

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTY
(Under Rule 8(6) of the Security Interest (Enforcement) Rules 2002)

E-AUCTION SALE NOTICE FOR SALE OF IMMOVABLE ASSETS UNDER THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 READ WITH PROVISO TO RULE 8(5) OF THE SECURITY INTEREST (ENFORCEMENT) RULES, 2002

LOAN ACCOUNT NO. 9400103

Notice is hereby given to the public in general and in particular to the below Borrower/ Co- Borrower that the below described immovable property mortgaged to Tata Capital Housing Finance Ltd. (Secured Creditor), the Physical Possession of which has been taken by the Authorised Officer of Tata Capital Housing Finance Ltd. (Secured Creditor), will be sold on 29-Oct-2020 (Auction Date) "As is where is" & "As is what is" and "Whatever there is" for recovery of total sum of Rs. 20,84,991/- (Rupees Twenty Lakh Eighty Four Thousand Nine Hundred and Ninety one) as on 28-May- 2018 from Mr. Yogesh kumar as (Borrower) & Mrs. Meenuas (Co-Borrower). The Reserve Price and the Earnest Money Deposit is mentioned below. Whereas the sale of secured asset is to be made to recover the secured debt and whereas there was a due of a sum **of Rs.20,84,991/- (Rupees Twenty Lakh Eighty Four Thousand Nine Hundred and Ninety one)including all costs, interest etc. as on 28-May- 2018.** Notice is hereby given that, in the absence of any postponement/ discontinuance of the sale, **the said property shall be sold by E- Auction at 2 P.M. on the said 29-Oct-2020 (Auction Date) at Office SCO-56, IInd Floor Sector 26-D, Chandigarh (U.T) 160012 (Place of Auction).** The sealed E- Auction for the purchase of the property along with EMD Demand Draft shall be received by the Authorized Officer of **the TATA CAPITAL HOUSING FINANCE LTD till 5 P.M. on 28-Oct-2020. The sale of the property will be in "as is where is condition" and the liabilities and claims attaching to the said property, so far as they have been ascertained, are specified in the Schedule.**

Description of Secured Asset	Type of Possession	Reserve Price (Rs.)	Earnest Money (Rs.)
Item No. 1. All That Piece and Parcel of House no. 8/961, Ward No.8, Waka Mochi Mohalla, Darabai Lain, Town **Karnal, Haryana, Area admeasuring 126.88 Sq. Yds. owned by Sh. Yogesh Narang S/o Narinder Narang, Sale Deed No. 5154/1 dated 27-12-2002.**	**PHYSICAL POSSESSION**	**Rs. 15,54,505/-**	**Rs. 1,55,450/-**

The description of the Secured asset/ property that will be put up for sale is as per above Schedule. The E auction will be stopped if, amount due as aforesaid, with interest and costs (including the cost of the sale) are tendered to the 'Authorized Officer' or proof is given to his satisfaction that the amount of such secured debt, interest and costs has been paid before the date of the auction.

No officer or other person, having any duty to perform in connection with this sale shall, however, directly or indirectly bid for, acquire or attempt to acquire any interest in the property sold.

The sale shall be subject to the conditions prescribed in the Security Interest (Enforcement) Rules, 2002 and to the following further conditions:

The E-auction will take place through portal https://DisposalHub.comon 29-Oct-2020 (Auction Date) between 2.00 PM to 3.00 PM with limited extension of 10 minutes each.

Terms and Condition:

1. The particulars specified in the Schedule herein below have been stated to the best of the information of the undersigned, but the undersigned shall not be answerable for any error, misstatement or omission in this proclamation. In the event of any dispute arising as to the amount bid, or as to the bidder, the lot shall at once again be put up to auction subject to the discretion of Secured Creditor. **2.** The property shall not be sold below the Reserve Price.**3**. **Bid Increment Amount will be: Rs.10,000/- (Ten Thousand Only) 4. All the Bids submitted for the purchase of the property shall be accompanied by Earnest Money as mentioned above by way of a Demand Draft favoring the "TATA CAPITAL HOUSING FINANCE LTD." payable Chandigarh. Address: Office SCO-56, IInd Floor Sector 26-D, Chandigarh (U.T) 160012.The Demand Drafts will be returned to the unsuccessful bidders after auction. 5.** The highest bidder shall be declared as successful bidder provided always that he/she is legally qualified to bid and provided further that the bid amount is not less than the reserve price. It shall be in the discretion of the 'Authorized Officer' to decline acceptance of the highest bid when the price offered appears so clearly inadequate as to make it inadvisable to do so. **6.** For reasons recorded, it shall be in the discretion of the 'Authorized Officer' to adjourn/discontinue the sale. **7.** I**nspection of the property can be done on 19-Oct-2020 (Inspection Date) between 11 AM to 5.00 PM. 8.** The person declared as a successful bidder shall, immediately after such declaration, deposit twenty-five per cent of the amount of purchase money/bid which would include EMD amount to the 'Authorised Officer' within 24Hrs and in default of such deposit, the property shall forthwith be put to fresh auction/Sale by private treaty. **9.** In case the initial deposit is made as above, the balance amount of the purchase money payable shall be paid by the purchaser to the 'Authorized Officer' on or before the 15th day from the date of confirmation of the sale of the property, exclusive of such day, or if the 15th day be a Sunday or other holiday, then on the first office day after the 15th day. **10.** In the event of default of any payment within the period mentioned above, the property shall be put to fresh auction/Sale by private treaty. The deposit including EMD shall stand forfeited by **TATA CAPITAL HOUSING FINANCE LTD** and the defaulting purchaser shall lose all claims to the property. **11.** Details of any encumbrances, known to the **TATA CAPITAL HOUSING FINANCE LTD**, to which the property is liable: Nil. Claims, if any, which have been put forward to the property and any other known particulars bearing on its nature and value: Nil **12. For any other details or for procedure online training on e-Auction to the prospective bidders may contact the Client Service Delivery (CSD) Department of our Sales & Marketing and e-Auction Service Provider, M/s NexXen Solutions Private Limited, Address: #203, 2nd Floor, Shree Shyam Palace, Sector: 4&5 Crossing, Railway Road, Gurugram 122 006 through its Mobile No. +91 97100 29933, +91 98100 29926, Tel. No. +91 124 4 233 933, E-mail ID:CSD@disposalhub.com or Arijit Bhatt, Email id Arijit.bhatt@tatacapital.comAuthorized Officer Mobile No 9029073280.Please send your query on WhatsApp Number 9029073280. 13. Please refer to the below link provided in secured creditor's website www. https://bit.ly/3kgb5Xm for the above details.**

DATE : 14-10-2020 — **Sd/- Mr. ARIJIT BHATT (Mob. No. 9029073280)**
PLACE : CHANDIGARH — **Authorised Officer For TATA CAPITAL HOUSING FINANCE LIMITED**

SCHEDULE-I
FORM A
PUBLIC ANNOUNCEMENT

(Regulation 14of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)

FOR THE ATTENTION OF THE STAKEHOLDERS OF PANASH EDUCATIONAL SERVICES PRIVATE LIMITED

1.	**Name of Corporate Person**	**PANASH EDUCATIONAL SERVICES PRIVATE LIMITED**
2.	Date of Incorporation of Corporate Person	27/08/2008
3.	Authority under which Corporate Person is Incorporated / Registered	RoC-Delhi
4.	Corporate identity number/limited liability identity number of Corporate Person	U80212DL2008PTC182546
5.	Address of the registered office and principal office (if any) of Corporate Person	**Registered Office:** Panash House, TA-21-22, Tuglakabad Extnsion, Main Okhla Road, New Delhi-19 **Principal Office:** 37, Rampuri, Kalkaji, New Delhi-19
6.	Liquidation commencement date of Corporate Person	09.10.2020
7.	Name, address, email address, telephone number and the registration number of the liquidator	**Abhishek Anand** E-103, LGF, Greater Kailash Enclave-1, New Delhi-110048 **Email:** irpepoch@gmail.com, **Mob:** 9899000168 **Reg. No.:** IBBI/IPA-002/IP-N00038/2016-2017/10077
8.	Last date for submission of Claims	**14.11.2020**

Notice is hereby given that the **Panash Educational Services Private Limited** has commenced voluntary liquidation on **09.10.2020.**

The stakeholders of **Panash Educational Services Private Limited** are hereby called upon to submit a proof of their claims, on or before **14.11.2020**, to the liquidator at the address mentioned against item 7.

The financial creditors shall submit their proof of claims by electronic means only. All other stakeholders may submit the proof of claims in person, by post or by electronic means.

Submission of false or misleading proofs of claim shall attract penalties.

Sd/-
Name and Signature of the Liquidator: **Abhishek Anand**
Reg. No.: IBBI/IPA-002/IP-N00038/2016-2017/10077

Date : 13.10.2020
Place: Delhi

Form No. INC-25A

Advertisement to be published in the newspaper for conversion of public company into a private company

Before the Regional Director, Ministry of Corporate Affairs Northern Region

In the matter of the Companies Act, 2013, section 14 of Companies Act, 2013 and rule 41 of the Companies (Incorporation) Rules, 2014

AND

In the matter of **M/s Oxyzen Hotels Limited** having its registered office at 913, D Mall, Netaji Subhash Place, Pitampura, New Delhi - 110034 ...***Applicant***

Notice is hereby given to the general public that the company is intending to make an application to the Central Government under section 14 of the Companies Act, 2013 read with aforesaid rules and is desirous of converting into a private limited company in terms of the special resolution passed at an Extraordinary General Meeting held on September 11, 2020 to enable the company to give effect for such conversion.

Any person whose interest is likely to be affected by the proposed change/ status of the company may deliver or cause to be delivered or send by registered post of his objections supported by an affidavit stating the nature of his interest and grounds of opposition to the concerned Regional Director, B-2 Wing, 2nd Floor, Paryavaran Bhavan, CGO Complex, New Delhi-110003 within fourteen days from the date of publication of this notice with a copy to the applicant company at its registered office at the address mentioned below:

913, D Mall, Netaji Subhash Place, Pitampura, New Delhi - 110034, IN

For **OXYZEN HOTELS LIMITED**
Sd/-
DINESH KAKAR
(Director)
DIN: 01113121

Date: 14.10.2020
Place: New Delhi

Motor Sales Limited

Regd. Off. 11,Mahatma Gandhi Marg, Lucknow - 226001
Corporate Identity Number: L65921UP1972PLC003642
Website:www.motorsales.co.in
Email: director@motorsales.co.in Ph No. : 0522-2630830 to 38

RESULT OF POSTAL BALLOT AND E VOTING

Pursuant to the provisions of Section 110 and Section 108 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and as per Postal Ballot Notice dated 01st September, 2020, the members of the Company have passed the following Special resolution with requisite majority through Postal Ballot process including E Voting for special business listed therein:

Based on Scrutinizer's Report dated: Tuesday, 13th October, 2020, the results of Postal Ballot is declared as under:

Item No.	Particulars	Types of resolution	Total No. of valid votes	Mode	Total votes cast in favour		Total votes cast against	
					No. of shares	% of votes	No. of shares	% of votes
1.	Voluntary Delisting of Equity Shares of the Company pursuant to the SEBI (Delisting of Equity Shares) Regulations 2009 (as amended) from Calcutta Stock Exchange Limited (CSE) where the shares of the Company are listed.	Special Resolution	185050	Physical	138310	74.74	0	0
				Electronic	46740	25.26	0	0
				Total	185050	100	0	0

Accordingly, the above Special Resolution has been passed with requisite majority. The date of declaration of results of Postal Ballot and E Voting i.e October 13, 2020 is considered to be the date of passing of the resolution. The result of Postal Ballot has been displayed on the website of the CDSL and has also been posted on the Company's website (www.motorsales.co.in) along with the Scrutinizer's Report and communicated to the Stock Exchange where the shares of the Company are listed.

For Motor Sales Limited
sd/-
(Ajay Gupta)
Director
(DIN-00759028)

Date: 13.10.2020
Place: Lucknow

COLGATE-PALMOLIVE (INDIA) LIMITED

CIN: L24200MH1937PLC002700
Regd. Office: Colgate Research Centre, Main Street, Hiranandani Gardens, Powai, Mumbai 400 076
Tel.: (022) 6709 5050, **Fax:** (022) 2570 5088
Website: www.colgatepalmolive.co.in;
E-mail ID: investors_grievance@colpal.com

NOTICE

NOTICE is hereby given that pursuant to Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Meeting of the Board of Directors of the Company is scheduled to be held on Wednesday, October 21, 2020, inter-alia, to consider, approve and take on record the Unaudited Financial Results of the Company for the quarter ended September 30, 2020.

The Notice of the Board Meeting can also be accessed on the Company's website at www.colgatepalmolive.co.in and may also be accessed on the Stock Exchange websites at www.bseindia.com and www.nseindia.com

For **Colgate-Palmolive (India) Limited**
K. Randhir Singh
Company Secretary & Compliance Officer

Place: Mumbai
Date: October 13, 2020

ADITYA BIRLA CAPITAL

PROTECTING INVESTING FINANCE ADVISING

Aditya Birla Housing Finance Ltd.

Regd Office : Indian Rayon Compound, Veraval, Gujarat - 362 266 **Branch Office :** Shop No-T/4, 3rd Floor, Max Building, Block No-86/4, Sanjay Place, Agra-282002 **Contact Nos:** Pankaj Rana -7065748080, Daljinder Singh -9582222425, Rohit Gupta -9359744685

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES

E-Auction Sale Notice for Sale of Immovable Asset(s) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to rule 8 and 9 of the Security Interest (Enforcement) Rules, 2002

Notice is hereby given to the public in general and in particular to the Borrower(s) and Guarantor(s) that the below described immovable properties mortgaged/charged to the Secured Creditor, the physical possession of which has been taken by the Authorised Officer of Aditya Birla Housing Finance Limited/Secured Creditor, will be sold on **"As is where is", "As is what is", and "Whatever there is"** on 29.10.2020, for recovery of **Rs. 10,40,688/- (Rupees Ten Lakhs Forty Thousand Six Hundred Eighty Eight Only) as on 15-07-2020** and further interest and other expenses thereon till the date of realization, due to Aditya Birla Housing Finance Limited/Secured Creditor from the Borrowers and Guarantor(s) namely **Vikrant Sharma, Geetanand Sharma, Vikrant Sharma (Proprietor of Scoop- The Ice Cream Parlour).** The **reserve price** will be Rs. Rs 7,05,000/- (Rupees Seven Lakhs Five Thousand only) and the **Earnest Money Deposit (EMD)** will be Rs. 70,500/- (Rupees Seventy Thousand Five Thousand Only). The last date of EMD deposit is 28.10.2020.

DESCRIPTION OF IMMOVABLE PROPERTY:

ALL THAT PART AND PARCEL OF THE BUILT UP PROPERTY SITUATED AT AND BEARING NO. "PART OF PLOT NO. 6, KHASRA NO. 480, MEASURING AREA 69.67 SQUARE METRE AT YUKTI VIHAR COLONY, MAUZA ROHTA, AGRA, UTTAR PRADESH-282005. North :- PLOT NUMBER 5, East :- PART OF PLOT NO. 6, South- 25FT WIDE ROAD, West :- PART OF PLOT NO. 6..

For detailed terms and conditions of the sale, please refer to the link provided in Aditya Birla Housing Finance Limited/Secured Creditor's website i.e. https://homefinance.adityabirlacapital.com/properties-for-auction-under-sarfaesi-act or https://sarfaesi.auctiontiger.net

Date: 14.10.2020
Place: Agra

Authorised Officer,
Aditya Birla Housing Finance Limited

Karnataka Bank Ltd.
Your Family Bank. Across India.

SALE NOTICE OF IMMOVABLE PROPERTY

Head Office: Mangaluru – 575 002 CIN : L85110KA1924PLC001128

Asset Recovery Management Branch:
8-B,First Floor, Rajendra Park, Pusa Road, New Delhi-110060
Phone: 011-25813466, E-Mail: delhiarm@ktkbank.com, Mob: 9319891680

E-Auction Sale Notice for Sale of Immovable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 read with proviso to rule 8(6) of Security Interest (Enforcement) Rules, 2002.

Notice is hereby given to public in general and in particular to Borrower (s) and Guarantor(s) that the below described immovable property mortgaged/charged to the secured Creditors, the **Physical Possession** of which has been taken by the Authorised Officer of the Secured Creditors on **16.02.2016**, will be sold on **"As is Where is", "As is What is" and "Whatever there is"** on **24.11.2020**, for recovery of aggregate amount of banks **Rs. 43,87,578.11/- (Rupees Forty Three Lakhs Eighty Seven Thousand Five Hundred Seventy Eight and Paisa Eleven Only) i.e. [A] Rs. 1,50,368.00/-** under **A/c No. 5447001800034301** along with future interest from **01.11.2018**, Plus Costs, **[B] Rs. 2,08,031.74** under **A/c No.5447001800035901** along with future interest **01.11.2018,** Plus Costs **[C] Rs. 2,82,769.00/-** under **A/c No.5447001800036401** along with future interest **11.11.2018**, Plus Costs **[D] Rs. 37,46,409.37/-** under **A/c No. 5447000600108201** along with future interest **01.11.2018**, Plus Costs, due to the **Karnataka Bank Ltd. Savita Vihar, Branch-Delhi, Plot No.13, Near Sai Mandir, Main Road, Savita Vihar, Delhi-110092,** the Secured creditors from **(1) Mr. Ranjeev Saini** S/o Mr. Rikhi Ram Saini, B-5, F-4, Bharat Apartment, Surya Nagar, Ghaziabad, Uttar Pradesh-201011 **(2) Mrs. Ritu Saini** W/o Mr. Ranjeev Saini, B-5, F-4, Bharat Apartment, Surya Nagar, Ghaziabad, Uttar Pradesh-201011, **being borrowers/guarantors/co – obligants.**

DESCRIPTION OF THE IMMOVABLE PROPERTY

Property No.1: All that Piece and parcel of shop Plot No.11 with builtup ground and first floor comprising 1 shop each, situated at Opposite Police Chowki, G.D.A Krishna Market, Transport Nagar Delhi-UP Border GT Road, Chikambarpur Dist. Ghaziabad UP Comprising of plot measuring 6.75 sq.metre with building constructed there on **belonging to Mr. Ranjeev Saini Boundaries of the property: East** : G.D.A Land,
West: 9 mtr Wide road, **North** : Property No.12, **South:** Site for stair case
Reserve Price / Upset Price below which the property may not be sold: Rs. 7,42,000.00 (Rupees Seven Lakhs Forty Two Thousand Only)
Earnest money to be deposited/tendered: Rs.74,200 (Rupees Seventy Four Thousand Two Hundred Only)

Property No.2 : All that piece and parcel of shop No.56 with builtup ground and first floor comprising 1 shop each situated at Opposite Police Chowki, G.D.A Krishna market Transport Nagar, Delhi-UP Border GT Road, Chikambarpur Dist. Ghaziabad UP comprising of plot measuring 6.75 sq.metre with building constructed there on **belonging to Mr. Ranjeev Saini. Boundaries of the property: East** : common passage
West: H.P.Petrol Pump, **North** : Property No.55, **South:** Property No.57
Reserve Price / Upset Price below which the property may not be sold: Rs. 4,59,000.00 (Rupees Four LakhsFifty Nine Thousand Only)
Earnest money to be deposited/tendered: Rs. 45,900.00 (Rupees Forty Five Thousand Nine Hundred Only)

(The borrower's/mortgagor's attention is invited to the provisions of Sub-section (8) of Section 13 of the Act, in respect of time available to redeem the secured asset).

(This Notice shall also serve as Notice under Sub Rule (6) of Rule (8) of Security Interest Enforcement Rules-2002 to the Borrower/Guarantors)

For detailed terms and conditions of sale, please refer to link in Karnataka Bank's Website i.e. www.karnatakabank.com under the head "mortgaged assets for sale".

The E-auction will be conducted through portal **https://bankauctions.in/** on **24.11.2020** from 11:30 A.M to 12:30 P.M with unlimited extension of 05 minutes. The intending bidder is required to register their name at **https://bankauctions.in/** and get the user Id and password free of cost and get online training on E-auction (tentatively on 23/11/2020) from M/s. 4closure, 605A, 6th Floor, Maitrivanam, Ameerpet, Hyderabad-500038, **contact No.040-23836405, Mobile 8142000809, E-mail: vikas@bankauctions.in and info@bankauctions.in.**

Place: Delhi
Date: 13.10.2020

For Karnataka Bank Ltd
Chief Manager & Authorised Officer

KARVY FINANCE

POSSESSION NOTICE (FOR IMMOVABLE PROPERTY)

Corporate Office: Karvy Financial Services Ltd. 705/706, 7th Floor, Hallmark Business Plaza, Sant Dyaneshwar Marg, Opp to Guru Nanak Hospital, Bandra (E), Mumbai - 400051. Email :- abdullatif.patel@karvy.com

Whereas the undersigned being the Authorised Officer of the Karvy Financial Services Ltd. under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Act,2002) and in exercise of the power conferred under section 13(12) read with Rule 3 of the Security Interest (Enforcement) Rules, 2002, issued demand notice to repay the amount mentioned in the notice within 60 days from the date of receipt of the said notice/s.

The borrower/s having failed to repay the amount, notice is hereby given to the borrower/s and the public in general that the undersigned has taken Symbolic possession of the property described herein below in exercise powers conferred on him/her under sub-section (4) of Section 13 of the said Act read with Rule 8 of Security Interest Enforcement Rules, 2002.

The borrower/s in particular and the public in general is hereby cautioned not to deal with the property/ies and any dealings with the property/ies will be subject to the charge of Karvy Financial Services Ltd., for the amount mentioned in the demand notice and interest thereon as per loan agreement. The borrowers' attention is invited to provisions of Sub-section (8) of Section13 of the Act, in respect of time available, to redeem the secured assets.

Sr. No.	Loan Agreement No. Name of the Borrower/ Co Borrower	Demand Notice date & Amount	Date & Type of possession Taken	Description of the Immovable Properties
1.	**Loan Agreement No. 545499** 1. Rajender Singh 2. Swaran Jeet Kaur 3. Surender Singh 4. Surender Kaur	11th March 2020 & Rs. 70,94,506/-	07/09/2020 (Symbolic Possession)	All that Piece and Parcel of the Property Situated at entire 1st floor and 2nd floor, with common roof/ terrace rights of 3rd floor of free hold Property bearing No. WZ-151, built on plot No. 138, area meas. 100 Sq. yards Out of Rectangle No. 32, Killa No. 20, situated in the area of Village of Khyala, In the abadi of Ravi Nagar, New Delhi-18, Along with two car parking rights at stilt/parking floor below upper ground floor, with all other common facilities of the building, by virtue of sale deed regd. As document No. 13079, in Addl. Block No. 1, Volume No. 1800, on pages 177 to 178, and registered on 11.07.1972, at office of Sub-Registrar, Delhi, executed by Shri Lal Chand S/o Shri Dhani Ram, and which is bounded as under:- **North By:** Road, **South By:** Road, **East By:** Plot No. 137, **West By:** Plot No. 139
2	**Loan Agreement No. 420825, 421552 & 534667** 1. Mr. Gajendra Kumar 2. Mrs. Indira Yadav	14th March 2020 & Rs. 51,63,593/-	08/09/2020 (Symbolic Possession)	All that Piece and Parcel of the Property Situated at Quarter No. 5WH/01, Widow Home No. 5', N.I.T. Faridabad, comprising an area of 62 Sq. yards and bounded as follows: **North By:** 5WH/02, **South By:** Office of F.S.W. Ass, **East By:** Road, **West By:** Park
3	**Loan Agreement No. 504947& 514886** 1. Mr.Sunder Jain 2. M/S. Jainson Enterprises 3. Mrs. Prabha Jain	17th March 2020 & Rs. 73,72,441/-	10/09/2020 (Symbolic Possession)	All that Piece and Parcel of the Property Situated at J-61/A, land measuring area 50 Sq. Yds., out of Khasra No. 290 Min, consisting of according to site with the right of upper construction upto the last storey, situated in the area of village Chandrawali alias Shahdara, in the abadi of a Residential colony known as "Mansarover Park", Illaqa, Shahdara, Delhi - 110032 and bounded on the: **East By:** Road, **West By: Other Property, North By:** Property No. 62, **South By:** Property No. 60
4	**Loan Agreement No. 505897** 1. Mr. Vicky Gupta 2. Mrs. Monica Gupta 3. Mr. Dinesh Chandra Gupta	14th March 2020 & Rs. 70,65,915/-	10/09/2020 (Symbolic Possession)	All that piece and parcel of the property being land measuring an extent of 60 Sq.meters, Built on property bearing No. 111, PKT - 17, Sector - 24, Rohini, Delhi and bounded on the: **North By:** Plot No. 110, **South By:** Road, **East By:** Plot No. 112, **West By:** Entry

Place : Delhi
Date : 14.10.2020

Sd/-
Authorized Officer
KARVY FINANCIAL SERVICES LIMITED

INDIA SHELTER FINANCE CORPORATION LTD.

IndiaShelter — Apna Ghar, Apni Shaan

REGD OFFICE:- PLOT-15,6TH FLOOR, SEC-44, INSTITUTIONAL AREA, GURGRAM, HARYANA-122002
BRANCH OFFICE:- SHOP NO.6, UPPER GROUND FLOOR, C.R. MALL, CHURCH ROAD, RAM NAGAR COLONY, AGRA 282002
BRANCH OFFICE:- UGF-06 OCEAN PLAZA P-5 SECTOR-18 NOIDA, NEAR METRO STATION, GAUTAM BUDDHA NAGAR(U.P) 201301

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES

E-AUCTION SALE NOTICE FOR SALE OF IMMOVABLE ASSETS UNDER THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 READ WITH PROVISO TO RULE 8 (6) OF THE SECURITY INTEREST (ENFORCEMENT) RULE, 2002.

NOTICE IS HEREBY GIVEN TO THE PUBLIC IN GENERAL AND IN PARTICULAR TO THE BORROWER (S) AND GUARANTOR (S) WHOSE DETAILS ARE GIVEN IN MENTIONED BELOW TABLE THAT THE BELOW DESCRIBED IMMOVABLE PROPERTIES MORTGAGED/CHARGED TO THE SECURED CREDITOR, WILL BE SOLD ON "AS IS WHERE IS", "AS IS WHAT IS", AND "WHATEVER THERE IS" FOR **REALIZATION OF COMPANY DUES.**

SL NO.	1. BORROWER/S & GUARANTOR/S & LEGAL HEIR'S NAME & ADDRESS 2. TOTAL DUE WITH INTEREST FROM.	PHYSICAL POSSESSION DATE	DESCRIPTION OF THE IMMOVABLE PROPERTY WITH KNOWN ENCUMBRANCE, IF ANY	1. DATE & TIME OF E-AUCTION 2. LAST DATE OF SUBMISSION OF EMD 3. DATE & TIME OF THE PROPERTY INSPECTION	1. RESERVE PRICE OF THE PROPERTY 2. EMD OF THE PROPERTY 3. BID INCREMENT
1.	**MRS. SONAM SHRIVAS, MR. RAJEEV SHRIVAS, MR. SAURABH SHRIVAS RESIDE AT:** PLOT NO. A-222, PASCHIMPURI SHASTRIPURAM SIKANDRA, DIST. AGAR U.P-282007 **LOAN ACCOUNT NUMBER** LAP200007176 **TOTAL OUTSTANDING AMOUNT :** RS. 4,24,532/- (RUPEES FOUR LAKH TWENTY FOUR THOUSAND FIVE HUNDRED THIRTY TWO ONLY) DUE AS ON 31.12.2018.	22.07.2020	ALL THAT PIECE AND PARCEL PROPERTY BEARING PLOT NO. A-222 EWS BLOCK-A SHASTRIPURAM YOJAN TEHSIL & DIST. AGRA. BOUNDED AS: NORTH : EWS HOUSE NO. A-230, SOUTH : 20 FT. WIDE RASTA & OPEN COMMON SPACE, EAST : EWS HOUSE, WEST : EWS HOUSE NO. A-223	**E-AUCTION DATE:** 28TH OCTOBER 2020 BETWEEN 12:30 PM TO 3:30 PM AND WITH UNLIMITED EXTENSION OF 5 MINUTES. **LAST DATE OF SUBMISSION OF EMD WITH KYC IS** 27TH OCTOBER 2020 UPTO 5:00 PM (IST) **DATE OF INSPECTION:** 26TH OCTOBER 2020 BETWEEN 11:00 A.M TO 04:00 P.M (IST.)	**RESERVE PRICE:** RS. 7,30,000/-(RUPEES SEVEN LAKH THIRTY THOUSAND ONLY) **EARNEST MONEY DEPOSIT:** RS. 73,000/- (RUPEES SEVENTY THREE THOUSAND ONLY) **BID INCREMENT –** RS.10,000/- (RUPEES TEN THOUSAND) & IN SUCH MULTIPLES
	THE EARNEST MONEY HAS TO BE DEPOSITED BY WAY OF DD IN FAVOUR OF **"INDIA SHELTER FINANCE CORPORATION LTD." PAYABLE AT AGRA LOCAL BRANCH** OR **NEFT/RTGS IN THE ACCOUNT OF** "AXIS BANK "NO 911020001057107 AND IFSC CODE- UTIB0000131 , BRANCH GURGAON , BRANCH CODE 000131.				
2.	**ARTI DHURIYA, NAND LAL DHURIYA & SANJAY DHURIYA ALL AT :** HOUSE NO C-21, LAXMI GARDEN, NEAR AMBEDKAR MARKET NO-02, LONI DEHAT GHAZIABAD-201102 UTTAR PRADESH **ALL ALSO AT :** B-1/22A, DLF, ANKUR VIHAR LONI, GHAZIABAD - 201102 **LOAN ACCOUNT NO.** HL2600000037 **TOTAL OUTSTANDING AMOUNT :** RS. 9,35,094/- (RUPEES NINE LAKH THIRTY FIVE THOUSAND AND NINETY FOUR ONLY) DUE AS ON 31.08.2018.	26.09.2019	ALL THAT PIECE AND PARCEL OF PROPERTY BEARING FLAT NO-SF-4, MEASURING 350 SQ.FT., BUILT ON B-1/22A (I.E. PLOT NO-22A, ROAD NO-B-1), AREA MEASURING 168.13 SQ.MTR., SITUATED IN RESIDENTIAL COLONY KNOWN AS "ANKUR VIHAR", VILLAGE-LONI, PARGANA & TEHSIL-LONI, DISTT-GHAZIABAD (U.P) BOUNDED AS : EAST : OTHER'S LAND, WEST : ROAD 12MTR. WIDE, NORTH : PLOT NO-B-1/22, SOUTH : PLOT NO-B-1/22B	**E-AUCTION DATE:** 28TH OCTOBER 2020 BETWEEN 12:30 PM TO 3:30 PM AND WITH UNLIMITED EXTENSION OF 5 MINUTES. **LAST DATE OF SUBMISSION OF EMD WITH KYC IS** 27TH OCTOBER 2020 UPTO 5:00 PM (IST) **DATE OF INSPECTION:** 26TH OCTOBER 2020 BETWEEN 11:00 A.M TO 04:00 P.M (IST.)	**RESERVE PRICE:** RS. 7,55,000/-(RUPEES SEVEN LAKH FIFTY FIVE THOUSAND ONLY) **EARNEST MONEY DEPOSIT:** RS. 75,500/- (RUPEES SEVENTY FIVE THOUSAND FIVE HUNDRED ONLY) **BID INCREMENT –** RS.10,000/- (RUPEES TEN THOUSAND) & IN SUCH MULTIPLES
	THE EARNEST MONEY HAS TO BE DEPOSITED BY WAY OF DD IN FAVOUR OF **"INDIA SHELTER FINANCE CORPORATION LTD." PAYABLE AT NOIDA LOCAL BRANCH** OR **NEFT/RTGS IN THE ACCOUNT OF** "AXIS BANK "NO 911020001057107 AND IFSC CODE- UTIB0000131 , BRANCH GURGAON , BRANCH CODE 000131.				

IN CASE OF ANY CLARIFICATION/REQUIREMENT REGARDING ASSETS UNDER SALE, BIDDER MAY CONTACT **MR. MANOJ GUPTA (+91 8319542850) & MR. AJAY GUPTA (+91 7906826375 & 0124-4131812).**

FOR DETAILED TERMS AND CONDITIONS OF THE SALE, PLEASE REFER TO THE PROVIDED IN INDIA SHELTER FINANCE CORPORATION LTD. WEBSITE I.E. **WWW.INDIASHELTER.IN**

PLACE: NOIDA / AGRA
DATE: 13.10.2020

FOR INDIA SHELTER FINANCE CORPORATION LTD
(AUTHORIZED OFFICER)

Lost the following cover notes issued by the Oriental Insurance co Ltd to Mr. Rajiv Kumar, AM(D), DO-24, N-36, CP, ND-1.

MOTOR COVER NOTES NO-

594607,594602,594604,594605,594714,594716,594709,594701,594705,249578,621145,621146,621248,621244,482352,482353,482464,482465,482451,509348,50932 6,509414,509418,509409,509411,509402,509447,509448,386617,386620,386608,386609,386602,386603,705272,705273,705267,705271,705262,705265,705266,705 252,824952,778911,778912,778913,778901,778941,778935,778937,778968,778971,778955,812088,812091,812078,386828,898245,898234,898229,897224,897225,8 98325,898309,898301,898302,898466,898461,898462,898464,323015,323018,323009,323002,323005,323148,323141,323135,323151,323152,434540,434541,43452 8,434529,141750,141744,141746,141734,141736,141728,141729,141730,141987,141988,141980,141981,151664,151665,195820,195811,195805,195806,258550,258 [illegible]

MISC COVER NOTES NO-

[illegible]

MARINE COVER NOTES NO-

[illegible]

FIRE COVER NOTES NO-

[illegible]

The company is not responsible for any type of liabilities, arising from the issuance of these unused/lost cover notes. Finder please contact, Sr. Divisional Manager- 011 2331 3892/2974

7th India-China military talks 'positive' but without progress

PRESS TRUST OF INDIA
New Delhi, October 13

THE SEVENTH ROUND of military talks between India and China was "positive and constructive", a joint statement by the two armies said on Tuesday, but there was no breakthrough in sight for speedy disengagement of troops at friction points in eastern Ladakh.

As the two sides agreed to earnestly implement the understanding reached by their leaders to not turn differences into disputes, authoritative sources here said there was no significant forward movement on disengagement of troops from the flash points in eastern Ladakh. The Indian Army and the Chinese People's Liberation Army (PLA) are locked in an over five-month-long border standoff.

Sources said there was no significant forward movement on disengagement of troops from the flash points in eastern Ladakh

The sources said there was no breakthrough at the talks on disengagement of troops and that India insisted on restoration of status quo ante of April at all friction points. The face-off began on May 5.

A joint press statement by the two armies after the talks on Monday that lasted for nearly 12 hours said both sides agreed to maintain dialogue and communication through military and diplomatic channels, and arrive at a mutually acceptable solution for disengagement "as early as possible". The statement was released both in Delhi and Beijing. Chinese foreign ministry spokesman Zhao Lijian, meanwhile, made an oft-repeated comment that China does not recognise the UT of Ladakh or the state of Arunachal Pradesh. He claimed that the stepping up of infrastructure building by India and military deployment along the border with China was the "root cause of tensions".

India has been strongly maintaining that both Arunachal Pradesh and Ladakh are its integral parts and that China should refrain from commenting on its internal matters.

CPCB show causes Flipkart, Patanjali

THE CENTRAL POLLUTION Control Board (CPCB) has told the NGT that it has issued show cause notices for closure of operations to Flipkart and Patanjali Peya as they are not registered with it and have not responded to its communications.

In a report submitted to the National Green Tribunal, the CPCB has said the show cause notice under Section 5 of the Environment (Protection) Act, 1986, has been issued to these units on October 8, for closure of their operation and environment compensation for non-compliance of provisions of Plastic Waste Management (Amendment) Rules 2018. The CPCB told the NGT that four firms —Hindustan Coca-cola Beverages, Pepsico India, Bisleri International, and Ms NourishCo Beverages — are registered with CPCB. "However, they have not provided information for evidence based assessment of implementation of action plan for fulfilment of Extended Producer Responsibility liability".

—PTI

FRESH START

Prez Trump boasts feeling 'so powerful'

Said he wanted to walk into the audience and 'kiss everyone'

BLOOMBERG
October

PRESIDENT DONALD TRUMP returned to the campaign trail on Monday night, boasting at a rally in Florida that he felt "so powerful" after his recovery from Covid-19 that he wanted to walk into the audience and "kiss everyone."

"I am so energised by your prayers and humbled by your support," Trump said at the outdoor rally at the Orlando Sanford International Airport, where there was little social distancing though some spectators wore masks. "Twenty-two days from now we're going to win this state, we're going to win four more years in the White House."

The crowd at one point broke into a chant of "we love you" as Trump renewed his attacks on his Democratic opponent, Joe Biden.

"Now they say I'm immune. I feel so powerful. I'll walk into that audience. I'll walk in there, I'll kiss everyone in that audience. I'll kiss the guys and the beautiful women and the -- everybody," Trump said.

Hours earlier, his doctor said Trump had tested negative for Covid-19 on consecutive days. In a memo released by the White House, Sean Conley, the president's physician, said the tests, along with guidelines from the US Centers for Disease Control and Prevention, informed the conclusion that Trump "is not infectious to others."

Trump's trip to Florida was part of an effort to reverse his slide in polls in the key swing state. Biden is leading Trump in Florida by 3.7 percentage points in a RealClearPolitics average of nine polls taken since late last month -- a reversal of fortune for the president in a state he narrowly won in 2016.

The Florida event, along with three others planned this week, threaten to advance the spread of the coronavirus, Anthony Fauci, the top US infectious disease expert, warned in an interview on CNN earlier Monday.

The virus hit the Sunshine State especially hard and has contributed to the president's declining popularity.

His decision to resume large-scale rallies risks reinforcing perceptions that he's been cavalier about a disease that has killed 215,000 Americans and sent the economy into recession.

Trump sought to energise the crowd by highlighting the partisan battle over his nomination of Amy Coney Barrett to the Supreme Court.

"A lot of people said I was elected because of the Supreme Court," Trump said Monday night. "but if it is true, it is more true now than it was four years ago."

The president and his campaign aides believe Barrett's confirmation hearings can be a turning point with just three weeks until Election Day, activating conservative and religious voters who care deeply about the composition of the high court.

The focus on Barrett also seeks to increase pressure on Biden to endorse or reject a plan favored by liberals to pack the high court with additional justices if he and his party recapture the White House and control of the Senate. Biden said Monday he's "not a fan of court packing," his clearest answer on the issue after weeks of dodging the question. But rallies were a crucial element of Trump's upset victory in 2016, and polls suggest the president would need to capture similar magic in the final weeks of this year's campaign if he hopes to be re-elected.

Biden holds a 54%-42% lead nationally among likely voters, according to a Washington Post-ABC News poll released Sunday. Trump's diagnosis further cemented voters' unease about his handling of the pandemic.

Two-thirds of registered voters say the president failed to take appropriate precautions against the virus, 62% distrust his comments about the disease, and 73% say they're worried that they or an immediate family member will contract Covid-19.

Trump, Biden try to line up by Fauci as they court voters

ASSOCIATED PRESS
Washington, October 13

PRESIDENT DONALD TRUMP and Democrat Joe Biden are both looking to harness the credibility of America's best-known infectious disease expert, Dr Anthony Fauci, as they make their case to American voters.

Trump is quoting him out of context, the doctor says.

Biden, for his part, is eagerly promising to seek Fauci's advice if elected.

Overall, it's an uncomfortable season for Fauci, who's been studiously apolitical over a five-decade career in public health.

The doctor is calling out the Trump campaign for taking one of his quotes and popping it into a campaign ad to suggest Fauci is in the president's corner.

Biden is taking every opportunity to associate himself with the doctor's positions.

A Kaiser Family Foundation poll in September showed 68% of Americans have a great deal or a fair amount of trust in Fauci to provide reliable information on the coronavirus.

Trump's reelection campaign began airing an ad last week that includes a snippet from a March interview in which Fauci says, "I can't imagine that... anybody could be doing more" to contain the virus.

It sounds as if the doctor is praising the president, but Fauci says he was speaking more generally of the federal government response.

Biden has treated Fauci's opinion over the course of the pandemic as gospel, urging governors to "listen to Dr Fauci" as they weigh loosening Covid-19 restrictions in their states.

He also promises to ask Fauci, the longtime head of the National Institute of Allergy and Infectious Diseases, to stay on as a coronavirus task force adviser if he wins next month's election.

Sold out in 30 minutes: Covid-hit airline's 'Dine-on-parked jets' offer

AGENCIES
Singapore

TARMAC MEALS HAVE become an unlikely hit for coronavirus-battered Singapore Airlines, with hundreds of "passengers" paying the equivalent of a budget ticket just to dine inside grounded A380 jumbos.

For a hefty sum of up to Sg$642 ($470), people with a hankering for airline food can have a meal on an A380, the world's biggest passenger jet.

With the aviation industry in deep crisis due to the pandemic, airlines have turned to alternative ways to raise cash, from offering "flights to nowhere" to tours of aircraft.

Singapore Airlines, which has cut thousands of jobs and grounded nearly all its planes this year, decided to try another route: offer travel-starved customers the opportunity to dine on one of two A380s turned into pop-up restaurants.

The chance to eat plane food proved surprisingly popular -- all 900 seats for lunch on October 24 and 25 sold out within half an hour of bookings opening on Monday, the Straits Times newspaper reported. Citing "overwhelming demand", the carrier announced the restaurants would be opened for an additional two days. The most expensive option is a four-course meal in a first-class suite, while the cheapest costs Sg$53 and consists of a three-course meal in economy class.

China's Boeing wannabe could land in US govt crosshairs

BLOOMBERG
October 13

CHINA PUT ON a spectacular military parade to celebrate the 70th anniversary of Communist Party rule last year, and President Xi Jinping wasn't the only star of that show.

As Xi and other leaders watched from a Tiananmen Square grandstand, a squadron of fighter jets, attack helicopters, troop transports and surveillance planes roared overhead in a display orchestrated to impress TV viewers at home and warn potential aggressors abroad. The company that made those aircraft: Aviation Industry Corp. of China (AVIC), a state-owned conglomerate with 100-plus subsidiaries and 450,000-plus employees - more than Boeing and Airbus SE combined.

Being China's premier military aerospace contractor and a pillar of Xi's strategy to become an industrial superpower are enough by themselves to warrant attention from the US government. But AVIC builds more than war machines, running a civilian business that makes airliners and private jets - some built with parts made by joint ventures with American companies.

"AVIC is aspiring to be China's Boeing and Airbus," said Zhanfu Yu, a partner with consultancy Roland Berger in Beijing focusing on aerospace and defence. "Aerospace is a capital-intensive industry and, therefore, fits with China's state system. AVIC has benefited from such state backing."

With relations between Washington and Beijing deteriorating, and companies increasingly being caught in the crossfire, AVIC could join Huawei Technologies, ByteDance's TikTok and Tencent Holdings's WeChat as a target for US politicians wanting to crack down on China's reach. President Donald Trump's administration in June already put AVIC on a list of firms it says are controlled or owned by China's People's Liberation Army. AVIC hasn't addressed those allegations publicly and didn't respond to requests for comment for this story.

The government says it owns AVIC. The Beijing-based conglomerate is one of the biggest military contractors in the world, with revenue of 461.8 billion yuan ($68.5 billion) last year, according to data compiled by Bloomberg. That's more than Lockheed Martin, General Dynamics or Northrop Grumman.

But unlike many other companies on the Pentagon list, such as China Shipbuilding Industry and China Mobile Communications Group, AVIC has a footprint in the US reaching from the Gulf of Mexico to the Great Lakes.

AVIC has joint ventures with some of the top US names in aerospace. A partnership with General Electric makes avionics solutions such as flight recording systems; another with Honeywell International makes flight-control hardware and software; and a venture with Textron makes Cessna business jets.

K-Pop megastars BTS ignite a Chinese social media firestorm

BLOOMBERG
October 13

K-POP MEGASTARS BTS, no strangers to the public spotlight, are now attracting a different kind of attention in China.

Millions of Chinese took to social media after BTS member Kim Nam-joon, known to the world as RM, talked about US-South Korea relations and "the history of pain that our two nations shared together and the sacrifices of countless men and women" during the Korean War.

The comment, made while the group accepted an award in New York, spurred outrage online and calls for a boycott. RM was accused of neglecting to highlight China's own part in one of the 20th century's deadliest clashes, which pitted American troops against the Chinese military.

China's state-backed and nationalistic Global Times weighed in with their own criticism of BTS, accusing the boy band of being insensitive.

The social media backlash comes days before shares of BTS-creator Big Hit Entertainment debuts in Seoul. Samsung Electronics has since removed BTS-edition smartphones and earbuds from its official stores on Alibaba Group Holding's Tmall and JD.com, according to the Financial Times. Representatives for Big Hit, Samsung, Alibaba and JD declined to comment.

Chinese social media users have proven instrumental in instigating action -- with varying levels of success -- in past years against organisations from Apple to the National Basketball Association, typically over comments on areas sensitive to Beijing such as the pro-democracy movement in Hong Kong. The hashtag #BTS??# has attracted over four million views on Weibo.

BTS, the teen sensation that's one of Korea's most recognisable names, now finds itself grappling with one of the thornier aspects of Chinese-Korean relations. This year marks the 70th anniversary of the Korean War.