

RBI says govt not to conduct gilt switch auction on February 15

The government has decided not to conduct the gilt switch auction scheduled for Feb 15, the Reserve Bank of India said today. As per the issuance calendar for marketable dated securities, auction for gilt switches are scheduled on the third Monday of every month. Accordingly, the next switch auction was scheduled for Monday.

RBI OKs appointment of Subramonia Iyer as Dhanlaxmi Bank chairman

Reserve Bank of India has approved appointment of G. Subramonia Iyer as the part-time chairman of Dhanlaxmi Bank for three years. Iyer, who was the independent director of the bank, took charge today, the Kerala-based lender said in an exchange filing. At 1326 IST, shares of the bank were 0.7% lower at 13.55 rupees on the National Stock Exchange.

Domestic stock markets end flat after choppy trade; post weekly gains

Domestic equity benchmarks Sensex and Nifty ended flat after choppy trade on Friday, tracking weak cues from global markets. Participants also remained on the sidelines ahead of key macroeconomic data releases amid lack of fresh buying triggers, traders said. The 30-share BSE Sensex gyrated 543.96 points before closing 12.78 points or 0.02 per cent higher at its new closing record of 51,544.30.

Budget provides strong stimulus for long term sustainable growth: FM

Finance Minister Nirmala Sitharaman on Friday said the Budget is aimed at making India self-reliant and provides strong stimulus for medium to long term sustainable high growth. While replying to the discussion on the Budget 2021-22, the minister also attacked former finance minister and senior Congress leader P Chidambaram for suspecting the Budget numbers. She, however did not mention his name.

BAI stages day-long strike against sharp rise in cement, steel prices

The Builders Association of India (BAI) staged a day-long strike on Friday at construction sites alleging price cartelisation in cement and steel industry. The association demanded that the government appoint regulatory authorities in these two industries. The BAI staged nationwide dharna and day-long strike on Friday to attract the attention of the government authorities towards "cartelisation and unnatural price hike by cement and steel manufacturers", the association said in a statement.

Amazon to integrate Pantry, Fresh services in Delhi, B'uru, Ahmedabad

Amazon India on Friday said it is integrating its 'Pantry' and 'Fresh' services in cities, including Delhi, Bengaluru, Ahmedabad and Mysore, to offer a simplified grocery shopping experience to customers. It will be available for customers in Bengaluru, Delhi, Ahmedabad and Mysore over the next two weeks and other cities where Fresh is serving in the coming months, a statement said.

IRFC lists \$750 million medium-term note on BSE-owned India INX

Indian Railway Finance Corporation (IRFC) has listed USD 750 million medium-term note on BSE-owned India International Exchange's debt listing platform, the bourse said on Friday. The issue is part of IRFC's USD 4-billion global medium-term note programme, the exchange said in a statement.

'India needs to expand steel production to meet rising demand'

As demand for steel is set to rise further in years ahead, India will have to expand its steel production, said a Kearney report. The report titled 'Rewriting the growth story for India's Steel industry' noted that India had set its sights on a capacity of 180 million to 190 million tons per year (MTPA) by 2024-2025 and 300 MTPA by 2030.

Delinquencies to keep foreign PV NBFC captives under pressure: ICRA

The profitability of foreign passenger vehicle non-banking finance company captives (FOCs) is likely to remain subdued over the medium term, according to investment information agency ICRA. Given the slowdown in passenger vehicle segment along with Covid-induced disruption, FOCs' credit contracted by 8 per cent year-on-year in FY20 and further dipped by 4 per cent in H1 FY21.

Gulf Oil Lubricants India moves into electric vehicle charging space

Gulf Oil Lubricants India Ltd (GOLIL), part of the Hinduja Group, has entered into an agreement with Gulf Oil International (GOI) to participate and co-invest in Government of India's recent investment along with the Clean Growth Fund (CGF) in Indra Renewable Technologies. Indra Renewable is a UK-based electric vehicle (EV) and smart energy technology company developing charging and energy storage solutions for home and commercial use.

Govt to consider bringing down GST on pesticides to 5%

As part of efforts to bring parity in taxation on agro-inputs, the Department of Chemical and Petrochemicals has approached the Finance Ministry for reducing GST on pesticides from 18 per cent to 5 per cent. Along with fertilisers, pesticide is also an important agro input that helps in curbing pests and diseases on plants and plays a major role in increasing agricultural production. But unlike fertilisers that attract 5 per cent GST, pesticide is charged GST at 18 per cent, even higher than 12 per cent VAT before introduction of the new indirect tax system.

Nasscom's event to focus on tech for 'better normal', PM to inaugurate

IT industry body Nasscom on Friday said its annual NTLF event this year will focus on the road ahead for a hyper-digital future and the importance of responsible tech, and will be inaugurated by Prime Minister Narendra Modi. The 29th edition of NTLF (Nasscom Technology and Leadership Forum)- which will be held online for the first time in its history - is scheduled for February 17-19.

CITY BIZ BUZZ

DP Abhushan Limited announces strong financial results for Dec-end quarter, 2020

DP Abhushan Limited (NSE: DP ABHUSHAN) on Thursday has announced its financial results for the quarter ended December 2020. The Company reported profit after tax Rs 8.73 Crore as against Rs. 4.14 Crore in quarter ended December 2019. There is an increase in PAT by 111%. Similarly, revenue was increased by 75% to Rs. 414.29 Crore as against Rs. 236.14 Crore reported in quarter ended December 2019.

Speaking on the results, Santosh Kataria, Whole Time Director, DP Abhushan Limited said that "During the quarter there was good demand due to festivals and marriage season. In the last six months, the company has opened three new showrooms at Ujjain, Bhillwara and Kota. He further stated that all three new showrooms have received warm welcome by local customers and are getting good business. Speaking about the future, he stated that there seems to be good demand for jewellery due to unlocking of the country and reduction in the rate of Import Duty on gold.

Forex reserves down \$6.24 billion to \$583.945 billion

The country's foreign exchange reserves declined by a massive USD 6.24 billion to reach USD 583.945 billion in the week ended February 5, RBI data showed. In the previous week, the reserves had touched a record high of USD

590.185 billion after rising by USD 4.852 billion. In the reporting week ended February 5, the decline in the foreign kitty was mainly on account of a fall in foreign currency assets (FCAs), a major component of the overall reserves.

Industrial output grows 1% in Dec as manufacturing revives

AGENCIES
New Delhi

Industrial production grew by 1 per cent in December, entering the positive territory after a month gap, mainly due to better performance of the manufacturing sector, official data showed on Friday.

The manufacturing sector -- which constitutes 77.63 per cent of the index of industrial production (IIP) -- recorded a growth of 1.6 per cent in December 2020, as per the data released by the National Statistical Office (NSO).

Mining sector output declined by 4.8 per cent in December 2020. However, power generation grew by 5.1 per cent.

The index had grown by 0.4 per cent in December 2019.

The industrial production had plunged 18.7 per cent in March last year following the COVID-19 outbreak and remained in the negative zone till August 2020.

With the resumption of



economic activities, factory output posted growth of one per cent in September. The IIP had grown by 4.2 per cent in October. In November 2020, the factory output contracted by 2.1 per cent, a tad higher than the provisional estimates of 1.9 per cent decline.

The government had imposed a lockdown to contain the spread of COVID-19 infections on March 25,

2020.

With the gradual relaxation of restrictions, there has been a relative improvement in the economic activities by varying degrees as well as in data reporting, the Ministry of Statistics and Programme Implementation had said in a November.

The ministry had also given a disclaimer that it may not be appropriate to com-

Petrol crosses Rs 88 in Delhi, diesel breaches Rs 85 in Mumbai

Working to limit moral hazard in bad bank: IBA

INFORMIST/ New Delhi

NEW DELHI: Petrol and diesel prices soared to record highs on Friday after rates were hiked for the fourth day in a row.

Petrol price was increased by 31 paise per litre and diesel by 35 paise a litre, according to a price notification of state-owned fuel retailers.

This took petrol price to an all-time high of Rs 88.14 a litre in Delhi and to Rs 94.64 in Mumbai.

Diesel rates rose to Rs 78.38 per litre in the national capital and to an all-time high of Rs 85.32 in Mumbai. In four days, prices have gone up Rs 1.21 per for petrol, while diesel has risen by Rs 1.25 a litre.

The government is not considering a cut in excise duty to cool rates.

Indian Banks Association Chairman and Union Bank of India Managing Director and Chief Executive Officer Rajkiran Rai today said sufficient precautions are in place to ensure the proposed bad bank would not lead to cases of lenders dumping their toxic assets on its books.

In the Union Budget for the next financial year, Finance Minister Nirmala Sitharaman announced the creation of a bad bank to deal with stressed assets in the banking sector. This bad bank would involve an asset reconstruction company and an allied asset management company.

Subsequently, it was clarified the banks would themselves promote this entity and the government would

not infuse any capital.

However, on Wednesday, Informist reported the Reserve Bank of India had recommended a guarantee for the security receipts that the asset reconstruction company would issue, thus limiting additional provisioning by banks.

"(If) banks can park their NPAs with this ARC and get away with that, only then there is a moral hazard. Sufficient precautions are taken so that this doesn't happen. You need not be considered so that this doesn't happen. So there is no moral hazard," Rai said.

ArcelorMittal to trim fixed costs by \$1 billion, cut 20% staff strength

INFORMIST
New Delhi

Global steel giant ArcelorMittal has announced a USD 1 billion fixed cost-reduction programme under which the company would be reducing 20 per cent of its corporate office employees by 2022.

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and primary steel making facilities in 17 countries. It employs around 190,000 people.

In an update for the October-December quarter of 2020 and full year 2020, ArcelorMittal said the USD 1 billion structural fixed cost-reduction plan aims to maintain competitiveness in the post COVID-19 environment. The plan includes 20 per cent reduc-

These actions, the company said, were necessary to protect profitability in an exceptionally low volume environment

tion in corporate office headcount, reducing contractors, reallocation of resources etc, the company said.

At the onset of the COVID-19 pandemic, a fundamental part of the company's response was to align costs to the lower activity level. The comprehensive measures taken to "variabilise" fixed costs were critical to protecting profitability and cash

flows.

Throughout this period, the company sought to identify and develop options for structural cost improvements to appropriately position the fixed cost base for the post-COVID-19 operating environment.

These actions, the company said, were necessary to protect profitability in an exceptionally low volume environment. It is these actions, and the learnings from them, that underpin the company's new USD 1 billion structural fixed cost-improvement plan.

The company has already implemented a footprint optimization, including the permanent closure of a blast furnace and steel plant in Krakow (Poland) and the closure of the Florange coke oven battery

Future Enterprises Q3 net loss at Rs 295 cr

AGENCIES
New Delhi

Future Enterprises on Friday reported a consolidated net loss of Rs 294.95 crore for the third quarter ended December 31, 2020.

The company had logged a net profit of Rs 12.06 crore in the year-ago period, Future Enterprises Ltd (FEL) said in a BSE filing. Revenue from operations was down 68.71 per cent to Rs 459.23 crore from Rs 1,467.81 crore.

Total expenses of FEL, which develops, owns and leases the retail infrastructure for the Future Group,

'Don't mess with inflation targeting'

NEW DELHI: Principal Economic Adviser Sanjeev Sanyal today said the government must not mess with the current inflation targeting framework as it has been successful in bringing down inflation between 2% and 6%.

"Inflation targeting has succeeded what it set out do, which was to bring inflation into a certain band. We were a country which used to have 8-10% inflation, now we are between 2-6%. This is not a trivial thing by the way. We have lowered inflation path in this country. My sense is that we should not mess with it," Sanyal said.

He said the government's borrowing programme in 2021-22 will sail through.

EFFECTIVE VIDEO COMMUNICATION TOOLS THE REASON

Corporate travel may never fully recover, says SpiceJet

INFORMIST
New Delhi

The aviation industry might never see a full recovery in corporate travel with some part of traffic from that segment likely to be lost forever, Chairman and Managing Director of SpiceJet Ltd Ajay Singh said today.

"In corporate travel, while some of the traffic will go away forever because of effectiveness of video communication, we still think there'll be recovery as time passes," Singh told a television channel in an interview.

"It may never recover to its full extent but there'll still be a significant recovery," he said Singh said leisure travel segment has improved but corporate travel is not picking up.

Corporate travel is likely to remain muted in the



forseeable future, and this is putting pressure on yields. Leisure travel will continue to increase, he said, adding international travel depends on COVID-19 vaccination and how other countries are doing.

"When we restarted operations in May, there were 30,000 passengers on Day One for the entire sector. Yesterday (Thursday) it was 280,000. Of course, it's not about numbers alone, it's also about the

yield. And the yield has been impacted because of corporate travel not returning," he said.

Singh added that all airlines need to become efficient, and must try to increase yields and not engage in "self-destructive competition".

"Costs have increased so significantly, and aviation has been one of the most impacted sectors both in India and globally. We are still hoping that the government will find some ways to assist this sector as well as travel and tourism," he added.

SpiceJet's consolidated loss narrowed to 667.75 million rupees in October-December from 1.06 bln rupees in July-September.

The company's shares closed 3.4% higher at 90.70 rupees on the National Stock Exchange on Friday.



were at Rs 802.86 crore in the period under review as against Rs 1,476.67 crore earlier.

Shares of FEL on Friday settled at Rs 11.31 apiece on BSE, down 3.33 per cent from the previous close.

Godrej Ind net profit rises 16% in Q3

NEW DELHI: Godrej Industries Ltd's consolidated net profit for the December quarter rose 16.6% on year to 1.32 bln rupees. Revenue from operations fell 12.6% to 23.56 bln rupees. Sequentially, the net profit fell 11.9% and revenue was 1.3% lower. The company's other income rose to 1.65 bln rupees from 1.59 bln rupees a year ago.

In Oct-Dec, total expenditure, including finance cost, fell to 24.39 bln rupees from 27.17 bln rupees a year ago. Finance cost fell to 1.13 bln rupees from 1.2 bln rupees.

The company's operating margin contracted to 3.92% in Oct-Dec from 5.88% a year ago.

The company plans to acquire 95% stake in Godrej Housing Finance Ltd through its subsidiary Pyxis Holdings Pvt Ltd for 3.47 bln rupees, in order to expand its business.