### ➢ BIZ BUZZ

### **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** Iver 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'luru, 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

### 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 forex 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 manfacturuing 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



Growth in manufacturing in December

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 re-porting, the Ministry of Statistics and Programme Implementation had said in a November.

production in December

The ministry had also given a disclaimer that it may not be appropriate to compare the IIP in the post-pandemic months with the data for the months preceding the COVID-19 outbreak.

The manufacturing sector had recorded a contraction of 0.3 per cent in December 2019.

Mining sector output increased by 5.7 per cent, but electricity generation shrank by 0.1 per cent in December 2019.

The output of capital goods, which is a barometer of investment, rose by 0.6 per cent in December 2020 as against a contraction of 18.3 per cent.

Consumer durables output surged by 4.9 per cent, compared to 5.6 per cent contraction in December Consumer nondurable goods production grew by two per cent, compared to a contraction of 3.2

The IIP for the April-December period has contracted by 13.5 per cent, according to the data. It had registered a flat growth of 0.3 per cent during the same period last fiscal.

### Great Eastern likely to bid for Shipping Corp

**MONEY10** 

INDORE | SATURDAY | FEBRUARY 13, 2021 www.freepressjournal.in

NEW DELHI: Great Eastern Shipping Co Ltd is likely to submit an initial bid for Shipping Corp of India Ltd, a source associated with the development told Informist.

The government wants to sell its 63.75% stake in Shipping Corp of India, along with management control. The government today extended the last date to submit expression-of-interest for Shipping Corp to Mar 1 from Feb 13. The Department of Investment and Public Asset Management is now compiling details of non-fleet data, mostly real estate, for conveying to investors.

Great Eastern Shipping's management has told investors it is waiting for the government to clarify on key issues such as tax treatment and likely preferential cargo rights, in relation to Shipping Corp's disinvestment, a fund manager with a bank-sponsored mutual fund that owns shares in the private shipping company, said.

India recently announced a 16.24-bln-rupee subsidy allocation to encourage shipown-

**Petrol crosses** Working to limit moral **Rs 88 in Delhi**, hazard in bad bank: IBA diesel breaches Rs 85 in Mumbai

### INFORMIST/ New Delhi

posed bad bank would not

In the Union Budget for

the next financial year, Fi-

Sitharaman announced the

deal with stressed assets in

the banking sector. This

had bank would involve an

asset reconstruction com-

pany and an allied asset

Subsequently, it was clari-

management company.

on its books.

NEW DELHI: Petrol and Indian Banks Association Chairman and Union Bank diesel prices soared to highs on Friday of India Managing Director record after rates were hiked for and Chief Executive Officer Rajkiran Rai today said the fourth day in a row. was sufficient precautions are

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.

fied the banks would themselves promote this entity and the government would



in place to ensure the pronot infuse any capital. lead to cases of lenders dumping their toxic assets that the asset reconstrucnance Minister Nirmala tion company would issue. thus limiting additional creation of a bad bank to

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.

### Mumbai

Retail inflation eased to a 16month low of 4.06 per cent in January mainly on account of softening of food and vegetable prices, government data showed on Friday. It is for the second consecu-

tive month that retail inflation based on the Consumer Price Index (CPI) has remained within the target range of RBI which is 4 per cent(+/-2 per cent).

The retail inflation stood at 4.59 per cent in December 2020 and 7.59 per cent in January 2020. The previous low for retail inflation was in September 2019 at 4 per cent.

The rate of price rise in the food basket was 1.89 per cent in January this year, significantly down from 3.41 per cent in December, revealed the data released by the National Statistical Office (NSO).



"Driven by a fairly broadbased moderation in the food inflation, the CPI inflation in January 2021 softened appreciably to a 16-month low...

"Food prices have displayed a mixed trend so far in February 2021. The rise in onion prices, as well as higher crude oil prices and their transmission into retail fuel prices are areas of concern that need to be monitored," said Aditi Nayar, principal economist, **ICRA** 

ther decline during the month with a negative inflation print of 15.84 per cent.

ers to register their ships under the Indian flag. Shipowners largely prefer to register their ships under a "flag of convenience". i.e. in countries with a low or zero tax regime.

Shipping Corp of India's fleet comprises bulk carriers crude oil tankers, product tankers, liquefied petroleum gas/ammonia carriers, offshore supply vessels along with container and passenger-cum-cargo vessels. If Great Eastern Shipping emerges as the successful bid der for Shipping Corp, it will complement the operations of the former as the company also operates crude, liquefied petroleum gas, dry bulk and product carriers.

### Inflation slows to 16-month low of 4.06% in Jan as food prices soften AGENCIES

'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 bring 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. H e said the government's borrowing programme in 2021-22 will sail through.

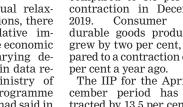
### **ArcelorMittal to trim fixed costs by** \$1 billion, cut 20% staff strength

However, on Wednesday, Informist reported the Reserve Bank of India had recommended a guarantee for the security receipts



Vegetable prices showed fur-





### **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

### 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 hyperdigital 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.

### VITY 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 guarter 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, Bhilwara 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

### INFORMIST New Delhi

Global steel giant ArcelorMittal has announced a USD 1 billion fixed costreduction 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-

illustrative case.

billion, it said.

it said.

respectively.

M&A value jumps 33% to \$37 bn

in 2020, but number drops

MUMBAI: Deals cut by Mukesh Ambani-led Reliance Industries helped overall merger and acquisition (N&A) activity grow 33 per cent in 2020 to USD 36.9 billion, a report said on Friday. The number of deals came down to 357 from the 443 in 2019,

indicating a surge in average ticket sizes, the report by advisory

firm Grant Thornton said. It pointed to the combined USD 10.1

billion stakebuy in Reliance Jio by Facebook and Google as an

The year also saw nine other deals value over USD 1 billion

each, it said, adding that the top deals accounted for nearly two-

thirds of the overall activity. There were 35 deals of over USD 100 million but under USD 1

billion, down from 47 in the year ago period, it said. Cross-border

Indian companies with strong balance sheets have shaken off

quarterly deal volumes in the second quarter of 2020 since 2011,

Cross-border transactions between India and the US dominated

They together totalled 31 per cent of cross-border transaction

aggregating to USD 15 billion, and was followed by Japan and

UK which dominated the inbound and outbound volumes,

Overseas acquisitions from India were spread over 29

countries; of which, 29 transactions aggregating to USD 2.4

technology sector, it said. Private equity investment values stood

at USD 40.2 billion in 2020, marking the highest yearly values

billion were executed in the US majorly in the information

deal volumes fell 19 per cent compared with the previous year

but the deal values jumped two times over 2019 to USD 21

the shock from the coronavirus pandemic to chase overseas

acquisitions, coming back strong after recording the lowest

in both the inbound and outbound segments.

witnessed in any given year since 2011, it said.

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

tion in corporate office headcount, reducing contactors, 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 op-tions 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 imple-mented 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.

**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

### 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.

yield. And the yield has been impacted because of

corporate travel not return-

Singh added that all air-

lines need to become effi-

cient, and must try to in-

crease yields and not en-

gage in "self-destructive

loss narrowed to 667.75 mil-

lion rupees in October-De-

cember from 1.06 bln ru-

The company's shares

closed 3.4% higher at

90.70 rupees on the Nation-

al Stock Exchange on Fri-

pees in July-September.

consolidated

ing," he said.

competition".

added.

day

SpiceJet's

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

### Godrej Ind net profit

dustries 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.

Costs have increased so significantly, and aviation In Oct-Dec, total expendihas been one of the most ture, including finance impacted sectors both in Incost, fell to 24.39 bln rupees dia and globally. We are still from 27.17 bln rupees a year ago. Finance cost fell hoping that the government will find some ways to to 1.13 bln rupees from 1.2 assist this sector as well as bln rupees travel and tourism," he

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.

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

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.

# rises 16% in Q3 NEW DELHI: Godrej In-