

Defence reforms: Indian manufacturers looking to ride the opportunity

SHALLY SETH MOHILE
Mumbai, 25 May

The recent reforms announced in the defence sector are set to give clarity on the procurement strategy. This, in turn, will give Indian companies an opportunity to plan their investment and capacity, said executives of the Mahindra group and Larsen & Toubro (L&T).

Be it a separate budget for domestic capital procurement, stopping phase-wise import of equipment or sourcing the spares locally, all these measures will boost Make in India, they said. SP Shukla, group president — aerospace, defence, agri & steel sectors — at the Mahindra group, said, “What has been announced is a whole-some package with short, medium and long term elements. It will take the local procurement of parts and equipment upwards of 40 per cent.”

Mahindra Group, which has presence in all the three segments of the defence sector, will be investing in creating capacities for manufacturing once the government announces the list of items that can be sourced locally. “Many of these items will be of interest to us,” said Shukla.

Finance Minister Nirmala Sitharaman had announced a series of measures to boost investments in India’s defence and aerospace sector last week as part of the tranche 4 of the ₹20 trillion economic stimulus.

Sitharman, who held the defence portfolio in the first Narendra Modi-led government, announced increase in foreign direct investment (FDI) limit in defence from the existing 49 per cent to 74 per cent.

Apart from the creation of a negative import list, the FM also made a separate budget allocation for acquiring indigenous capital goods. “Separate budgets for domestic purchase and imported goods are a welcome move and will allow Indian companies to plan capacity and production



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■ Increase in FDI limit by the govt from 49% to 74% will also cover strategic projects

accordingly. Otherwise, one didn’t know how much will be available for domestic procurement,” said Shukla. He added that local procurement of spares will be yet another important step in creating strategic independence and reducing downtime and costs. It will benefit small and medium enterprises (SMEs) and also open avenues for exports for manufacturers, he said. As of now, there are no restrictions with regard to import of spares.

Agreed J D Patil, whole-time director (defence & smart technologies) and senior executive vice-president, L&T. He said, “This will bring in renewed focus on indigenous defence production as well as build confidence of Indian private sector companies to invest and build capability. It also provides assurance to the supply chain ecosystem of continued utilisation of built-up capacity. It is hoped that this part of the budget will grow in percentage share, year on year.” It will protect the indigenous programmes that have seen repeated deferment, given the budget constraints caused by big-ticket government-to-government contracts that have been entered into as urgent requirements.

Patil said the local procurement of spares will open up significant opportunities, especially for ministry of micro, small & medium enterprises (MSMEs). The move would maximise indigenisation of imported spares with tie-ups with original equipment manufacturers (OEMs) instead of importing them. He added that the government should notify the list of banned weapons and platforms with well-defined phase and year-wise timelines in advance. This will provide a clear road map to the industry to build capacity and capability as well as foster indigenous research and development and innovation.

India gives orders worth \$100 billion a year for defence procurement, making it one of the world’s most lucrative markets. Net foreign direct investment (FDI) inflows grew 14.2 per cent in 2018-19. The top sectors attracting FDI equity inflows are services, automobiles and chemicals.

The increase in FDI limit from 49 per cent to 74 per cent will also cover strategic projects. These large projects could also be awarded to foreign companies. Therefore, Indian firms will have to compete and this could be an area of concern, he said.

Nasscom for policy tweak to enable longer WFH scenario

NEHA ALAWADHI & DEBASIS MOHAPATRA
New Delhi/Bengaluru, 25 May

IT industry body National Association of Software and Services Companies (Nasscom) has written to the government, asking for measures to support its member entities with the pandemic looking set to impact the industry in the near term.

Nasscom has asked for the abolition of OSPs (other service providers) under the Department of Telecom, under which certain kinds of work (such as voice calls) cannot be shifted to employees’ homes. This will enable a longer term work-from-home (WFH) scenario, which several firms like Tata Consultancy Services have already spoken about.

While the industry has received an extension in relaxation of OSP norms until July 31, these have to be abolished altogether if WFH is to become a new normal. Keshav Muruges, CEO of WNS Global Services, said:



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“Nasscom is already working with the government to leverage this crisis and create new models of engagement, including changing labour laws.”

The complexities in asking for changes to labour laws will arise once it requires tinkering with aspects that fall under states’ jurisdiction.

The key assumption in labour laws is that workers go to a physical workplace located in a

given state. “Labour laws are on the concurrent list of the Constitution, and hence regulatory requirements differ from state to state. For example, professional tax is a state subject. If I am an employer in Pune and my employees are working from home in Lucknow, Chennai and Indore, then would I have to get a professional tax registration and pay the same in all four states?” said Rishi Agrawal, co-

founder and CEO of Avantis Regtech (a TeamLease firm).

He added that of 18 states having a professional tax requirement, 16 allow filing of tax electronically, while Gujarat and Tamil Nadu have a manual process. This means that to file professional tax for employees working in different districts of these two states, a company potentially has to ask a consultant to file taxes manually in each district. Similarly, Labour Welfare Fund and minimum wages are state subjects.

Extending SEZ, tax norms
Extending the Special Economic Zones policy has been a key ask of Nasscom since last year, with the sunset clause having expired in March 2020. The industry has received a few months’ extension, but has asked for further extension of five years. At present, IT firms based in SEZs are mandated to collect their payment in foreign exchange for delivery of services to domestic tariff-based customers.

Day 1: Quality checks, senior pilots for flights

ANEESH PHADNIS
Mumbai, 25 May

Airlines went the extra mile to ensure safe operations on Day 1 of service resumption, deputing seniormost pilots for flights, and carrying out engineering audit of their aircraft.

“We have instructed only captains will carry out take-off and landings on the first day. First officers will do the monitoring of cockpit instruments and radio calls,” said Captain Manish Uppal, head of operations, AirAsia India.

Domestic operations were suspended on March 24. While cargo and relief operations are underway, a majority of aircraft had to be maintained in proper condition.

Regulations require pilots and crew to undergo refresher training annually. Pilots are also required to perform at least three take-offs and landings in 90 days. Simulator training is required in case a pilot has not flown in the past 90 days. While the Director General of Civil Aviation has given certain relaxations, airlines are

ensuring their pilots are abreast with requirements.

Last week, IndiGo carried out a few training flights for its pilots to allow them to take-off and land. Its pilots underwent online courses because of the long gap in flying.

Alliance Air Chief Executive Officer C S Subbiah said the engineering department carried out a quality check and audit of the airline’s 19 ATR planes before resuming operations. “We developed online training modules for our staff and around 85 per cent of

them have completed the courses. We also started simulator training for pilots last week,” said Uppal.

Simulator training could be carried out only after receiving permission from the government since all educational and training establishments are closed. “Vistara rostered highly experienced senior management pilots as well as instructors for the first few days of operations. Additionally, all crew are current with regards to their recency,” an airline spokesperson said.

New emissions blow for VW as German court backs damages claims

ILONA WISSENBACH
Karlsruhe (Germany), 25 May

Volkswagen must pay compensation to owners of vehicles with rigged diesel engines in Germany, a court ruled on Monday, dealing a fresh blow to the automaker almost five years after its emissions scandal erupted.

The ruling by Germany’s highest court for civil disputes, which will allow owners to return vehicles for a partial refund of the purchase price, serves as a template for about 60,000 lawsuits that are still pending with lower German courts.

Volkswagen admitted in September 2015 to cheating emissions tests on diesel engines, a scandal which has already cost it more than €30 billion (\$33 billion) in regulatory fines and vehicle refits, mostly in the United States (US).

US authorities banned the affected cars after the cheat software was discovered, triggering claims for compensation. But in Europe vehicles remained on the roads, leading Volkswagen to argue compensation claims there were without merit. European authorities instead forced the company to update its engine control software and fined it for fraud and administrative lapses. Volkswagen said on Monday it would work urgently with motorists



The emissions scandal has cost Volkswagen more than €30 bn

on an agreement that would see them hold on to the vehicles for a one-off compensation payment. It did not give an estimate of how much the ruling by the German federal court, the Bundesgerichtshof (BGH), might cost it. Volkswagen shares were 0.9 per cent lower at 11.48 IST. The BGH’s presiding judge had signalled earlier this month he saw grounds for compensation.

Costs mount

“The verdict by the BGH draws a final line. It creates clarity on the BGH’s views on the underlying questions in the diesel proceedings for most of the 60,000 cases still pending,” Volkswagen said.

A lower court in the city of Koblenz had previously ruled the owner of a VW Sharan minivan had suffered pre-meditated damage, entitling him to

reimbursement minus a discount for the mileage the motorist had already benefited from. The court at the time said he should be awarded €25,600 for the used-car purchase he made for €31,500 in 2014.

“We have in principle confirmed the verdict from the Koblenz upper regional court,” said BGH presiding federal judge Stephan Seiters.

Volkswagen had petitioned for the ruling to be quashed altogether by the higher court, while the plaintiff had appealed to have the deduction removed. A Volkswagen spokesman said outside Germany, more than 100,000 claims for damages were still pending, of which 90,000 cases were in Britain.

The carmaker also said it had paid out a total of €750 million to more than 200,000 separate claimants in Germany who had opted against individual claims and instead joined a class action lawsuit brought by a German consumer group. The carmaker said last month it would set aside a total of \$30 million for that deal. In a separate court, Volkswagen agreed last week to pay €9 million to end proceedings against its chairman and chief executive, who were accused of withholding market-moving information before the emissions scandal came to light. REUTERS

Germany to take Lufthansa stake in \$9-bn bailout

Germany will offer Deutsche Lufthansa AG a €9 billion (\$9.8 billion) bailout that thrusts the state back into the heart of a company privatised with fanfare two decades ago. The aid package involves taking an initial 20 per cent stake that could rise to a blocking minority of 25 per cent plus one share in the event of a hostile takeover, the carrier said on Monday. The plan, which requires European Union approval and will almost certainly be challenged by rival airlines such as Ryanair Holdings, gives Germany an effective veto over company strategy. BLOOMBERG



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

e - TENDER NOTICE

Airports Authority of India invites item rate e-Tender for the work of “Environmental Support Services (Up-Keeping) at ATS Block NSCBI Airport Kolkata.” at an estimated cost of **Rs. 2,23,08,000/- (Two crore Twenty-three lac Eight Thousand only) (Excluding GST)** with completion period of **3 years**. Tender Fees shall be paid up to **18:00 hrs. on 22.06.2020**. Last dated of submission of e-bid through portal is up to **18:00 hrs. on 16.06.2020**. For details information log on to website **www.aai.aero** or **www.airportsindia.org.in** or **https://etenders.gov.in/eprocure/app**. Further clarification / corrigendum in this regard, if any, will be put up on AAI website.



EICHER
EICHER MOTORS LIMITED

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Pursuant to Regulation 29 & 47 of the SEBI (LODR) Regulations, 2015, notice is hereby given that a meeting of the Board of Directors of the Company will be held on Friday, June 12, 2020, inter-alia, to:

- (i) consider and approve audited standalone and consolidated financial statements for the financial year ended March 31, 2020;
- (ii) consider and approve audited standalone and consolidated financial results for the fourth quarter and financial year ended March 31, 2020 (prepared pursuant to SEBI (LODR) Regulations, 2015);
- (iii) consider and approve sub-division/split of equity shares of face value of Rs. 10 each of the Company in such manner as may be determined by the Board of Directors.

The above intimation is also available on Company’s website www.eichermotors.com and also on the website of stock exchanges i.e. NSE-www.nseindia.com and BSE-www.bseindia.com.

For Eicher Motors Limited
Sd/-
Manhar Kapoor
General Counsel & Company Secretary
Date : 25.05.2020
Place : Gurugram, Haryana

40% tourism firms staring at complete shutdown in next 6 months: Report

Around 40 per cent travel and tourism companies may shut down in the next 3 to 6 months, said a report on Monday when domestic flights resumed in the country after a week-long lockdown to contain the coronavirus. Also, 36 per cent of such firms are likely to witness a temporary shutdown, according to the report by BOTT Travel Sentiment Tracker in partnership with seven national associations like IATO, TAAI, ICPB, ADTOI, OTOAI, ATOAI and SITE. The report said that 81 per cent travel and tourism firms have lost their revenue up to 100 per cent while 15 per cent of the firms have witnessed it slide up to 75 per cent. PTI



maithan alloys ltd

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NOTICE

NOTICE is hereby given to the Members of the Company pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6(3) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as in force (herein after referred as 'the Rules') that all the equity shares of the Company in respect of which dividend has remained unpaid or unclaimed for seven consecutive years are required to be transferred to the Investor Education and Protection Fund (IEPF).

Members who have not claimed / encashed their dividend for seven consecutive years can write to Maithan Alloys Ltd., at 4th Floor, Ideal Centre, 9, A. J. C. Bose Road, Kolkata-700017 (e-mail: investor@maithanalloys.com) or to our Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. at 5th Floor, 23, R. N. Mukherjee Road, Kolkata - 700001 to claim their dividend at the earliest, failing which Company shall be constrained to transfer their equity shares to the IEPF, as per the procedure provided in the Rules.

The Company has also served Notice to the Member(s) concerned at their latest available address along with the details of unpaid / unclaimed dividend, advising them to claim their dividends expeditiously to avoid transfer of their shares to the IEPF.

A statement containing the name of such Member(s) and their folio number or DP ID-Client ID are available at Company's website at www.maithanalloys.com for information and necessary action of the Member(s) concerned.

In the event of transfer of shares by the Company to the IEPF, the Member(s) concerned may claim their shares by following the procedure as prescribed in the Rules.

For Maithan Alloys Limited
Rajesh K Shah
Company Secretary
Place: Kolkata
Date: 23rd May, 2020



AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Crore			
PARTICULARS	Quarter ended March 31, 2020	Year ended March 31, 2020	Quarter ended March 31, 2019
Audited			
Total income from operations (net)	16,600.08	1,01,725.71	28,747.30
Net Profit for the period (before tax, Exceptional and/or Extraordinary items)	4,950.93	26,193.25	6,105.69
Net Profit for the period before tax (after Exceptional and/or Extraordinary items)	4,950.93	26,193.25	6,105.69
Net Profit for the period after tax (after Exceptional and/or Extraordinary items)	4,341.58	22,826.47	4,811.28
Total Comprehensive income for the period	(1,614.48)	16,613.05	4,942.74
Equity Share Capital	346.41	346.41	344.29
Reserves (excluding Revaluation Reserve)		1,26,132.75	
Earnings Per Share (of ₹ 2 each)			
Basic : (₹)	22.01	124.14	26.15
Diluted: (₹)	21.93	123.19	26.00

The key data relating to standalone results of Housing Development Finance Corporation Limited is as under:

₹ in Crore			
PARTICULARS	Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 31.03.2019
Total Income	11,981.66	58,763.34	11,586.58
Profit Before Tax	2,692.44	20,350.92	3,690.89
Tax Expense	459.91	2,581.27	829.31
Net Profit After Tax	2,232.53	17,769.65	2,861.58
Total Comprehensive Income	(3,779.65)	11,117.34	2,822.89

Note:

1. The above results for the year ended March 31, 2020, which have been subjected to audit by the Auditors of the Corporation, were reviewed by the Audit and Governance Committee of Directors at its meeting held on May 25, 2020 and subsequently approved by the Board of Directors at its meeting held on May 25, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The above is an extract of the detailed format of the Financial Results filed with the BSE Limited and National Stock Exchange of India Limited under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the Financial Results are available on www.bseindia.com, www.nseindia.com and www.hdfc.com

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2020

Keki M Mistry
Vice Chairman & CEO



HDFC
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED
WITH YOU, RIGHT THROUGH

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