

Economy

FRIDAY, AUGUST 14, 2020

Quick View

UP SLDC is now autonomous

THE UTTAR PRADESH power regulator has, in accordance with provisions of the Electricity Act, 2003, recognised the State Load Despatch Centre (SLDC) as a separate corporate entity. The identity of UPSLDC will no more be embedded into UP Power Transmission Company, as it was for so long.

Travel ban: US allows certain exemptions in H-1B, L-1 visas

LALIT K JHA
Washington, August 13

IN A MOVE that could help Indian IT professionals and those working in the healthcare sector, the US has announced certain exemptions in H-1B and L-1 travel ban for those continuing employment with the same employer. The exemptions also include the family members of the H-1B, L-1 and certain categories of J-1 visas.

In its advisory, the US said that H-1B and L-1 can now be issued for employees who are "seeking to resume ongoing employment in the same position with the same employer and visa classification." Forcing employers to replace existing employees may cause financial hardship, it said. All those on H-1B visas working in healthcare are also exempted from the July 22 travel ban. —PTI

TAX TRANSPARENCY

FM: Faceless assessment to ease compliance load

PRESS TRUST OF INDIA
New Delhi, August 13

FINANCE MINISTER NIRMALA Sitharaman on Thursday said the faceless tax scrutiny assessment and appeal would help ease compliance burden of taxpayers and increase fairness and objectivity in the tax system.

Prime Minister Narendra Modi launched the platform "Transparent Taxation - Honoring the Honest" which provides for launch of faceless assessment and adoption of a taxpayer charter.

Also the Central Board of Direct Taxes (CBDT), which administers personal income tax and corporate tax, will launch faceless appeals begin-



ning September 25, as part of the process to reduce physical interface between tax officers and taxpayers.

"Today is a landmark day in the history of tax administration," Sitharaman said, adding that the vision of the Prime Minister is to empower the taxpayers, to provide a transparent system and to honour the honest taxpayers.

"To realise this vision, the

CBDT has given a framework and put in place a system in the form of this platform, a transparent efficient and accountable tax administration is what this platform brings in. It uses technology, data analytics, and also uses artificial intelligence.

"What does this mean to the taxpayer in the country. It eases compliance burden, it brings in fair objective and a just system, there shall not be any physical interface between the department and the taxpayer and to an extent it shall bring in certainty of Information," she added. She said the I-T department has undertaken several reforms, including lowering corporate tax rate from 30% to 22% for existing manufacturing units.

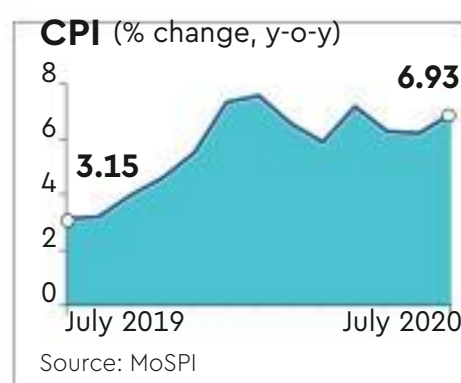
CPI inflation soars to 6.93% in July

FE BUREAU
New Delhi, August 13

RETAIL INFLATION SPIKED to 6.93% in July, against a revised 6.23% in June, despite a purported Covid-induced demand compression in the economy. While food inflation reversed an easing trajectory witnessed in May and June to hit as much as 9.62% in July, core inflation, too, inched up to a 21-month peak of about 5.87%, reflecting underlying price pressure in the economy.

The headline inflation for April and May had hit 7.22% and 6.27%, respectively, but the price pressure was mostly aided by dearer food articles. However, even core inflation has risen from about 4% in March to 5.87% in July. This suggests supply disruptions may have more than offset any demand destruction in the economy following Covid.

Retail inflation remains above the Monetary Policy



Committee's tolerance band of 4 (+/-)2% for 7 of the past 8 months. At 7.04%, rural inflation stayed higher than urban, which stood at 6.84%. ICRA principal economist Aditi Nayar said soaring vegetable prices amid heavy rainfall and localised lockdowns contributed to the spike in food inflation in July (with a 90-basis point rise from June).

This is expected to ease a bit in August. "The evolving trends for the ongoing month suggest that the CPI inflation may remain appreciably above 6% in August 2020.... Accordingly, the likelihood that the MPC (monetary policy committee) would persist with a pause in its October meeting has climbed sharply, with a final rate cut likely to be deferred to the December 2020 or February 2021 meeting," she said. The price stabilisation in crude and retail fuels in recent weeks would ease incremental pressures on CPI inflation in August.

MIGRATION CHECK

Gautam Adani, Adani group chairman

The total number of migrant workers in India exceeds 100 million. One in four workers in India is a migrant. Some migration is beneficial. However, unless we tackle the issue of continued increase in rural-to-urban migration, India's growth will be hampered.



China extends anti-dumping duties on optical fibres from India

CHINA ON THURSDAY extended anti-dumping duties on single-mode optical fibres imported from India for five years. The Chinese ministry of commerce (MOCOM) said the latest ruling will take effect from Friday and last five years, with punitive tariffs ranging between 7.4% and 30.6%, depending on the specific Indian manufacturers, official media here reported.

The decision came after MOFCOM evaluated the possible damage to Chinese industries if anti-dumping measures are terminated, at the request of the domestic single-mode optical fibre industry on August 13, 2019, the reports said. —PTI

Under-construction RE projects get 5-month window

FE BUREAU
New Delhi, August 13

REMOVING UNCERTAINTY of upcoming renewable energy projects worth about ₹3.5 lakh crore, the ministry of new and renewable energy (MNRE) on Thursday announced that all renewable energy projects currently being constructed will get a five-month extension for meeting their deadlines for completion. "This blanket extension, if invoked by the RE developers, will begin without case-to-case examination and no documents/evidence will be asked for such extension," the MNRE said. The government had said in March that delays in construction activities for

renewable energy plants on account of disruption of the supply chains due to coronavirus would be seen as a force majeure event.

Relief under this provision would be available for disruption of construction activities taking place between March 25 and August 24. A force majeure means extraordinary events or circumstance beyond human control. "This is a positive move by MNRE and shows its intent of helping the sector tide over these tough times by providing the developers sufficient extension timelines," said Pinaki Bhattacharyya, co-founder and CEO of the Indian arm of Canada-based Amp Energy.



As on July 31, the installed renewable energy capacity was 88 gigawatt. Around 34 GW is under various stages of implementation and 34.5 GW under various stages of bidding. "The last few months have been a difficult period for developers due to various challenges, and the extension gives comfort to lenders and financial institutions that projects commission-

ing would not face liquidated damages or bank guarantee encashment," said Shravan Sampath, CEO, Oakridge Energy - a rooftop solar installer.

Citing the impact of the coronavirus outbreak on the supply chain and delays by other parties in land allocation and building associated power transmission network, ReNew Power has unilaterally terminated the power purchase agreement (PPA) signed with the Solar Energy Corporation of India (SECI) for a 265 megawatt Tamil Nadu-based wind project. On similar grounds, Acme Solar has also cancelled the PPA with SECI for solar projects scheduled to sell power at ₹2.44/unit - the lowest-ever tariff discovered.

CBDT bars I-T orders bypassing e-pathway

FE BUREAU
New Delhi, August 13

WITH THE LAUNCH of faceless assessment scheme, the Central Board of Direct Taxes (CBDT) on Thursday issued an order to debar any assessment order that did not pass through the National e-Assessment Center - the nodal agency for assigning and coordinating with assessment and review teams to implement the scheme.

However, the orders exempted assessment order in cases assigned to international tax charges, and those assigned to central charges, which are usually cases of search and seizure involving multiple jurisdiction but supervised by one official.



CBDT said that any assessment order that is not in conformity with the order will be considered as "non-est and shall be deemed to have never been passed." "With the launch of various e-governance initiative, the income tax department is moving towards total computerisation of its work. This has also led to a significant improvement in delivery of services and has brought greater transparency in the functioning of the tax administration," the order said.

Additionally, in another order, CBDT said that the power of survey under the Income Tax Act would henceforth be restricted to officials of Directorates of Investigation (investigation wing) and commissionerates of TDS.

"With the launch of faceless assessment scheme, 2019, the I-T department is moving towards minimal interface with the taxpayers, aiming at a significant improvement in delivery of services and greater transparency in the working of the department," CBDT said. It added that the survey action under section 133A of the Act is an intrusive action, and it should be carried out with utmost responsibility and accountability.

NHAI to form project-specific SPVs

FE BUREAU
New Delhi, August 13

TORREIN in its rising debt, which stood at ₹2.28 lakh crore at the end of February, the National Highways Authority of India (NHAI) has decided to form project-specific special purpose vehicles (SPVs) for financing, construction and operation of high-value highway projects.

For starter, the authority has formed a wholly-owned SPV, DME Development, for the 1,275-km Delhi-Mumbai greenfield expressway project. The project has a capital cost of ₹82,514 crore. Considering the significance of the project, the authority has decided to invest the full equity and proceed with the development.



"By floating SPV specific to a corridor, NHAI is aiming at diversifying its resource base and developing a sustainable and self liquidating approach to raise finances," the authority said in a statement.

The SPV shall raise debt on its balance sheet, while NHAI retains the operational control during construction and operation and maintenance. In

addition, the toll on the projects housed in SPV shall be collected by NHAI and SPV shall get the annuity payments without any construction and tolling risks. NHAI plans to form similar SPVs for other high value highway projects. This will further enhance NHAI capabilities to execute large scale infrastructure projects of national importance, it added.

NHAI is currently implementing about 28,000 km highway project under the first phase of Bharatmala Pariyojna. Delhi-Mumbai Expressway is one of the flagship highway corridors is one of the flagship projects under this corridor. The completion of the Delhi-Mumbai expressway is projected by March 2024.

PM hints at reforms in tax structure

Lamenting that the taxpayer base of the country's very low relative to its population (1.5 crore actual taxpayers against population of 130 crore), the prime minister said, "The country's tax structure needs fundamental reforms, as the current one, with its genesis during pre-independence colonial period, (has shortcomings). Even the several changes made during the post-Independent times did not alter its foundational character."

The recent year's high growth in number of e-returns - which the government attributes to demonetisation and concerted efforts to pro-

vide compliance - has been primarily due to more among the existing assessee filing returns, rather than an increase in the number of new people/entities being added to the taxpayer base.

Modi said the tax system used to put taxpayers in the dock where income-tax notices became a tool of harassment leading to discouragement of honest traders and businesses. "So far the system was that the tax department of the city in which the taxpayers are based would handle their returns. Notices, search, survey and assessment are done by I-T officials posted in that city. With the help of technology, the scrutiny cases will now be allotted in a random manner to any city and its tax department," Modi said. For example, he added, a Mumbai-based taxpayer's return could go to, say, Chennai, Raipur or Ahmedabad.

Further, the assessment order passed by the team would be reviewed by another team in another city. While the extant system of manual assessment depends on one official's decision, this would be done by a team of three officials in the faceless assessment system.

"The composition of a faceless assessment teams would also be randomised by the computer. This system would ensure that there won't be any need for taxpayers and tax officials to get familiar with each other; the opportunity to influence and pressure would also be zero," Modi said.

Further, he said that the department would also save on unnecessary litigation, and secondly it would also prevent undue focus on matters of transfers and postings. Similarly, appeal would also be faceless, Modi said.

Vedanta can proceed against govt, says SC

But it said that the issue related to residual stake sale of 29% will be taken up after four weeks. Vedanta had initiated arbitration proceedings against the government after the latter had rejected the call option given to former to buy the residual stake at a specified price at a specified time frame.

"We are of the view that the arbitration initiated by Vedanta

From the Front Page

Tata Steel posts ₹4,609-crore loss in Q1

"This had an adverse impact on our volumes and our margins," Narendran said. Koushik Chatterjee, ED and CFO of Tata Steel, said, the company responded swiftly to the pandemic in April and stayed focussed on cash flow management. "Despite the national lock down we generated a free cash flow during the quarter of ₹700 crore post capex and other obligations and maintained net debt at the March 2020 level," Chatterjee said.

The adjusted Ebitda (earnings before interest, tax, depreciation and amor-



isation) suffered a steep decline of over 81% year-on-year at Rs 1,038 crore. Tata Steel Europe's performance was affected by lower deliveries and sharp decline in European spreads to an unsustainably low level impacting the adjusted

Ebitda. The Ebitda margins collapsed to just 4.3% during the quarter versus 15.4% in the corresponding quarter last year.

With average steel realisations in India lower during the quarter, and volumes also lower, about ₹2,000 crore of costs remained unabsorbed and have been charged to the profit and loss account.

Despite the drop in margins, there was a reduction in net debt of ₹1,677 crore in India, including a reduction of ₹577 crore and ₹291 crore, respectively at Tata Steel BSL and Tata Steel Long Products.

toll now world's fourth largest

Now India is only behind the US, Brazil and Mexico in the overall number of deaths. Its total number of confirmed cases, almost 2.4 million, is the third largest in the world.

The mounting number of lives lost in India comes as the country's outbreak has become one of the fastest growing in the world. India has been reporting about 60,000 or more new infections a day, higher than both the US and Brazil, the two biggest outbreaks in absolute terms.

Israel, UAE agree to normalise relations

It also firms up opposition to regional power Iran, which the UAE, Israel and the US view as the main threat in the conflict-ridden region. Israel had signed peace agreements with Egypt in 1979 and Jordan in 1994. But the UAE, along with most other Arab nations, did not recognise Israel and had no formal diplomatic or economic relations with it until now. The agreement was the product of lengthy discussions between Israel, the UAE and the US that accelerated recently, WH officials said.

A joint statement issued by the three nations said Trump, Israeli PM Benjamin Netanyahu and Abu Dhabi Crown Prince Sheikh Mohammed Bin Zayed had "agreed to the full normalisation of relations between Israel and the UAE". —REUTERS

DB Corp Ltd

Extract of Consolidated Unaudited Financial Results for the quarter ended June 30, 2020

(₹ in million except per share data)

Particulars	Consolidated		
	June 30, 2020	June 30, 2019	March 31, 2020
	Qtr (Unaudited)	Qtr (Unaudited)	Year (Audited)
Total income from operations	2,104.14	6,070.31	22,238.27
Net profit / (loss) for the period (before tax, exceptional and/or extraordinary items)	(637.20)	1,439.43	3,481.63
Net profit / (loss) for the period before tax (after exceptional and/or extraordinary items)	(637.20)	1,439.43	3,481.63
Net profit / (loss) for the period after tax (after exceptional and/or extraordinary items)	(480.49)	937.25	2,749.76
Total comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(480.49)	937.25	2,562.65
Paid-up equity share capital (face value ₹10/- each, fully paid)	1,749.55	1,749.29	1,749.55
Other equity	-	-	15,034.65
Earning Per Share (of ₹10/- each)			
- Basic	(2.75)	5.36	15.72
- Diluted	(2.75)	5.35	15.70

1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 13, 2020. There are no qualifications in the report issued by the auditors.

2) Unaudited Financial Results for the quarter ended June 30, 2020 (on Standalone basis):

(₹ in million)

Particulars	June 30, 2020	June 30, 2019	March 31, 2020
	Qtr (Unaudited)	Qtr (Unaudited)	Year (Audited)
	Total income from operations	2,104.14	6,070.31
Profit / (loss) before tax for the period	(637.26)	1,439.47	3,480.54
Profit / (loss) after tax for the period	(480.55)	937.29	2,748.82

3) The Parent Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 to pay income tax at a lower rate of 22% (plus applicable surcharge and cess). Accordingly, the Parent Company has recognised Provision for Income Tax and re-measured its net Deferred Tax Liabilities basis the rate prescribed in the said section.

4) Uncertainty caused by the Covid-19 pandemic has led to the short-term slowdown in the business operations, however the Company is experiencing pick-up of its operations post lock down. In preparation of these financial results for the quarter ended June 30, 2020, the Company has taken into account internal and external information for assessing possible impact of Covid-19 including impact on its business operations, liquidity, financial position and recoverability of its assets and has concluded that there are no material adjustments required in the consolidated financial results.

5) However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

6) The above is an extract of the detailed format of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020 filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The full format of the said Financial Results are available on the websites of the Stock Exchanges viz. www.bseindia.com, www.nseindia.com and on Company's website www.dbcorpindia.com.

For and on behalf of the Board of Directors

Sudhir Agarwal
Managing Director (DIN: 00051407)

Place: Bhopal
Date: August 13, 2020

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