

CIL: Sustainability of strong September numbers crucial

Low e-auction prices and ongoing coal block auctions weigh on sentiment

UJJVAL JAUHARI
New Delhi, 6 October

The 31-per cent growth in despatches for September should have given Coal India's (CIL's) investors a reason enough to cheer. But it has failed to lift sentiment for the stock, which has been on a downtrend for the past one year and had hit a 52-week low on September 30. Although it gained more than 1 per cent on Monday, it was down 1.4 per cent on Tuesday. So, what is worrying the Street?



	FY20	FY21E	FY22E
Production (MT)	602.2	560.0	599.0
Sales (MT)	581.8	546.9	599.2
FSA volumes (MT)	501.0	452.4	500.0
E-auction (MT)	65.4	82.6	70.1
FSA realisations (₹/tonne)	1,538.0	1,472.9	1,504.3
E-auction premium (%)	41.6	14.2	23.2
Ebitda (₹/tonne)	472.1	341.9	391.8

E: estimates MT: million tonnes; FSA: fuel supply agreement
Ebitda: earnings before interest, tax, depreciation and amortisation
Source: Edelweiss Securities

are increasing concerns on rising competition from private players.

On the one hand, coal block auctions can lead to competition setting in for CIL. On the other, it also means many of its customers vying coal blocks in these auctions may over a period of time have their own supplies from captive mines. After a few years (that may be required for mine development and ramping up production by private players), CIL's monopoly in the domestic arena may end.

Additional concerns prevail on rising renewable power capacities and simultaneously, fewer new thermal plants. This can impact CIL's future volume outlook.

While the company is addressing concerns and targeting import substitution, the benefits are yet to accrue. Therefore, the Street will be watchful

on the success of such initiatives. Analysts say gains can accrue if CIL is able to capture even half the quantity of coal being imported into India.

Meanwhile, there is pressure on realisations too, especially of coal e-auction. International coal prices are down significantly and this, in turn, puts pressure on more profitable e-auction volumes, which fetch market-determined prices.

The e-auction premiums (over and above the notified price) have regularly declined. Analysts say even though the company sells most of its produce under the fuel supply agreement, where the supply price does not change much, e-auctions contribute to a third of CIL's profitability. The e-auction realisations during the June quarter had plunged 24 per cent YoY to ₹2,105 per tonne, and analysts anticipate more

pressure in the September quarter. Due to weak volumes and realisations, pressure on profit, too, has increased and is keeping investors anxious with regard to dividend yield.

"If profits decline, how will CIL be able to maintain good dividend yield?" asks Rupesh Sankhe at Elara Capital. Sankhe says with multiple concerns on volume growth and rising competition, the stock is not able to command the price-to-earnings multiples as witnessed earlier.

Though Sankhe, like most analysts, is positive on the stock looking at cheap valuations and expectations of demand improvement, the sentiment can improve only if CIL's volumes start growing, which, in turn, can help drive e-auction premiums and its profit. Till then, not much upside may be seen in the stock, as investors will be exploring other investment options in the market, says an analyst at a domestic brokerage.

Lower TCS rate on funds remitted for education

Higher rate will be levied if PAN isn't furnished

BINDISHA SARANG

A new income-tax (I-T) rule on foreign exchange transactions came into effect from October 1. The Government of India, through the Finance Act, 2020, inducted new provisions, enabling levy of 5 per cent tax collected at source (TCS) on foreign remittances above ₹7 lakh in a financial year.

This new sub-section (IG) in Section 206C provides for levy of TCS on foreign remittances under the liberalised remittance scheme (LRS). TCS will be collected unless tax has already been deducted at source (TDS) on that amount.

This provision has been imposed on foreign visits for two reasons.

Says Suresh Surana, founder, RSM India: "It will enable the government to keep close tabs on the amount remitted to a foreign jurisdiction." It will also prevent tax evasion. A businessman may not file returns, but goes on a foreign tour every year with his family.

Adds Surana: "It may bring such people into the tax net who incur huge expenditure on foreign travel, but do not file tax return, or pay I-T that is not commensurate with the expenses they incur on foreign travel."

Foreign tours

The tax shall be collected on the amount or aggregate of the amount in excess of ₹7 lakh if the remittance is made for any purpose other than for the purchase of an overseas tour package. If the remittance is made for the purchase of an overseas tour package, then the threshold limit of ₹7 lakh shall not apply, and tax shall be collected on the total amount remitted.

If a person does not furnish his permanent account number (PAN), then TCS will be collected at the rate of 10 per cent.

Says Vivek Jalan, partner at Tax Connect Advisory Services: "If a person makes remittance under LRS and in the same financial year, purchases an overseas tour package, will the limit of ₹7 lakh be subsumed if foreign currency is purchased for the overseas tour package? The answer is 'no'; the limit shall not be subsumed."



HOW WILL TCS BE APPLIED

₹ 10,00,000 Amount remitted abroad*	
₹ 7,00,000 TCS applicable on the amount in excess of	₹ 3,00,000 TCS will be applicable on (₹ 15,000 TCS at 5%)

*Other than for the purchase of overseas tour package Source: Websites

Study overseas

For students planning to go abroad for studies and have taken an education loan from a financial institution, the rate of TCS shall be 0.5 per cent on the amount exceeding ₹7 lakh. The amount being remitted should have been sourced from an education loan as defined in Section 80E. If the person does not furnish his PAN, TCS shall be collected at the rate of 5 per cent.

Says Rana: "The government has fixed the TCS rate at 0.5 per cent to help students in ease of educational remittances, so as to not make a big dent in their finances."

If income is remitted under LRS for any other purpose, TCS will be collected at 5 per cent if the person furnishes his PAN, and at 10 per cent if he does not.

Any TCS paid will reflect in Form 26AS and credit for it can be claimed while filing the tax return. If there is no tax liability, the sum can be collected as refund.

Finally, as Kapil Rana, founder and chairman, HostBooks, advises: "People should be ready with all the evidence and proof of source of funds, and purpose of travel to avoid tax litigation."

Fundraising jumped 64% to ₹1.1 trillion in August

PRESS TRUST OF INDIA
New Delhi, 6 October

Companies garnered more than ₹1 trillion from the capital markets in August, a surge of 64 per cent from the preceding month, with private placement of debt instruments emerging as the most preferred route for financing business needs. The funds have been mopped-up

mainly for business expansion plans, loan repayments and working capital requirements.

According to data available with the markets regulator Sebi, companies raised ₹1.1 trillion in August, as against ₹66,915 crore in July 2020 by way of issuing equity and debt securities.

As much as ₹58,419 crore was mopped up from private placement of debt securities and ₹45,471 crore

through private placement of equity, which include qualified institutional placement (QIP) and preferential allotment routes.

A total of ₹42,725 crore and ₹2,746 crore were raised through QIP and issuance of shares on preferential allotment basis, respectively.

In comparison, corporates had mobilised just ₹2,882 crore from private placement of equities in July.

When it comes to raising funds through public issuance in August, ₹6,096 crore was raised through rights issue and ₹11.5 crore by SMEs' initial share-sales.

There was no public issue of corporate bonds in the month of August 2020. However, during July 2020, there was one public issue of corporate bonds amounting to ₹160 crore, the data showed.

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NOTICE CUM ADDENDUM

EXTENSION OF CLOSURE DATE FOR NEW FUND OFFER OF SBI FLOATING RATE DEBT FUND

Notice is hereby given that the closing date for the New Fund Offer period of SBI Floating Rate Debt Fund ("the Scheme"), an open-ended debt scheme investing predominantly in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps / derivatives), has been extended from October 08, 2020 to October 20, 2020.

All other terms and conditions of the Scheme remain unchanged. This notice forms an integral part of the Scheme Information Document & Key Information Memorandum of the Scheme, as amended from time to time.

Investors are requested to take note of the above.

For SBI Funds Management Private Limited
Sd/-
Vinay M. Tonse
Managing Director & CEO

Place: Mumbai
Date: October 06, 2020

Asset Management Company: SBI Funds Management Private Limited (A Joint Venture between SBI & AMUNDI) (CIN: U65990MH1992PTC065289) **Trustee:** SBI Mutual Fund Trustee Company Pvt. Ltd. (CIN: U65991MH2003PTC138496) **Sponsor:** State Bank of India **Regd Office:** 9th Floor, Crescenzo, C - 38 & 39, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 **Tel:** 91-22-61793000 • **Fax:** 91-22-67425687 • **E-mail:** partnerforlife@sblmf.com • www.sblmf.com

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

SBIMF/2020/OCT/01

IIFL WEALTH MANAGEMENT LIMITED
CIN: U74140MH2008PLC177884
Regd. Office - IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai (MH) - 400013
Tel: (91-22) 4876 5600 Fax: (91-22) 4706 4646
E-mail: secretarial@iiflw.com Website: www.iiflwealth.com

PUBLIC NOTICE

Notice is hereby given pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, that a meeting of the Board of Directors of the Company will be held on Wednesday, October 28, 2020 to inter alia consider and approve, Standalone and Consolidated Unaudited Financial Results of the Company, for the Second quarter and half year ended September 30, 2020.

This information is also hosted on the Company's website at www.iiflwealth.com and may also be accessed on the website of the stock exchanges at www.bseindia.com and www.nseindia.com.

For IIFL Wealth Management Limited
Sd/-
Ashtosh Naik
Company Secretary & Compliance Officer

Place: Mumbai
Date: October 5, 2020

BRADYS
BRADY & MORRIS ENGINEERING CO. LTD.

POST OFFER PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF BRADY AND MORRIS ENGINEERING COMPANY LIMITED FOR DELISTING OF EQUITY SHARES

Corporate Identification No.: L29150MH1946PLC004729
Registered Office: "Brady House", 12-14 Veer Nariman Road, Fort, Mumbai - 400001
Tel. No.: +91 22 22048361- 65; Fax No.: +91 22 22041855. E-mail: info@bradys.in, Website: www.bradymorris.in; Compliance Officer: Ms. Khushmeeta Bafna

This post offer public announcement dated 7th October 2020 ("Post offer PA") is being issued by Shivum Holdings Private Limited (the "Acquirer") along with W H Brady & Co. Limited (in capacity as a person acting in concert with the acquirer) ("PAC") to the Public Shareholders [as defined under Regulation 2(1)(v) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, (the "Delisting Regulations") as amended from time to time] ("Public Shareholders") of Brady and Morris Engineering Company Limited (the "Company"), in respect of the proposed acquisition and subsequent voluntary delisting of fully paid up equity shares of the company with a face value of INR 10 each ("Equity Shares") from the BSE Limited ("BSE"), pursuant to the applicable provisions of the Delisting Regulations and in accordance with the terms and conditions set out in the public announcement dated 14 September 2020 and published on 14 September 2020 ("Public Announcement") in (i) Business Standard (English, all editions); (ii) Business Standard (Hindi, all editions); and (iii) Lakshadweep (Marathi, Mumbai Edition) collectively, the "newsletters", and the letter of offer dated 14 September 2020 ("Letter of Offer").

This post offer PA is in continuation of and should be read in conjunction with the Public Announcement and the Letter of Offer. Capitalized terms used in this Post Offer PA and not defined herein shall have the same meaning as ascribed to it in the Public Announcement and the Letter of Offer.

The Acquirer and PAC issued the Public Announcement and Letter of Offer to acquire up to 5,90,349 Equity Shares representing 26.25% of the total issued equity share capital ("Offer Shares") of the company from the Public Shareholders in accordance with the Delisting Regulations and on the terms and conditions set out in the Public Announcement and the Letter of Offer. The Public Shareholders holding Equity Shares of the company were invited to tender their Equity Shares ("Bids") pursuant to the reverse book building process as prescribed in the Delisting Regulations through the Stock Exchange Mechanism ("Reverse Book Building") during the Bid period starting from Wednesday, 23 September, 2020 and ending on Tuesday, 29 September, 2020 in accordance with the Delisting Regulations.

1. DISCOVERED PRICE

1.1. In terms of Regulation 15(1) of the Delisting Regulations, the price determined as the discovered price [being the price at which the shareholding of the Promoter reaches 90% (ninty percent) of the paid-up equity share capital of the company pursuant to the book building process in the manner specified in Schedule II of the Delisting Regulations] is Rs. 750 (Rupees Seven Hundred and Fifty only) per Equity Share. ("Discovered Price")

2. FAILURE OF THE DELISTING OFFER

2.1. The Acquirer and the PAC have decided to reject the Discovered Price and has also decided not to make any counter offer in terms of Regulation 16(1A) of the Delisting Regulations. Accordingly, the Delisting offer is deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

2.2. The Acquirer and the PAC will not acquire any Equity Shares tendered by the Public Shareholders in the Delisting Offer and the Equity Shares of the company will continue to remain listed on BSE. Further, no final application shall be made to BSE for delisting of Equity Shares, in terms of Regulation 19(2)(b) of the Delisting Regulations.

2.3. All Equity Shares tendered in the Delisting Offer shall be returned to the respective Public Shareholders within 10 (ten) working days from the Bid Closing Date in accordance with Regulation 19(2)(a) of the Delisting Regulations.

2.4. Further, as per the terms of Regulation 19(2)(c), the escrow account opened under Regulation 11 of the Delisting shall be closed.

3. All other terms and conditions set forth in the Public Announcement and Letter of Offer remain unchanged.

4. The details of Company Secretary and the Compliance Officer of the company are as follows:

Name: Ms. Khushmeeta Bafna
Designation: Company Secretary & Compliance Officer
Address: 12 / 14, Brady House, Veer Nariman Road, Fort, Mumbai, Maharashtra, 400001
Email: cs@bradys.in
Tel. No.: +91 (022) 2204 8480
This Post Offer PA is issued by the Acquirer and the PAC in terms of Regulation 18 of the Delisting Regulations

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
KUNVARJI FINSTOCK PRIVATE LIMITED Block B, First Floor, Siddhi Vinayak Towers, Off S.G. Highway Road, Mouje Makarba, Ahmedabad: 380051. CIN: U65910GJ1986PTC008979 Tel No.: +91 79 6666 9000 F: +91 79 2970 2196; Email: atul.chokshi@kunvarji.com Website: www.kunvarji.com Contact Person: Mr. Atul Chokshi SEBI Reg. No.: MB/INM000012564	BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 CIN: U99999MH1994PTC076534 Tel No.: + 91-22-6263 8200 F: 022 - 28475207 / 62638299 Email: jibu@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Jibu John SEBI Reg. No.: INR000001385

For and on behalf of the Board of Directors of Shivum Holdings Private Limited and W H Brady & Co. Limited

Mr. Vaibhav Morarka Director of Shivum Holdings Private Limited Place: Delhi Date: 07 th October 2020	Mr. Vaibhav Morarka Director of W H Brady & Co. Limited
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