

Govt tells Pratt & Whitney to get grounded planes 'up and running'

The government has told Pratt & Whitney (PW) to supply engines so that the grounded planes of Indian carriers are "up and running", Aviation Minister Jyotiraditya Scindia said on Thursday.

"We cannot have multiple planes of one engine manufacturer on the ground in India, which is the case today, unfortunately," Scindia told reporters after an event of industry body FICCI.

Go First stopped operating flights from May 3, stating that almost half of its fleet of 54 aircraft was grounded due to a delay in engine supply from PW.

Moreover, about 36 IndiGo planes powered by PW engines are currently grounded. IndiGo has about 140 PW-powered planes in its fleet.

The minister indicated that the other airlines do not have enough planes to immediately start flights and fill the gap left by Go First's exit.

When asked if the government was pursuing other airlines to fill the gap left by Go First, Scindia replied: "Yes, we are. But you have to understand that servicing that

gap is limited not necessarily by an airline's desire to serve customers, but by the (limited) capacity of their fleet."

The minister said the Directorate General of Civil Aviation (DGCA) was waiting for Go First's plan on resumption of flights.

"We have very clearly said that we want a resumption of flights (by Go First) as soon as possible. They have to submit their plan to the DGCA. This plan will cover the number of planes, the number of routes. On the basis of this plan, the DGCA will decide how to take it forward," he added.

When asked if the government has had any communication with PW, he replied, "There are a number of engines (and planes) that are on the ground. As a minister, I cannot get into what the contractual issues are between one company and the other. But certainly, we have impressed upon them that we need to have our planes up and running."

The minister said the key issue was not the lack of passenger traffic, but the capacity crunch.

"This capacity issue is an international one. All major (aircraft and engine) manufacturers are facing supply chain issues. Our airlines have put huge bulk orders and we hope these planes will come as soon as possible," he mentioned.

He said Go First's decision to suspend flights was not great for the civil aviation sector. "However, each company has to manage its own situations. As far as the ministry is concerned, we are quite steadfast in our resolve to help airlines with whatever fundamental issues there are," he added.

India signed the Cape Town Convention (CTC) and Protocol — an international treaty to reduce the risks for aircraft lessors and financiers — in 2008. India introduced a Bill in 2018 to implement the CTC. However, that Bill has not been passed by the Parliament. A new Bill is in the works.

When asked about this Bill, Scindia said: "As you very well know, that is in the works. Once it is ready, it will be presented first to the Cabinet and then to the Parliament."

Flipkart's double-digit growth helps Walmart sales jump 13% at \$26.8 bn

Walmart's international net sales were up 12.9 per cent year-on-year (YoY) at \$26.8 billion in constant currency (CC), led by Flipkart, China, and Walmex (Walmart de México y Centroamérica), said the company in the first quarter (Q1) of 2023-24 (FY24) results. The company said there was strong sales growth, led by double-digit growth in Flipkart, China, and Walmex.

Walmart's financial year runs from February 1 to January 31 of the following year.

The US retail giant is the owner of the e-commerce company Flipkart and financial technology firm PhonePe. Walmart said that PhonePe, which was recently hived off from Flipkart, crossed an annualised payments volume of \$1 trillion, according to Walmart filings.

"Walmart International had a great quarter, continuing our momentum from last year. Sales grew 12.9 per cent in CC and profit grew even faster at 41 per cent. China, Walmex, and Flipkart saw double-digit top line growth.

In China, the reopening of the economy coincided with the Chinese New Year season, and that drove traffic to our clubs and stores. Sam's Club China continues its strong performance," said Doug McMillon, president and chief executive officer (CEO), Walmart Inc, in a conference call.

"For India, a group of us were there last week, and we (are) even more excited about

Container Corporation of India announces FY23 dividend of Rs 2 per share

Railway-owned Container Corporation of India (Concor) on Thursday announced its FY23 results, posting a net profit of Rs 1,169 crore and a final dividend of Rs 2 per equity share, with each share having a face value of Rs 5.

The above Final Dividend is in addition to interim dividend at 40 per cent (i.e. Rs 2/- per share of Rs 5/- each), 2nd Interim Dividend at 60 per cent (i.e. Rs 3/- per share of Rs 5/- each)

Centre unlikely to undertake any new PSU disinvestment in 2023-24

The Union government is unlikely to undertake any new public-sector undertaking (PSU) disinvestment — including privatisation of public-sector banks — in 2023-24, said a senior official in the know. Any such stake sale might take place only after the general elections next year.

"There is little chance of a new stake-sale transaction before the general elections. The priority will be to speed up the ongoing deals, including those to sell stakes in IDBI Bank, Shipping Corporation, and Container Corporation of India (Concor)," the official said. "Even the proposed privatisation of two public-sector banks and a general insurance company would be privatised, and that legislative amendments for this would be moved. The Privatisation Bill is yet to be moved."

According to sources, it was felt that this might not be an opportune time to privatise big state-run enterprises, as 2023-24 is the last financial year before the Lok Sabha elections to be held in April-May next year. Besides, global uncertainties could also not be ignored, as these influence both market conditions and government moves.

The government had earlier indicated that it was open to selling its entire equity in these two banks — instead of the initial plan to retain a 26 per cent stake — in order to garner more interest from potential investors.

A government policy unveiled in 2021 had mooted that the number of central public-sector enterprises should be limited to a minimum in strategic sectors, and the government should fully exit businesses in non-strategic sectors.

Shein is ready to make its second entry into India with Reliance Retail

Chinese fashion e-commerce platform Shein is expected to make a second entry into India and has tied up with Reliance Retail for this, according to a source in the know.

The source said as part of the tie-up, Shein would source goods from India for its global operations.

Also, the manufacturing of its products could happen in the country and they could be exported.

According to media reports, it has received Indian regulatory clearance as well for its partnership.

The fashion e-commerce player had to exit the country in 2020 after the government cracked down on several Chinese sites operating in India.

Over 200 Chinese applications were banned in India due to geo-political tensions between China and India. Due to this ban, many famous e-commerce and gaming sites and apps like TikTok and PUBG could not be

expected to remain robust across sectors like roads, ports, and aviation. Khara said there was a pipeline of Rs 1.75 trillion of corporate credit, in addition to Rs 1.78 trillion of sanctions, which are awaiting disbursement.

The corporate loan book is expected to grow 10-12 per cent in FY24.

As for liabilities, the deposits increased by 9.19 per cent YoY to Rs 44.23 trillion. The share of low-cost money — current account and saving accounts (CASA) — in domestic deposits stood at 43.8 per cent at the end of March 2023, down from 45.28 per cent a year ago.

While the bank did not spell out an estimate for deposit growth in FY24, Khara said it would be able to raise adequate resources to meet credit demand and would not require aggressive deposit mobilisation.

Also, the bank has excess statutory liquidity ratio (SLR) securities of Rs 4 trillion and part of it can be monetised to raise resources.

Its capital adequacy ratio (CAR) stood at 14.68 per cent with common equity tier of 10.27 per cent at the end of March.

SBI Life Insurance's net profit grew to Rs 1,721 crore in FY23 from Rs 1,506 crore in FY22. Another subsidiary, SBI General Insurance, posted a net profit of Rs 184 crore in FY23, up from Rs 131 crore in FY22. The mutual fund subsidiary posted a net profit of Rs 1,331 crore in FY23, up from Rs 1,071 crore in FY22.

Notably, the process is currently on to sell stakes in PSUs like IDBI Bank, Concor, Shipping Corporation, BEML, and NMDC Steel. While IDBI Bank has received preliminary bids, the Department of Investment and Public Asset Management (Dipam) is expecting financial bids by September. Expressions of interest for Concor, however, might take longer, hinted the official quoted earlier. For Shipping Corporation, meanwhile, the Dipam is in the

State Bank of India's Q4 standalone net jumps 83% to Rs 16,695 crore

State Bank of India's (SBI's) standalone profit in the January-March quarter of FY23, declared on Thursday, grew by 83.19 per cent to a record Rs 16,695 crore on the back of healthy net interest income (NII) and lower provisions. The previous best quarterly profit was Rs 14,205 crore in Q3FY23.

For the full financial year 2022-23, the bank's standalone net profit grew 58.58 per cent to Rs 50,232 crore. The standalone numbers represent the banking operations of SBI.

SBI's consolidated net profit was up 57.31 per cent at Rs 55,648 crore in 2022-23. This is the second-highest reported profit among listed companies that have announced their earnings so far — after Reliance Industries' Rs 66,702 crore — and almost Rs 10,000 crore ahead of HDFC Bank's Rs 45,997 crore.

SBI had reported a consolidated net profit of Rs 35,374 crore in FY22.

"For the third quarter running we have posted the highest ever quarterly [net] profit. For the full year our [net] profit is the highest ever by any bank in India," said Dinesh Khara, chairman, in the post-earnings interaction with the media.

The board of directors has declared a dividend of 1,130 per cent — Rs 11.30 per share (of Rs 1 each) — for FY23, the SBI informed the BSE. Its shares closed 2.11 per cent lower at Rs 574.15 per share.

Electric scooter companies divided on impact of FAME II subsidy cutback

Leading electric scooter companies are divided on the extent to which sales will be impacted on account of the reduction of the Faster Adoption and Manufacturing of (Hybrid & Electric Vehicles (FAME II) subsidy by a third on each scooter. However, many players concede that the decision will help them rejig their plans and cut costs in the next 12 months, and prepare for a world that will be without subsidy from April 2024.

The Centre on Wednesday decided to slash the FAME II subsidy on electric two-wheelers to Rs 10,000 per Kwh from the existing Rs 15,000 per Kwh. The maximum subsidy cap of 40 per cent of the ex-factory price of the vehicle has also been brought down to 15 per cent.

Raising concern about the government's move, Hero Electric CEO Sohinder Singh Gill said, "This will surely impact sales and force many who wanted to buy an electric vehicle to defer their decision or stick to ICE (internal combustion engine vehicles), leading to a slowdown in the conversion. It is not good for the industry."

However, another leading electric scooter company had an opposite view. It said the drop in subsidy would impact sales only for a few months.

"I think we may see a temporary blip for one or two

The public-sector lender's NII, that is interest revenues minus interest expenses, grew 29.47 per cent year-on-year (YoY) to Rs 40,393 crore in Q4 FY23 as against Rs 31,198 crore in Q4 FY22. The net interest margin (for domestic operations) improved to 3.84 per cent in Q4 FY23 from 3.44 per cent in Q4FY22.

"NII increased on the back of improvement in yields and credit off take," Khara said.

Referring to the net interest margin (NIM) trajectory in FY24, Khara said there was room for the marginal cost of funds-based lending rate (MCLR) to go up, which could boost margins. The MCLR is a benchmark for pricing corporate credit.

Non-interest income rose to Rs 13,961 crore in Q4FY23 from Rs 11,880 crore in Q4FY22.

The bank's operating expenses grew 27.27 per cent YoY to Rs 29,733 crore in Q4FY23. This reflects the impact of provisions for upcoming wage revisions in the banking industry. SBI is making a provision of Rs 500 crore each month for wage revision.

Advances grew 15.99 per cent YoY to Rs 32.69 trillion in FY23. Growth in advances was driven by retail loans (17.64 per cent) followed by small and medium enterprises.

J Swaminathan, managing director (corporate banking), said corporate loan growth was

months, but, subsequently, the penetration of electric replacing ICE vehicles will only become faster, and there will be no effect on sales growth. That is because consumers now want to shift to electric," said its top executive, who didn't want to be named.

Most companies in the premium electric scooter segment say they will have to increase prices ranging from 10 per cent to 20 per cent even if they absorb part of the cost.



Says the CEO of one leading electric scooter start-up, "The hit due to the subsidy reduction is between Rs 30,000-40,000 per scooter and I don't think any company will be able to absorb the entire cost unless it has huge cash to burn. The current average margins per scooter are around Rs 30,000 with the FAME 2 subsidy."

Most premium electric scooter companies say that reduction in the subsidy will lead to the introduction of stripped-down models, with smaller battery sizes (such as 1.5-2kwh instead of 3 kwh), more basic software options, and so on. This will ensure more price ranges for customers to choose from.

Opinion is also divided on whether the cutback in the subsidy will benefit companies like Hero Electric and Okinawa which have a substantial offering in the Rs 70,000 to sub Rs 1 lakh segment, or whether it will of advantage to those like Ola, Ather or Bajaj that are in the over Rs 1 lakh premium segment.

Gill says that as the subsidy on the affordable electric scooters is around Rs 17,000 - Rs 20,000, its reduction will have a minimal impact on their price, unlike in the premium segment where it is as high as Rs 40,000-Rs 60,000. "What will happen is that the market will shift from premium electric scooters (which constitutes 80 per cent of the electric two-wheeler sales) to the affordable electric scooter segment, as many planning to buy a premium model will now go for an affordable one," says Gill.

However, premium electric scooter players feel that the market will consolidate with the premium end dominating the play. "With lower margins (around Rs 10,000 per scooter), the reduction in and eventually the complete withdrawal of subsidy will mean that those selling affordable electric scooters will lose money per scooter.

Eventually, we see the market having five to six players, including startups and incumbent operators," said the CEO of another electric scooter company in the premium segment.



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NOTICE

Pursuant to Regulation 29 read with Regulation 49 of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a Meeting of the Board of Directors of the Company is Scheduled to be held on Tuesday, 30th May, 2023 Inter alia to consider and take on record the Audited Financial Results for the Quarter and year ended 31st March 2023 and other Business.

The Said Notice may also be accessed on the Company's Website at www.polylinkpolymers.com and on the Stock Exchange Website at www.bseindia.com.

For Polylink Polymers (India) Limited
Sd/
Ankit Vageriya
Company Secretary

Date : 20.05.2023
Place: Ahmedabad