

## Railway ministry asks IRCTC to share 50% of revenue from convenience fee

Monday onwards, half the revenue that accrues to Indian Railway Catering and Tourism Corporation (IRCTC) through the convenience fee on train tickets will go to the Ministry of Railways. Officials in the know told IRCTC's management would meet on Friday to figure out a strategy to safeguard revenues.

According to IRCTC's Annual Report, it earned Rs 299.13 crore from the convenience fee (also called service charge) during 2020-21. These gains were lower owing to the fall in railway ticket bookings after the pandemic came. IRCTC had earned Rs 349.64 crore in 2019-20.

"The ministry of railways has conveyed its decision to share the revenue earned from the convenience fee collected by IRCTC in the ratio of 50:50 with effect from November 1," IRCTC said in a notice to the stock exchanges.

Before 2014, there was no sharing of service charge between IRCTC and the Railways though the latter decided the amount of the charge.

Sharing started in 2014 in the ratio of 80:20 between IRCTC and the Indian Railways. The ratio was changed to 50:50 in 2015 but the charge remained withdrawn for three years from November 2016.

Income from the convenience fee was the largest revenue earner for IRCTC in 2020-21. This is because income from the catering and comprehensive services fell from Rs 512.45 crore in 2019-20 to Rs 87.31 crore in 2020-21 due to Covid-related restrictions.

"After this move, investor confidence will be hit hard. The government will earn roughly Rs 350-400 crore as additional revenue, but the impact on the valuation of IRCTC is likely to be big," said an analyst at a large brokerage.



"These moves will hurt sentiment as regards other public sector stocks," he added.

A senior official said IRCTC booked around 700,000 tickets a day during the pre-pandemic period. "This has now risen to around 1.3 million a day. So even if the ministry takes half the revenue, IRCTC's bottom line will not change much," a senior official said.

Further, since sales on the

counter are restricted, those through IRCTC have risen. The option of raising the service charge is not ruled out, the official added.

Balaji Subramanian, analyst at IIFL Securities, said the impact of the move would be significant because this was the most profitable segment and enjoyed an 80 per cent EBIT (earnings before interest and tax) margin.

IRCTC levied a service charge at Rs 20 plus tax a ticket for non-air conditioned (AC) classes and Rs 40 plus tax for AC classes on reserved rail tickets booked through its platform till November 22, 2016.

With the shortage of currency notes after demonetisation, the government pushed digital payments by waiving the service charge. This charge remained withdrawn from November 23, 2016, to August 31, 2019.

IRCTC resumed collecting the convenience fee on e-ticket bookings on September 1, 2019, at the rate of Rs 15 plus goods and services tax (GST) a ticket for non-AC classes and Rs 30 plus GST for AC classes (including first class).

For BHIM/UPI payments, the convenience fee is being charged at a reduced rate of Rs 10 plus GST a ticket for non-AC classes and Rs 20 plus GST for AC classes.

## Indices post biggest fall in 6 mths as inflation, valuation trigger selloff

India's benchmark indices on Thursday posted their biggest single-day drop in about six months as concerns over inflation, valuations, and policy normalisation by the Reserve Bank of India (RBI) triggered risk-off bets. Sentiment was further dented by Morgan Stanley's downgrading of Indian equities, becoming the latest foreign brokerage to sound a note of caution about the domestic market.

The Sensex closed at 59,984, down 1,158 points, or 1.9 per cent — the biggest decline since April 30. The index slipped below the 60,000 mark after 13 trading sessions. This was also its sixth-biggest fall of the year. The Nifty50 index fell 353 points, or 1.9 per cent, to finish at 17,857. The India VIX index soared 6.5 per cent to 17.9 amid the expiry of derivatives contracts.

Most Asian markets fell on Thursday, with India witnessing the biggest decline. Banking stocks, which have the highest weighting in the benchmark indices, led the fall. The Bank Nifty index dropped 3.34 per cent, with ICICI Bank, Kotak Bank, and Axis Bank falling around 4 per cent each.

Market experts said investors were spooked by the RBI's plan to drain cash from the banking system.

The central bank on Wednesday announced its plans to conduct its first 28-day variable rate reverse repo (VRR) auction on November 2 for Rs 50,000 crore. Analysts termed the announcement a measure to remove excess liquidity from the system for a longer period, and said it might moderate liquidity-led gains in the equity markets. At present, VRR auctions are for 14 days.

Record valuations after this year's stellar run remain another concern. While downgrading India from overweight to equal weight, Morgan Stanley said it saw India's valuations as "increasingly constraining returns over the next 3-6 months".

The benchmark Nifty currently trades at record-high valuations of 24 times its

estimated 12-month forward earnings, as against the historical average of 17 times.

"India has done exceptionally well vis-à-vis its emerging market peers. There is a bit of profit-taking more than anything else. We might see some more selling and volatility as Fed tapering nears. The risk-reward for India is a little skewed towards the risk side," said Andrew Holland, CEO, Avendus Capital Public Markets Alternate Strategies.

Sustained selling by foreign portfolio investors (FPIs) and large public floats by companies such as Nykaa and Paytm also impacted liquidity, said experts.

On Thursday, FPIs sold shares worth Rs 3,819 crore, while their domestic counterparts provided buying support to the tune of Rs 837 crore. Since October 20, FPIs have pulled out nearly Rs 17,000 crore from the domestic markets.

Asian stocks fell as investors feared a prolonged pandemic and elevated inflation could hurt the economic recovery. The Chinese benchmarks fell for a third day as US-China tensions added another layer of volatility. On Thursday, Taiwanese President Tsai Ing-wen confirmed the presence of US troops in the country even as China warned Taiwan that American support posed huge risks.

Experts said investors were eyeing the US GDP data and the outcome of the Fed meeting, scheduled for next week. Analysts warned that sentiment could weaken further if investors lost confidence in the ability of policymakers to tame inflation without compromising on growth.

Indices post biggest fall in 6 mths as inflation, valuation trigger selloffThe market breadth was negative, with 2,387 stocks declining and 900 stocks advancing on the BSE. All but six Sensex components ended the session with losses. ITC was the worst-performing Sensex stock and declined 5.5 per cent. Realty stocks slumped the most at 3.7 per cent.

## Reliance Jio pays Rs 10,792-crore spectrum dues to DoT

Reliance Jio has paid Rs 10,792 crore to the Department of Telecom-unications (DoT) for 269.2 MHz of spectrum it acquired in 2016.

While Jio had made upfront payments, it has dues of Rs 15,000-16,000 crore towards spectrum it acquired in 2014 and 2015. Jio will have to in-form the DoT by Friday whether it wants a moratorium for the balance payments.

Bharti Airtel has already decided to opt for a four-year moratorium on spectrum and adjusted gross revenue (AGR) dues payable to the government. Vodafone has also taken a decision to opt for a moratorium on spectrum dues and has to communicate its stance on AGR dues.

Jio had acquired a

## Private banks' Q2 profit soars 26% as economy shows signs of recovery

The net profit of private banks rose 26 per cent (year-on-year) in the July-September 2021 quarter (Q2) and 21.9 per cent sequentially over March-June 2021 (Q1), marking a phase of recovery in the economy and credit demand.

According to an analysis of the performance of 12 banks, their net interest income (NII) — interest income minus expenses — was up 10.8 per cent (y-o-y) and 2.5 per cent (q-o-q). The yield on advances, especially wholesale loans, was under pressure amid a system flush with liquidity and low demand for credit, bankers said.

Weighted average lending rates on rupee loans were 9.09 per cent in September 2021, down from 9.59 per cent in September 2020 and 9.1 per cent in June 2021, according to Reserve Bank of India (RBI) data. Other income comprising fees, commissions and recoveries rose 15.7 per cent y-o-y and 7.9 per cent q-o-q.

Provisions and contingencies by private lenders fell both y-o-y — 22 per cent — and sequentially — 30.2 per cent. The portion of provisions are for one-time restructuring under regulatory package 2.0 to address stress that borrowers, especially individuals, households and

small businesses faced during the second wave of the pandemic.

Besides regulatory requirements, many banks keep aside additional amounts, which some term management overlay to absorb potential risks.

Axis Bank said there was limited restructuring and asset quality was improving while the balance sheet was resilient. On an aggregate, the coverage ratio for Axis Bank was 124 per cent, including specific, standard and Covid provisions.

Asset quality was broadly stable with a small rise — 1.1 per cent — in gross non-performing assets (NPAs) at Rs 1.73 trillion on a y-o-y basis. However, sequentially they fell 3.5 per cent from about Rs 1.8 trillion in June 2021.

Net NPAs rose by 27.5 per cent (y-o-y) to Rs 42,895 crore, but fell sequentially by 7.3 per cent from Rs 46,280 crore in June 2021.

While the asset quality is stable, there are risks from borrowers who suffered severe economic disruptions during the pandemic. Anil Gupta, head, financial sector ratings, Ibra, said private banks have shown a steady performance,

ticking all boxes — profitability, asset quality, etc. "Yet, they need to be conscious of risks of slippage from restructured books as accounts exit from moratorium," he said.

As for the growing loan book, combined advances of banks rose 11.8 per cent (y-o-y) and 3.9 per cent (q-o-q).

RBI data showed banking systems credit rose 6.5 per cent (y-o-y) till early October 2021, up from 5.7 per cent a year ago, reflecting a gradual uptick in loans. The pace, however, remains below 8.9 per cent in FY20, which was before the pandemic.

Sandeep Bakhshi, managing director and chief executive, ICICI Bank, in an analyst call said overall the industrial activity is above pre-Covid levels. "The progress in the vaccination programme is supporting an improvement in mobility indicators. We expect the festive season to give further impetus to economic activity," he said.

HDFC Bank — the largest private lender in the country — echoed a similar assessment about growth momentum. It expects growth in absolute numbers (for credit) to reach pre-pandemic levels by the third quarter.

## Telecom gear maker Nokia's sales in India fall 6% in September quarter

Telecom gear maker Nokia on Thursday posted a six per cent decline in sales in India at 251 million euros in the third quarter of 2021.

The company had recorded sales of 268 million euros in the same period a year ago.

Nokia has also cut down on its expectations in 4G and 5G business from India, Asia Pacific, Middle East and Africa.

It has also expressed uncertainty around the recovery timeline of markets that were impacted by COVID,

including India.

Nokia mentioned about the scope and duration of the COVID impact, particularly in certain countries, including India, where the pandemic has worsened, and the pace and shape of the economic recovery following the pandemic.

## SHAH FOODS LIMITED

CIN : L15419 GJ 1982 PLC 005071  
 Regd. Office : Kalol Mehsana Highway, PO-Chhatral, Tal-Kalol, Dist.-Gandhinagar-382729  
 Telephone 079 26448371, 02764233931 email : shahfoods.ahmedabad@gmail.com  
 Statement of Standalone Unaudited Financial Results for the Quarter Ended 30.09.2021  
 (Rs. in lakhs)

SR No.	PARTICULARS	Three Months ended			Half Yearly		Year Ended 31-03-2021 Audited
		30-09-2021 Unaudited	30-06-2021 Unaudited	30-09-2020 Unaudited	30-09-2021 Unaudited	30-09-2020 Unaudited	
1	Total Income From Operations (net)	0.12	0.01	0.34	0.13	1.19	10.18
2	Net Profit/(Loss) for ordinary activities (before Tax, Exceptional and/or Extraordinary Items)	(5.33)	(7.09)	(12.73)	(12.42)	(22.03)	(55.16)
3	Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(5.33)	(7.09)	(12.73)	(12.42)	(22.03)	(55.16)
4	Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(5.33)	(7.09)	(12.73)	(12.42)	(20.54)	(55.28)
5	Total Comprehensive Income for the Period (Comprising Profit/Loss for the period (After Tax) and Other Comprehensive Income (After Tax))	(5.33)	(7.09)	(12.73)	(12.42)	(20.54)	(55.28)
6	Equity Share Capital, (face value of Rs.10 each)	59.75	59.75	59.75	59.75	59.75	59.75
7	Reserves (excluding Revaluation Reserve) as shown in balance Sheet of previous	(69.48)	(64.14)	(22.32)	(69.48)	(22.32)	(57.05)
8	Earning Per Share (before extraordinary items) of Rs.10 /- each	(0.89)	(1.19)	(2.13)	(2.08)	(3.44)	(9.25)
9	Earning Per Share (after extraordinary items) of Rs.10 /- each	(0.89)	(1.19)	(2.13)	(2.08)	(3.44)	(9.25)
	Basic Diluted	(0.89)	(1.19)	(2.13)	(2.08)	(3.44)	(9.25)

Notes :  
 1. The above Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on 28th October, 2021. The statutory auditors have carried out a limited review of the results for the quarter ended September 30, 2021 and have expressed an unqualified audit opinion.  
 2. The figures for the previous period/year have been regrouped /reclassified, wherever necessary.  
 3. This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable.  
 4. The Disclosure is as per Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.  
 5. The Company is operating in single segment, so above results are for single segment only.  
 6. The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the quarter were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the unaudited standalone financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these unaudited standalone financial results and current indicators of future economic conditions

For and on behalf of the Board of Directors  
 For, Shah Foods Limited  
 Sd /-  
 Nirav J. Shah  
 Managing Director  
 DIN : 01880069

Place : Ahmedabad  
 Date : 28-10-2021

**POLYLINK POLYMERS (INDIA) LIMITED**  
 Registered Office: 229-230, Village: Valthera, Taluka - Dholka, Dist. Ahmedabad, Gujarat 387810  
 CIN : L17299GJ1993PLC032905 E-MAIL: polylink@polylinkpolymers.com  
 PH : 079-26427800 Fax : 079-26421864 www.polylinkpolymers.com

**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, 09<sup>th</sup> November, 2021 Inter alia to consider and take on record the Un-audited Financial Results for the Second Quarter and Half Year ended 30<sup>th</sup> September, 2021 and other Business.

The Said Notice may also be accessed on the Company's Website at [www.polylinkpolymers.com](http://www.polylinkpolymers.com) and on the Stock Exchange Website at [www.bseindia.com](http://www.bseindia.com).

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

Date : 30.10.2021  
 Place : Ahmedabad