Early impacts of the COVID-19 pandemic on Indian corporate reporting

August 2020

Building a better working world

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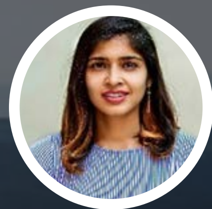

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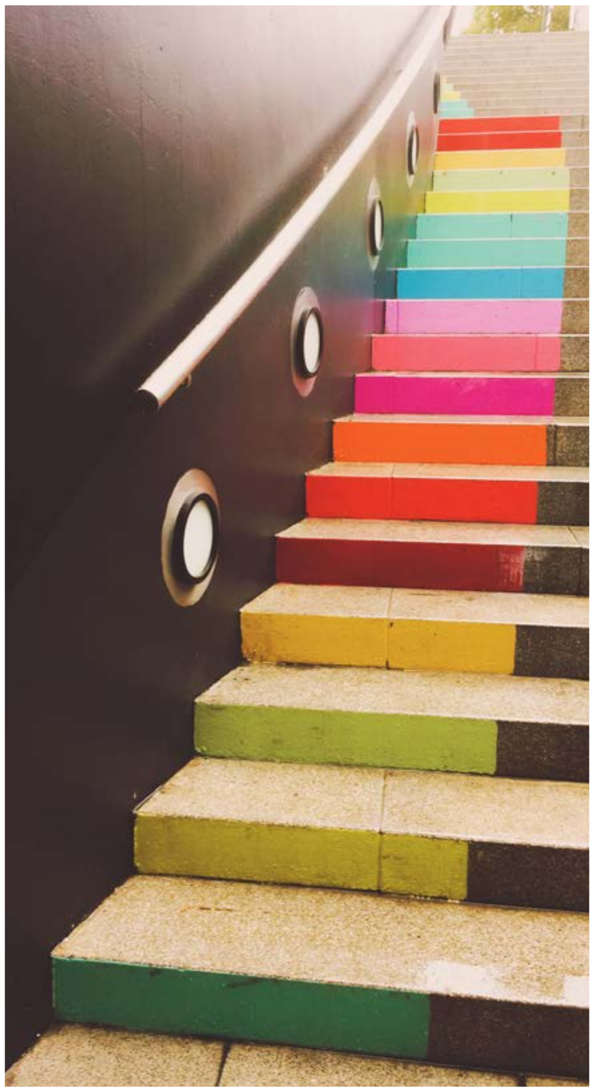

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Foreword

As we move through phases of the COVID-19 pandemic, it is evident that many of our clients' businesses are preparing to return to physical workplaces. Amidst the disruptions caused by COVID-19, adjacent to March quarter reporting timelines, both in India and globally, most companies are sailing through this storm one way or the other. However, this pandemic has put financial reporting under the spotlight to evaluate how strong, agile, efficient and technologically equipped is a company's finance function and investors' communications. All stakeholders are assessing a company's ability of not only generating timely reporting but also its ability to provide transparent, comprehensive and future-looking financial and non-financial details for maintaining trust in these uncertain times.

EY India Financial Accounting Advisory Services (FAAS) team researched March quarter reporting of top BSE 300 Indian companies and 115 global companies spanning over 12 sectors to evaluate the impact of COVID-19 disruptions on their reporting calendar, profitability, financial position, liquidity, disclosures and other key parameters. (Refer Appendix 1 for details on population and sector categorization). This publication intends to provide a summary of the impacts across different corporate sectors and changes in other macro-economic factors during this period. It will also contextualize the pandemic's tangible potential impacts in the upcoming June quarter. It is pertinent to note that this analysis solely depends, and is limited by the depth and width, of transparency. The analysis relies on details of the pandemic's impact as presented by companies in their results or any public document pertaining to quarterly reporting.

Corporate reporting is key to sharing an organizations' value creation story to investors. Critically, it is also key to earning the trust of investors and other stakeholders. In an environment when stakeholders are seeking information on the disruptions of current financial standing of an organisation due to COVID-19, trust is critical, and corporate reporting is probably the only medium for gathering this form of information.

We are witnessing a significant shift in investor communication strategies, content and frequency by various corporates during COVID times. The pandemic has pushed investor communication to newer heights by making the corporate world answerable on many indicators other than financial numbers. However, to really push the transparency agenda, a wider shift in attitude is required. Because corporate reporting has traditionally been focused on historical financial data, the mindset of those who produce it are far more aligned with focused, backward-looking financial reporting. Transparent, forward-looking reporting based on wider balance between financial and non-financial data is the need of the hour.

This publication aims to showcase a high-level analysis of the overall sectoral level and does not attempt to provide in-depth exhaustive analysis or conclusive views on the impacts of the outbreak. Our analysis is based solely on publicly-available information. We are not responsible for the completeness or accuracy of any such information or for confirming any of it. The impacts stated here cannot be directly applied to any specific company in any particular sector without performing entity-specific detailed analysis as most of the impacts are generalized on overall performance and should not be concluded as similar for all companies across the sector.

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A

Now

In this section, we have analyzed March quarter results of top BSE 300 companies, declared till 5 June 2020 (159 Companies) and 115 top global companies in their respective sectors. Thus, 274 companies in aggregate have been considered for this analysis which are hereinafter referred to as "the Companies".

We have summarised impact of COVID-19 disruptions and other consequential changes in macro-economic factors on their profit & loss (PL), balance sheet (BS), key ratios as well as disclosures, judgements and estimates. (refer Appendix 1 for further details on population and source of information used for the analysis). The analysis in this section covers March quarter results and hence impacts disclosed will predominantly for limited period as the pandemic effects started in different countries around late March. However, June quarter and beyond will witness more tangible outcomes of impact of the pandemic on corporate results. We have also covered the considerations for companies in "Planning for Next" and "Thinking Beyond" section.

1

Introduction

To understand the high-level implications on corporate financial results for the quarter ended 31 March 2020, we selected companies on following basis for India and globally.

Indian Companies: We extracted the list of BSE 500 Companies by market capitalization as at 5 June 2020 (from https://www.valueresearchonline.com/stocks/selector/indices/46/bse-500-index/) which is then sorted in descending order based on market capitalization and top 300 companies were selected from the sorted list for the analysis. We then extracted results calendar (from https://www.bseindia.com/corporates/Comp_Resultsnew.aspx?expandable=0) as at 5 June 2020 and out of the 300 companies, 159 companies had declared the results till 5 June 2020.

Global Companies: We selected companies from key sectors to ensure appropriate mix and coverage. 12 sectors were considered for the analysis selecting 115 companies in aggregate.

For details of entities in-scope of our analysis, refer Appendix 1.

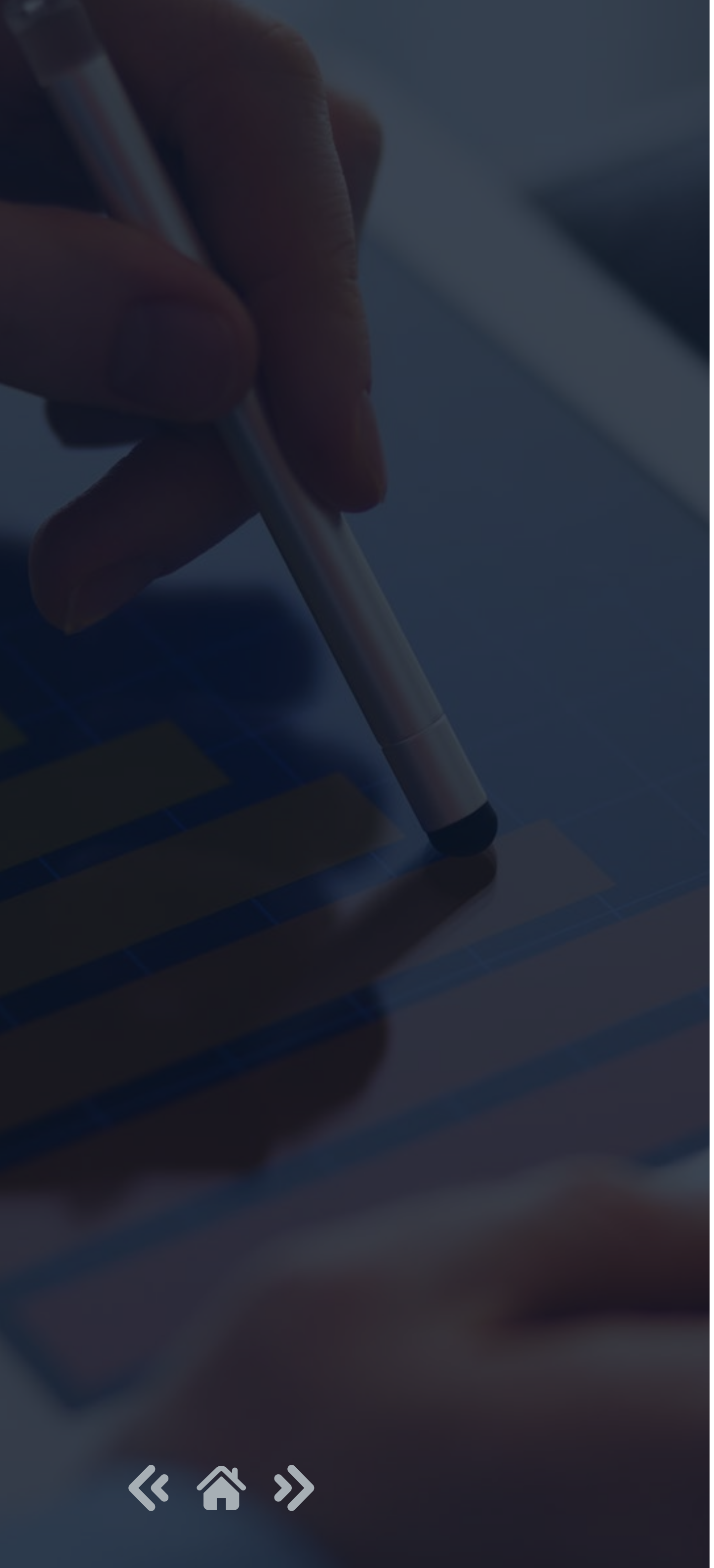
Sector-wise categorization of analysis

We have categorized the companies into various sectors based on the nature of the business companies are engaged in. Where a company is operating in multi-sector, we have categorized it based on its principal sector of operation.

Following is the sector-wise categorization of Indian and global Companies

Table: 1

S. No.	Sector	Categories of companies included	No. of companies	
			India	Global
1	Banks, financial services and insurance (BFSI)	Banking, Non-Banking Financial Companies (NBFC) and insurance	31	10
2	Advanced manufacturing & mobility (AM&M)	Engineering, chemicals, paints, pesticides and electrical equipment	31	19
3	Automotive	Automobile and Auto components	9	5
4	Aviation	Air transport	1	-
5	Consumer products and retail (CPR)	Fast Moving Consumer Goods (FMCG), retail, consumer durables, footwear, food processing	27	19
6	Lifesciences (LS)	Pharma and health services	22	10
7	Metal & mining	Steel and other non-ferrous metals	4	1
8	Oil & gas	Crude oil and natural gas	2	10
9	Power	Electricity generation and distribution	5	10
10	Real estate and infrastructure (RE & infra)	Real estate, infrastructure, cement and shipping	9	10
11	Services	Courier, trading, credit rating agencies and security services	5	1
12	Technology	Computer software	12	15
13	Telecom	Telecom services	1	5
	Total		**159**	**115**



Assumptions and limitations of analysis:

All amounts are presented in INR crores unless otherwise stated.

Provision impact for global companies are converted in INR from USD considering the closing rate of exchange on 31 March 2020.

12 Indian companies with year-end other than March are not included for balance sheet analysis.

In some companies, share of profit/(loss) from associates/ joint ventures was presented after profit before tax. We have added the same in profit before tax to make it comparable with other companies.

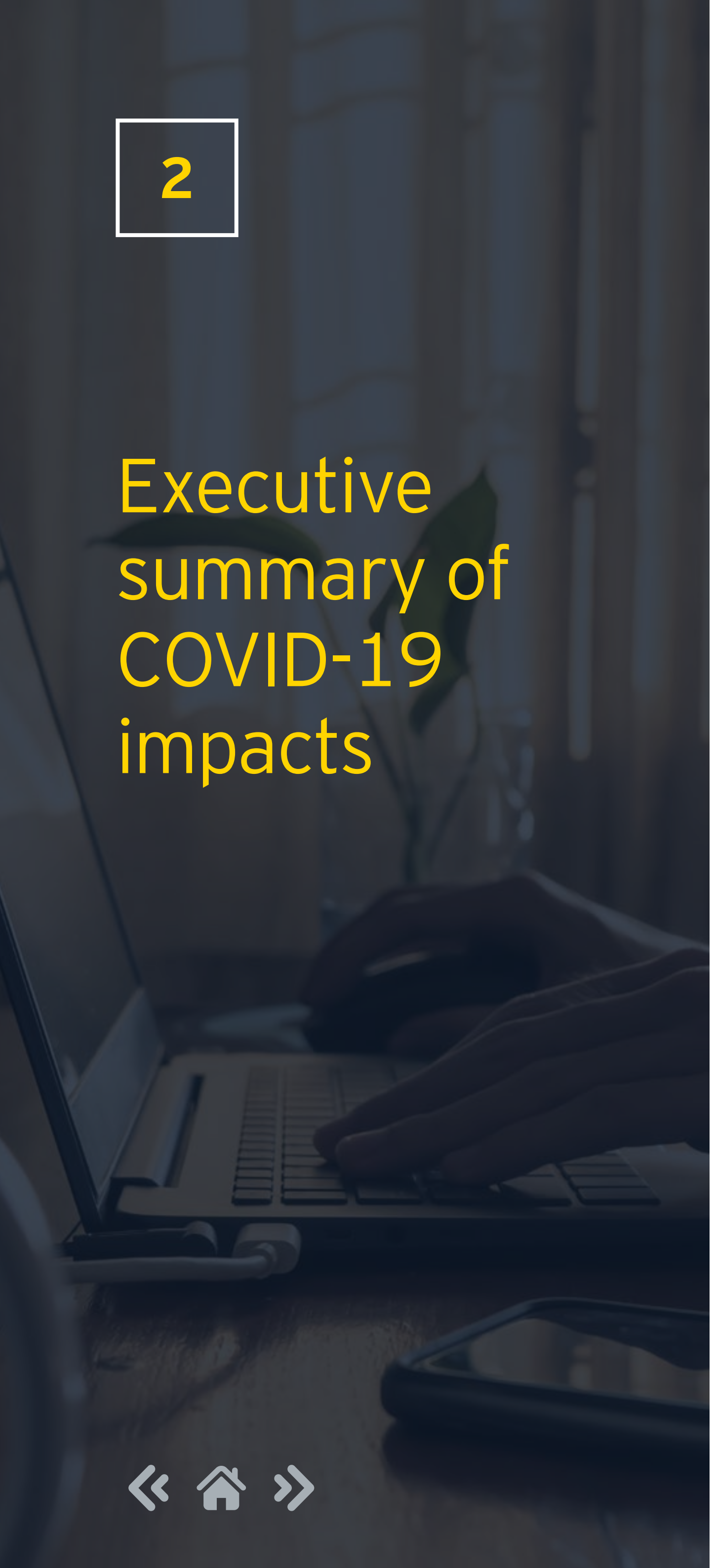
Global companies' numbers including groupings thereof are obtained from Factiva.

For calculating balance sheet ratios, we have considered the denominator as an absolute number.

Provision impact due to COVID are considered where the same are presented on the face of profit or loss account or in notes to accounts. There may be additional impact due to COVID which are not presented as such and hence might not be considered.

Revenue loss due to lockdown in last 10 days of March 2020 are taken from quarterly results for March 2020, press release or investor presentation.

We have used simple average to define the overall and sector impacts for various ratios.



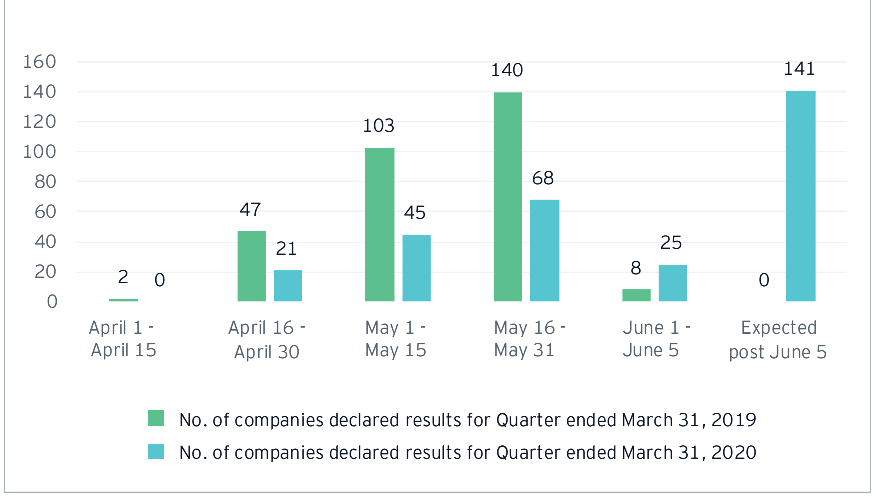
2

Executive summary of COVID-19 impacts

Impact on result calendar of Indian companies (deferral in reporting)

- We have observed that there have been significant deferrals in reporting the results for March 2020 quarter (on account of timeline extension by SEBI twice) as compared to March 2019 quarter.
- It is notable that as on 5 June 2020, 141 out of BSE 300 companies (47%) were yet to declare their results.
- The charts indicates that a majority of the companies have deferred declaring their results for Q4 2020 in comparison to Q4 2019.

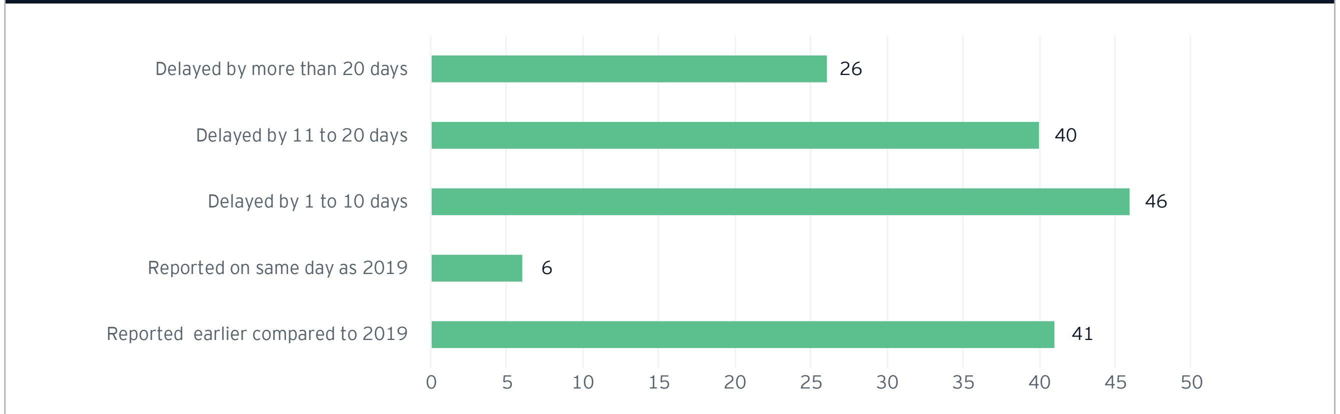
Exhibit 1: Result calendar Q4 2020 Vs. Q4 2019



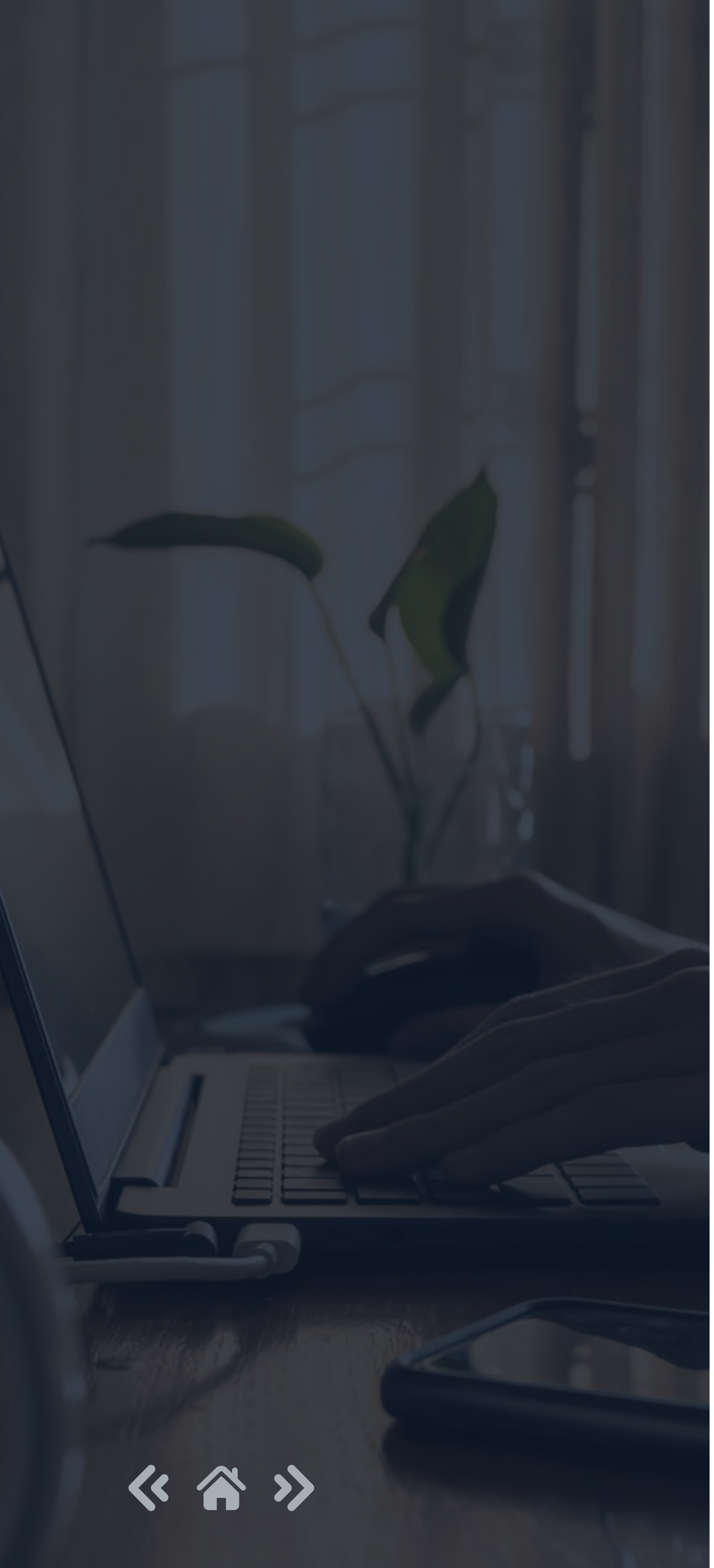
Source : Results declared by companies on (https://www.bseindia.com/corporates/Comp_Resultsnew.aspx?expandable=0)

Average deferral in (no. of days) declaring results for the quarter ended 31 March 2020 as compared to quarter ended 31 March 2019 by companies:

Exhibit 2: Result calendar Q4 2020 Vs. Q4 2019



Source : Results declared by companies on (https://www.bseindia.com/corporates/Comp_Resultsnew.aspx?expandable=0)



Overall EBITDA and net-worth impact

Overall impact of the coronavirus outbreak on the Indian and global economy will depend on the duration and severity of the crisis. Based on quarterly results published by companies in India and globally, on average, there is decline of approximately 20% in EBITDA during the quarter ended 31 March 2020 in comparison to quarter ended 31 December 2019. Net worth movement might not accurately reflect the impact due to various other movement in equity such as capital infusion and restructuring.

Table: 2

S. No.	Sector	Indian Companies			
		No. of Companies	% change for EBITDA (March 2020 vs Dec 2019)	No. of Companies	% change for Net Worth (March 2020 vs Sept 2019
1	AM&M	31	-4.49%	28	8.25%
2	Automotive	9	-10.88%	9	2.52%
3	Aviation	1	-90.14%	1	-5.70%
4	CPR	27	-9.74%	23	9.89%
5	LS	22	31.21%	21	3.34%
6	Metal & Mining	4	-3.82%	4	3.22%
7	Oil & Gas	2	-73.23%	2	1.05%
8	Power	5	-36.84%	5	-3.78%
9	RE & Infra	9	1.58%	7	7.48%
10	Services	5	8.88%	4	-0.78%
11	Technology	12	0.95%	11	7.36%
12	Telecom	1	-52.13%	1	10.23%
	Total	**128**		**116****	

** 12 Companies follow calendar year as their reporting period and hence balance sheet data was not available for March 2020 for these companies.

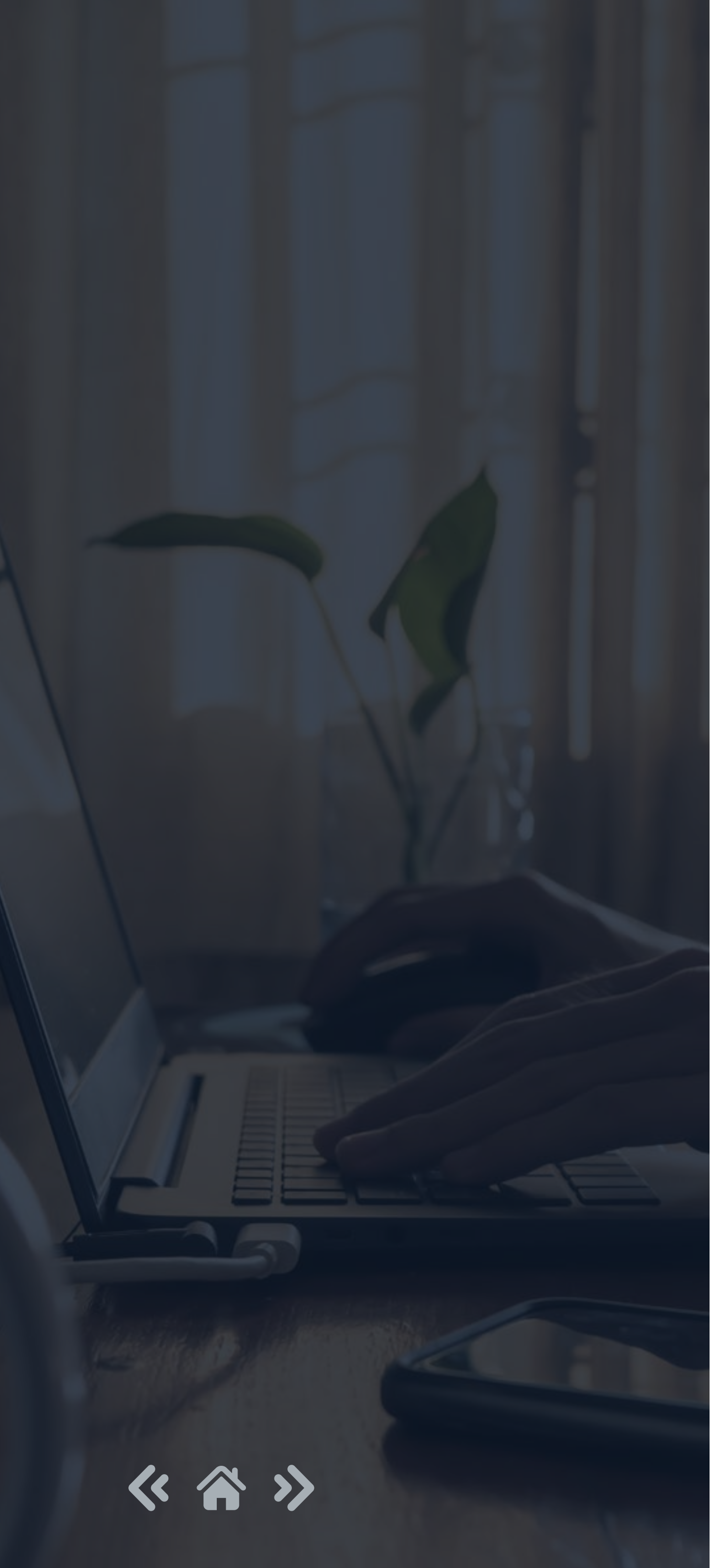


Exhibit 3: Indian Companies - EBITDA & Net Worth Impact

Source:Table 2

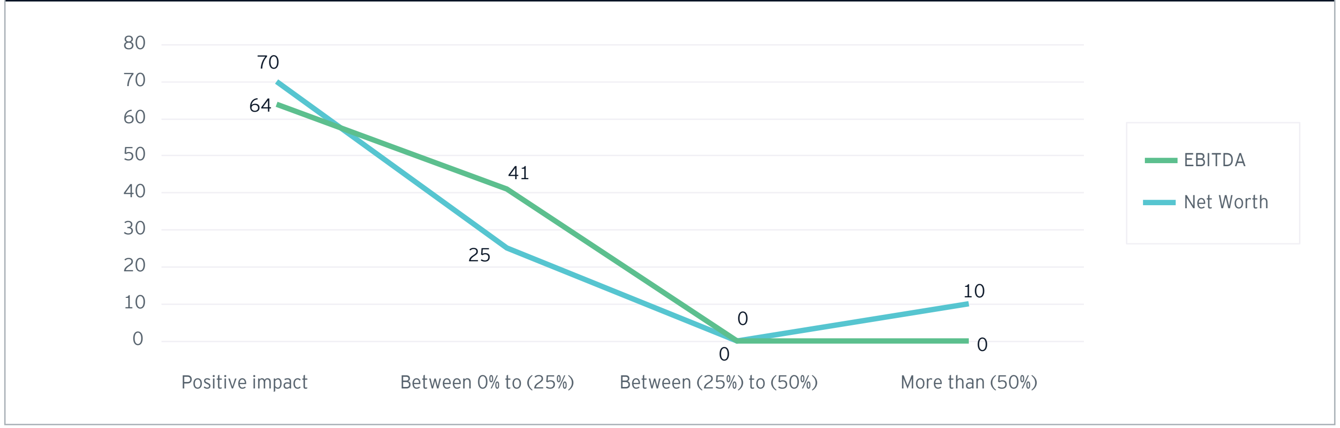
Following is the sector-wise impact on EBITDA and net worth for global companies:

Table: 3

S. No.	Sector	No. of Companies	Global companies	
			% change in EBITDA (March 2020 vs Dec 2019)	% change in net worth (March 2020 vs Dec 2019
1	AM&M	19	93.62%	2.81%
2	Automotive	5	288.85%	-1.39%
3	CPR	19	2.13%	6.29%
4	LS	10	190.44%	1.57%
5	Metal & Mining	1	2.79%	-18.16%
6	Oil & Gas	10	-203.34%	-10.48%
7	Power	10	2.97%	2.39%
8	RE & Infra	10	-6.04%	-8.35%
9	Services	1	258.89%	2.81%
10	Technology	15	-11.96%	-2.47%
11	Telecom	5	7.23%	1.69%
	Total	**105**		

In the global scenario, oil & gas sector have witnessed significant negative impact on EBITDA for March 2020 quarter compared to December, 2019.

Exhibit 4: Global companies - EBITDA and net worth impact



Source:Table 3

Insights on sector impacts

Advanced Manufacturing & Mobility

Sector reported approx. -4.50% impact on EBITDA primarily due to revenue loss compared to previous quarter.

Automotive

Sector reported approx. -11% impact on EBITDA primarily due to revenue loss compared to previous quarter.

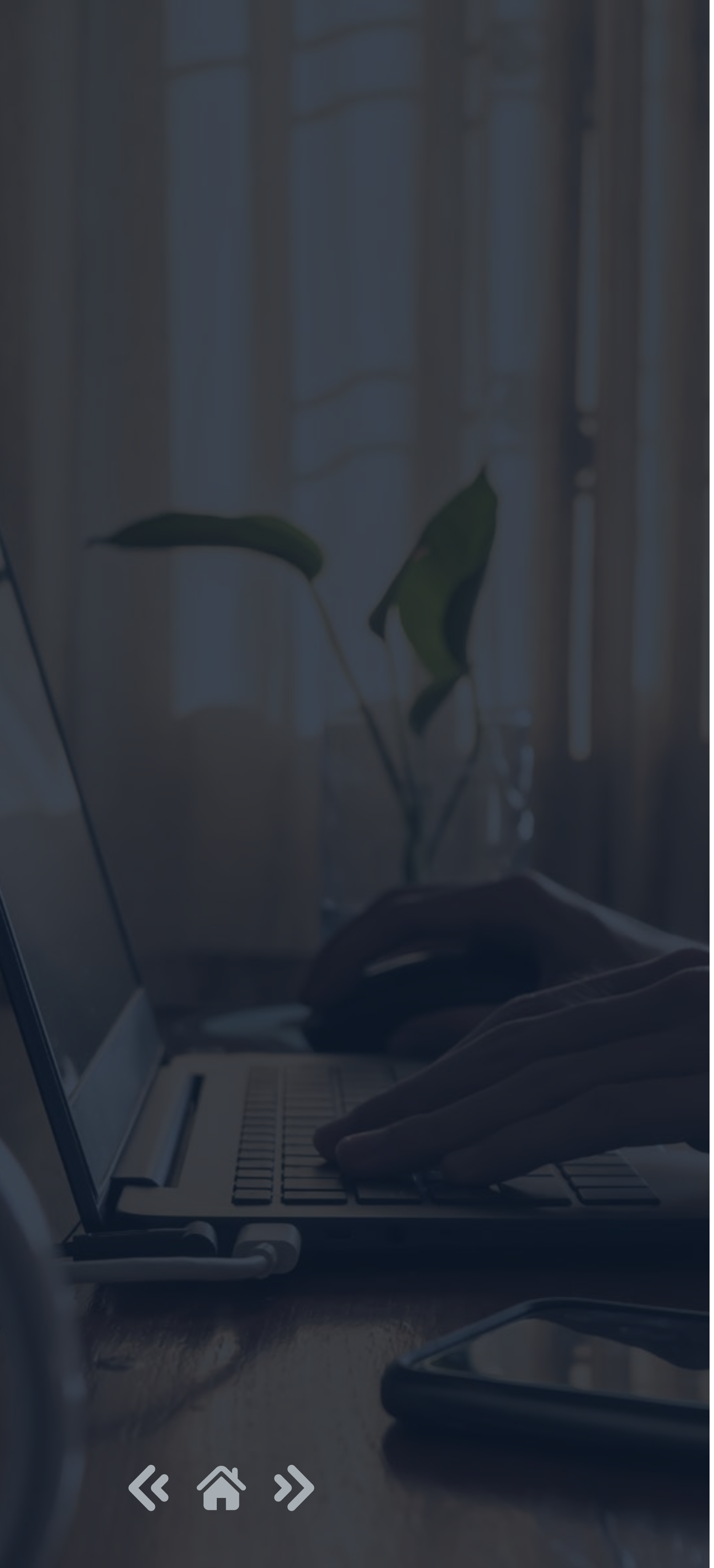
Aviation

Aviation is among the severely impacted sectors due to lockdown. Loss of revenue, significant unrealized forex loss on restatement of mostly lease liabilities and higher operating costs have led to huge EBITDA erosion for the sector. Considering the significant revenue loss in June, 2020 quarter, we expect similar if not worse impact for this sector.

Consumer Products & Retail

Primarily, CPR sector consists of companies in the FMCG sector, consumer durable and retail business. A large portion of the consumer durable sector covered in the report is dominated by FMCG companies.

EBITDA for the companies in CPR sector for quarter ended March 2020 reduced by approx. 10% as compared to the previous quarter ended December 2019. Net worth as on 31 March 2020 increased by 9.89% as compared to net worth as at 30 September 2019.



Life Science

The impact of COVID-19 on the life science sector has been less pronounced than observed in the other sectors. EBITDA for the companies in life science sector for quarter ended March 2020 showed significant positive impact by 31% predominantly due to significant savings around cost of material and traded goods by two companies in the sector.

Oil & gas

Oil and gas business are fundamentally a commodity business and prices for crude oil and natural gas can fluctuate widely depending upon global events or conditions that affect supply and demand.

The COVID-19 pandemic has resulted in substantial reductions in demand and prices for crude oil, natural gas and refined petroleum products globally, largely caused by the drastic decrease in travel and commerce. In addition, recent global geopolitical events and macroeconomic conditions have also contributed to oversupply and resultant decline in crude oil and natural gas prices and refining margins. The decrease in demand coupled with oversupply, has led to sharp decline in prices and significant volatility in financial markets.

We observed that a majority of companies, including Indian and global companies, in sample wrote down inventories to net realizable value during the quarter ended March 2020. It had a cascading impact on EBITDA and net worth.

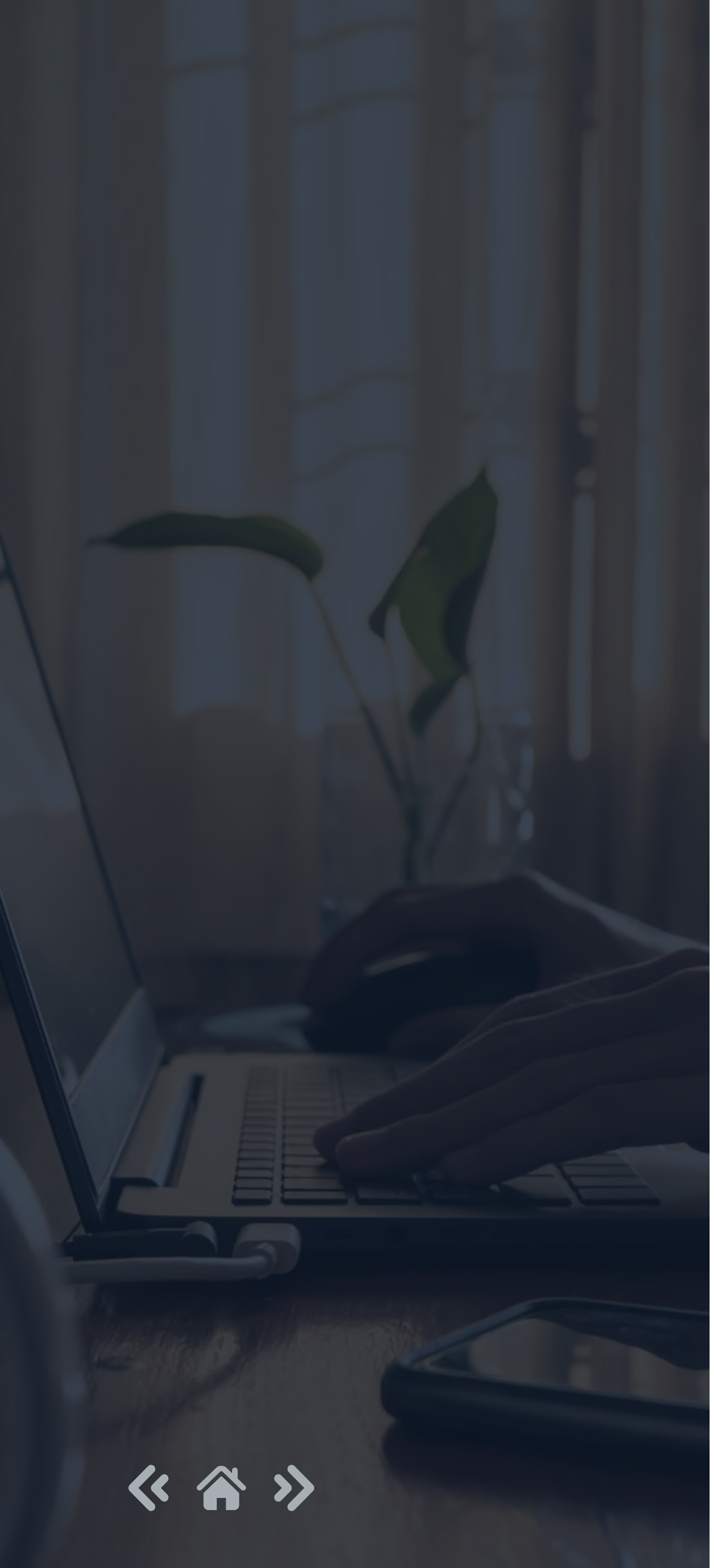
Metal & mining

Mining companies in India are among those being hit by weakened demand as the COVID-19 pandemic impacted the global economy. The pandemic has affected the entire value chain, as organizations and companies limit access to offices, mine sites and manufacturing facilities, and restrictions on transportation and shipping increase.

EBITDA for the companies in metal and mining sector for quarter ended March 2020 reduced by 3.82% (excluding outlier impact by 10.87%) as compared to the previous quarter ended December 2019. This is mainly on account of impact on revenues.

Power

The power sector was one of the impacted sectors due to COVID 19. Majority of the companies in this sector reported a significant decline in the EBITDA in March 2020 quarter as compared to the previous quarters due to lockdown impact. This adverse impact was partially offset due to increased demand from residential consumers. As a result of steep decline in profitability and other factors, the net-worth of most companies in this sector declined.



Real Estate & infrastructure

Sector would have witnessed average -6.67% EBITDA impact if the outlier impact of one property company with steep increase in EBITDA is excluded. Further, the reported net-worth also saw a trend in line with the overall profitability of the companies.

Technology

Technology is also one of the few sectors which did not report any negative impact on its profitability in March quarter over the December quarter. At the same time, the sector has not shown any growth but remains quite neutral compared to the previous quarter. The impact on this sector may be more clear post their announcement of June results.

Services

Service sector did not report any negative impact of COVID-19 in their March quarter result. With small impact on revenue and cost optimization measures, sector reported 8.88% positive impact on EBITDA.

Telecom

EBITDA and net worth impact for the telecom company was primarily due to adjusted gross revenue (AGR) dues. This has turned, in fact, a likely positive performance of the sector into negative for March 2020 quarter compared to previous one.

3

Impact on audit reports

Amidst pandemic, to ensure that the quality of audit is not compromised, auditors engaged early in discussions with clients to assess the impact in the preparation timeframe and audit process. Perhaps, auditing without a site visit by utilizing various technology tools available appeared to be an ideal option, given the current scenario.

Meanwhile, the applicability of Companies (Auditor's Report) Order (CARO) 2020, which mandates some new and more stringent reporting in audit reports, has been postponed to the next financial year and is now applicable from 01 April 2020.

Impact on audit reports – reporting of Key Audit Matters (KAM)/ Emphasis Of Matter (EOM) /qualifications

The following table represents the impact on KAM, EOM & qualification in auditors' report:

Table: 4

S. No.	Description	EOM	KAM	Qualification
1	Uncertainty on account of COVID-19	26	1	
2	Moratorium of three months for payment of all instalments and / or interest	16		
3	Creation of additional provision on account of COVID-19	14		
4	Impairment of assets	12	1	
5	Recoverability of financial and non-financial assets	12		
6	Physical verification of inventory	5	3	
7	Expected credit losses	5		
8	Company's ability to continue as a going concern	3		
9	Impact on the net carrying value of fixed assets/ investment made in mining assets			1
	Total	**93**	**5**	**1**

4

Impact of COVID-19 on disclosures, estimates and judgements

Impact on disclosures

On 20 May 2020, Securities and Exchange Board of India (SEBI) issued an advisory circular on disclosure of material impact of the COVID-19 pandemic on listed companies. According to the circular, entities are encouraged to evaluate the impact of the pandemic on their businesses, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same.

On analysis of financial statement of the global listed entities, we have observed that they have been making disclosures regarding the impact of the pandemic, including that on financial condition and results of operations, future operations, capital and financial resources, liquidity, assets, internal financial control over financial reporting, disclosure controls, procedures, demand for products/services etc.

However, from the Indian perspective, we have observed that many Indian listed entities have made disclosures under LODR regulations, primarily intimating shutdown of operations owing to the pandemic and resultant lockdowns. Some listed entities have provided information relating to actions taken towards sanitation, safety etc. and some of the entities have disclosed the financial impact.

Regulators have encouraged timely reporting as well as complete and accurate disclosure of the impact, as far as possible.

In order to ensure such compliance, SEBI has issued an illustrative list of information that Indian listed entities may consider for disclosure purposes. Following list is only illustrative and not exhaustive.

Impact of COVID-19 pandemic on the business;

Ability to maintain operations including factories/units/office spaces functioning and shut down;

Steps taken to ensure smooth functioning of operations;

Estimation of the future impact of COVID-19 on its operations;

Details of impact of COVID-19 on listed entity's:

a. Capital and financial resources;
b. Profitability;
c. Liquidity position;
d. Ability to service debt and other financing arrangements;
e. Assets;
f. Internal financial reporting and control
g. Supply chain;
h. Demand for its products/services;
i. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business
j. Other relevant material updates about the listed entity's business.

Following table represents the disclosure made by Indian listed entities, subsequent to SEBI circular dated 20 May 2020, based on the parameter set by SEBI:

Table: 5

Qualitative disclosures analysis for top BSE companies-	
Total companies considered for analysis	159
Results published before SEBI circular i.e. on or before 20 May 2020	83
Results published after SEBI circular i.e. Post 20 May 2020 till 05 June 2020	76

We have observed that companies who have declared their results subsequent to the SEBI circular, have disclosed qualitative disclosures as required in the circular. Such disclosures have been made in financial statements, quarterly results, investors presentation and press release. However, out of all the companies who have declared results before the SEBI circular, only a few of them have provided qualitative disclosures with respect to the impact of COVID.

Summary of SEBI Disclosures by Companies which declared results post 20 May 2020 (76 in total)

Table: 6

Nature of disclosures	Disclosures not observed
1. Impact of COVID-19 pandemic on the business	1
2. Ability to maintain operations including the factories/units/office spaces functioning and closed down	9
3. Schedule for restarting the operations	30
4. Steps taken to ensure smooth functioning of operations	22
5. Estimation of the future impact of COVID-19 on its operations	30
6. Details of impact of COVID-19 on listed entity's:	
a. Capital and financial resources	33
b. Profitability	16
c. Liquidity position	18
d. Ability to service debt and other financing arrangements	37
e. Assets	22
f. Internal financial reporting and control	59
g. Supply chain	42
h. Demand for its products/services	37
i. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	67
j. Other relevant material updates about the listed entity's business	71

Key considerations around judgements and disclosures

A number of companies have reported that they expect uncertainties around key accounting estimates and judgements including revenue collectability and accounts receivable credit losses in future periods, depending on the duration or degree of the impact of the COVID-19 pandemic on the global economy. Some of the key considerations with respect to disclosures could be:

Impairment of non-current assets and goodwill:	▶ Many companies may be facing the problem of low demand for their products or services or may be affected by the restrictions imposed by the government. Certain companies may be dependent on supply chains or may have production facilities in the states in India and abroad affected by lockdown. This situation could be an impairment trigger and require an impairment test. However, it could be a challenge for many companies to estimate future cash flows due to uncertainty in economic conditions. ▶ Also, companies would need to ensure that discount rates used in recent valuations have been updated to reflect the risk environment at the reporting date.
Onerous contract provisions:	▶ Customer contracts may become onerous if, for example, suppliers are unable to fulfil their obligations under the contract as a result of closure or reduced production by manufacturing plants, which would necessitate recognition of a provision. Delay in fulfilment of contractual obligations may also result in penalties to be provided for. ▶ Companies should consider providing meaningful disclosures about judgements and estimates applied in recognizing and measuring provisions.
Valuation of inventory:	▶ There could be a significant impact on the inventory valuation on account of forced plant shutdowns, decline in net realizable value due to reduction in demand and non-fulfilment of sales and purchase contracts.

Expected credit losses (ECLs):	► Certain sectors and regions may be severely affected by the economic effects of COVID-19. Hence, companies would need to consider the impact of COVID-19 appropriately while recognizing ECLs. ► However, the companies may find it challenging to incorporate into their measurement of ECLs the forward-looking information relating to the economic impact of COVID-19 that is available without undue cost or effort at the reporting date. ► Relevant disclosures should be provided to enable better understanding of credit risk, timing and uncertainty of future cash flows.
Deferred tax assets:	► The recoverability of deferred tax assets may be impacted by changes to future forecasts.
Insurance claims:	► Companies may evaluate the terms of their insurance policies and estimate possible compensation surrounding loss of profits and business disruption, etc. including timing of recognition of such claims.
Fair value assessment:	► The fair value of an asset (or liability) is determined as per the market conditions at the measurement date. ► Due to uncertainty of the economic impact of COVID-19, there would be a significant change in the assumptions used to measure fair value of the assets and liabilities of a company at the end of the reporting period including considerable change in the valuation techniques being adopted by the companies on account of change in the market conditions and related observable inputs, redundant previous information, etc. ► Appropriate disclosures to address the change would become necessary.
Revenue recognition:	► Companies would need to assess the impact on revenue recognition aspects such as revision of estimates of variable consideration and timing of revenue recognition including assessment of whether consideration is probable in case of sales to customers in COVID-19 affected states in India and regions around the world.

Lease accounting:	► A company which is a lessee would need to assess its right-of-use assets for impairment. ► Similarly, lessors would need to evaluate whether some of their underlying assets held for lease are to be tested for impairment due to decrease in demand for such assets or steep decline in rentals. ► Other impact areas could be determination of lessee's incremental borrowing rate on account of change in its borrowing costs consequent to decline in its credit rating, reassessment of lease contracts including lease term and revenue recognition by lessor.
Employee benefits:	► Market volatility and changes to remuneration policies may impact how companies estimate and measure employee benefits and recognize share-based payment expenses.
Adjusting & non-adjusting events:	► Critical assessment of considering the COVID 19 impact as an adjusting events/ non adjusting event and related disclosures in the financial statements.

5

Analysis of financial position

Movement in key ratios

Following is the ratio analysis of balance sheet balances for Indian and global companies for sectors other than BFSI. Analysis of Indian companies is based on balances as on 31 March 2020 compared to 30 September 2019 balances while for global companies, it is based on balances as on 31 March 2020 compared to 31 December 2019 balances.

Current and liquidity ratio analysis of Indian companies from BFSI sector is not done due to unavailability of classification of current and non-current assets and liabilities for companies not following Schedule III of the Companies Act.

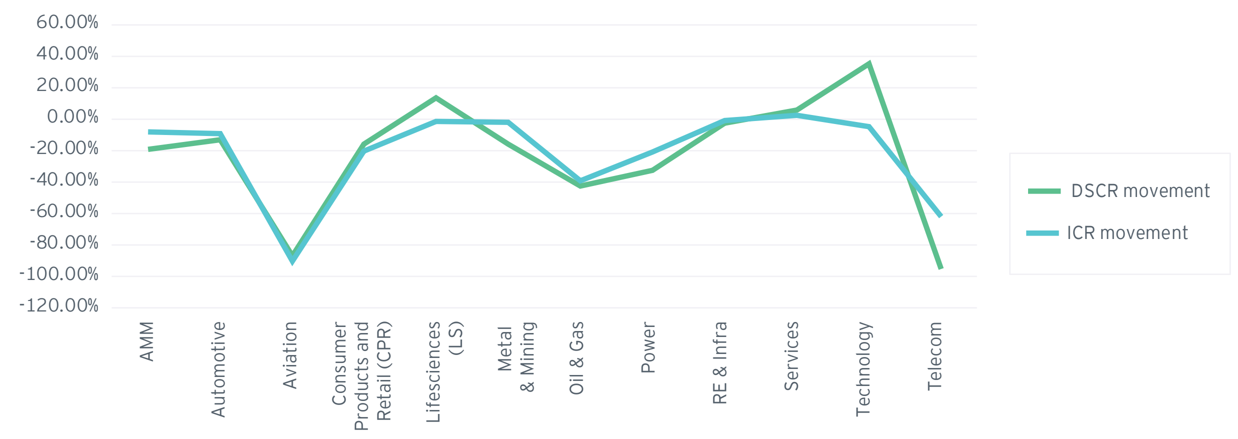
1 **Impact on debt-service and interest coverage ratio**

Debt service coverage ratio (DSCR) = EBITDA/ (finance cost + borrowings)
Interest coverage ratio (ICR) = EBITDA/ finance cost

Table: 7

S. No.	Sector	Indian companies					
		Debt service coverage ratio			Interest coverage ratio		
		March 2020	Sept. 2019	% Change	March 2020	Sept. 2019	% Change
1	AM&M	0.13	0.16	-19.06%	6.37	6.95	-8.31%
2	Automotive	0.25	0.29	-13.29%	14.18	15.62	-9.22%
3	Aviation	0.25	1.88	-86.97%	0.42	4.32	-90.29%
4	CPR	0.40	0.48	-15.70%	10.62	13.39	-20.65%
5	LS	0.13	0.12	13.38%	4.94	5.03	-1.78%
6	Metal & mining	0.08	0.10	-15.84%	3.35	3.41	-1.85%
7	Oil & gas	0.06	0.10	-42.57%	3.02	4.98	-39.33%
8	Power	0.03	0.04	-32.77%	1.30	1.64	-20.78%
9	RE & infra	0.08	0.08	-2.85%	6.48	6.54	-0.97%
10	Services	0.34	0.33	5.59%	7.92	7.75	2.20%
11	Technology	2.10	1.55	35.32%	41.02	43.23	-5.11%
12	Telecom	0.00	0.09	-95.49%	1.01	2.66	-61.96%

Exhibit 5: Indian Companies Debt Service Coverage Ratio/Interest Coverage Ratio Movement



Source:Table 7

Table: 8

S. No.	Sector	Global companies					
		Debt service coverage ratio			Interest coverage ratio		
		March 2020	Dec. 2019	% Change	March 2020	Dec. 2019	% Change
1	AM&M	0.07	0.06	27.02%	9.91	7.17	38.18%
2	Automotive	0.02	0.02	55.58%	15.31	8.21	86.41%
3	CPR	0.08	0.10	-16.65%	15.01	14.81	1.36%
4	LS	0.11	0.09	24.89%	13.08	10.98	19.12%
5	Metal & mining	0.21	0.21	3.24%	15.86	16.49	-3.84%
6	Oil & gas	(0.02)	0.15	-113.82%	(2.28)	16.46	-113.84%
7	Power	0.04	0.05	-12.68%	4.52	5.09	-11.21%
8	RE & infra	0.04	0.05	-9.34%	6.09	6.45	-5.61%
9	Services	0.06	0.02	219.67%	12.72	4.04	214.58%
10	Technology	0.18	0.25	-27.35%	29.03	36.65	-20.80%
11	Telecom	0.07	0.07	9.96%	7.40	6.59	12.20%

Exhibit 6: Global Companies Debt Service Coverage Ratio/Interest Coverage Ratio Movement

Source:Table 8

2 Impact on current and liquidity ratio

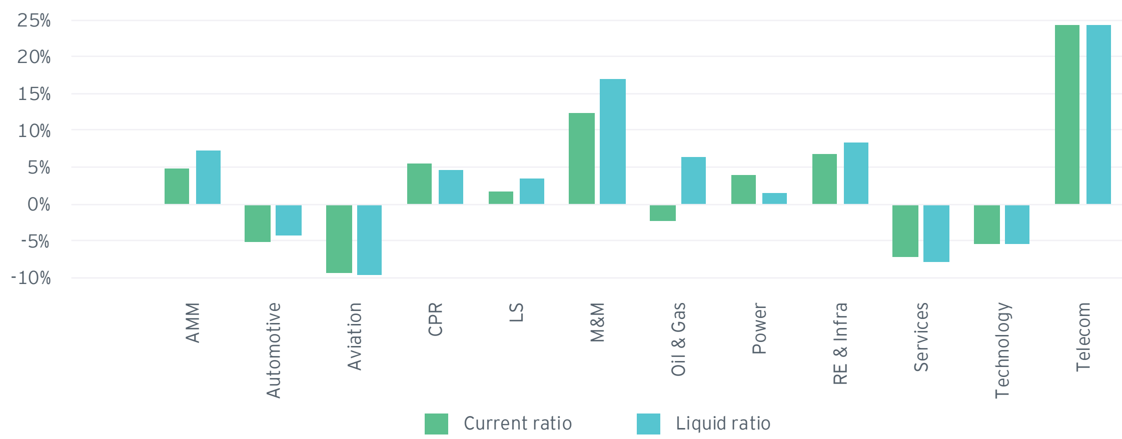
Current ratio = Total current assets/Total current liability
Liquidity ratio = Total current assets excluding inventories/Total current liability

Table: 9

S. No.	Sector	Indian companies					
		Current ratio (Q4 vs Q2)			Liquidity ratio (Q4 vs Q2)		
		March 2020	September 2019	% Change	March 2020	September 2019	% Change
1	AM&M	1.39	1.33	4.68%	1.04	0.97	7.11%
2	Automotive	1.08	1.14	-5.09%	0.80	0.83	-4.28%
3	Aviation	1.37	1.51	-9.28%	1.35	1.49	-9.51%
4	CPR	1.36	1.29	5.49%	0.91	0.87	4.55%
5	LS	1.46	1.44	1.63%	1.05	1.01	3.51%
6	Metal & mining	1.08	0.96	12.21%	0.77	0.66	17.06%
7	Oil & gas	0.64	0.65	-2.22%	0.43	0.41	6.31%
8	Power	0.73	0.71	3.84%	0.64	0.63	1.37%

S. No.	Sector	Indian companies					
		Current ratio (Q4 vs Q2)			Liquidity ratio (Q4 vs Q2)		
		March 2020	September 2019	% Change	March 2020	September 2019	% Change
9	RE & infra	1.31	1.23	6.71%	1.13	1.04	8.41%
10	Services	1.45	1.57	-7.11%	1.32	1.43	-7.76%
11	Technology	2.52	2.66	-5.46%	2.51	2.66	-5.42%
12	Telecom	0.58	0.47	24.26%	0.58	0.47	24.26%

Exhibit 7: Current and Liquid Ratio Movement of Indian Companies (March 2020 Vs. Sept. 2019)

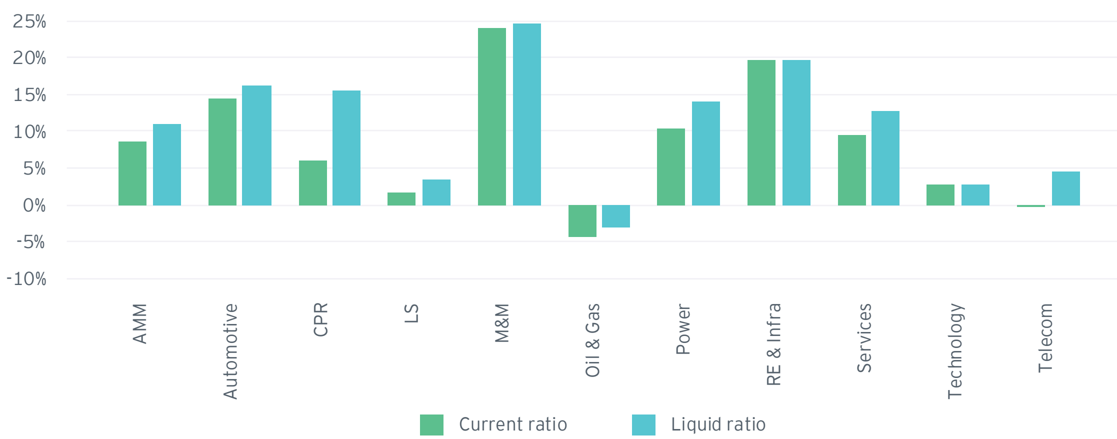


Source:Table 9

Table: 10

S. No.	Sector	Global companies					
		Current ratio (Q1 2020 vs Q4 2019)			Liquidity ratio (Q1 2020 vs Q4 2019)		
		March 2020	December 2019	% Change	March 2020	December 2019	% Change
1	AM&M	1.28	1.17	9.17%	0.82	0.73	11.87%
2	Automotive	1.21	1.05	15.48%	1.07	0.91	17.47%
3	CPR	1.00	0.94	6.34%	0.62	0.53	16.70%
4	LS	1.25	1.23	1.80%	1.08	1.04	3.58%
5	Metal & mining	3.31	2.63	25.75%	2.36	1.86	26.36%
6	Oil & gas	1.01	1.06	-4.70%	0.72	0.74	-3.38%
7	Power	0.69	0.62	11.02%	0.55	0.48	15.14%
8	RE & infra	1.39	1.15	21.08%	1.39	1.15	21.08%
9	Services	1.22	1.11	10.27%	1.22	1.08	13.66%
10	Technology	2.08	2.02	2.88%	2.03	1.97	2.97%
11	Telecom	0.77	0.77	-0.32%	0.75	0.72	4.77%

Exhibit 8: Current and Liquid Ratio Movement of Global Companies (March 2020 Vs. Dec. 2019)



Source:Table 10

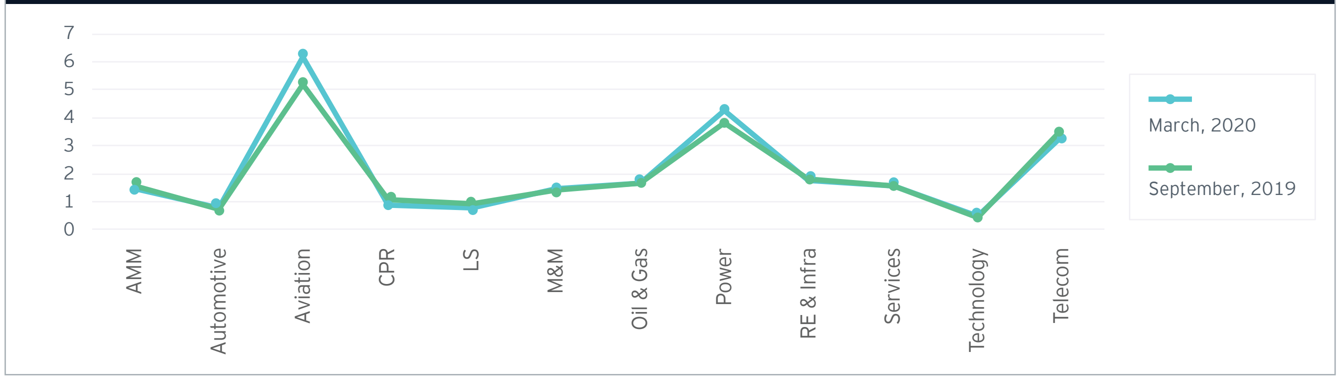
3 Impact on shareholders' equity ratio

Shareholders' equity ratio = Total liabilities /Shareholders' fund

Table: 11

S. No.	Sector	Indian companies		
		Shareholders' equity ratio March 2020	Shareholders'equity ratio Sept. 2019	% Change
1	AM&M	1.46	1.56	6.03%
2	Automotive	0.77	0.75	-2.75%
3	Aviation	6.16	5.20	-18.62%
4	CPR	0.87	1.06	17.48%
5	LS	0.80	0.92	13.23%
6	Metal & mining	1.46	1.43	-2.12%
7	Oil & gas	1.67	1.64	-1.65%
8	Power	4.28	3.81	-12.32%
9	RE & infra	1.76	1.81	2.90%
10	Services	1.57	1.57	0.13%
11	Technology	0.48	0.45	-7.63%
12	Telecom	3.35	3.55	5.62%

Exhibit 9: Indian Companies' Shareholder Equity Movement

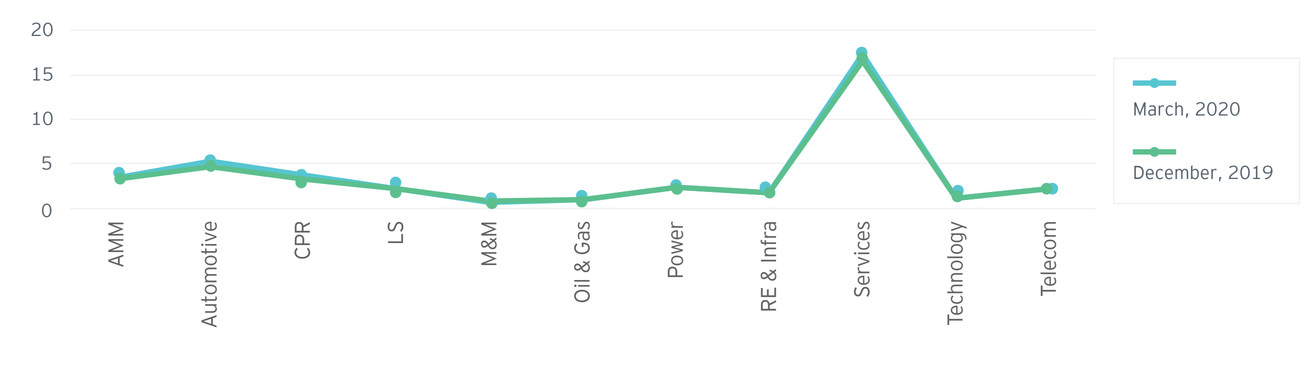


Source:Table 11

Table: 12

S. No.	Sector	Global Companies		
		Shareholders' equity ratio March 2020	Shareholders equity ratio December 2019	% Change
1	AM&M	3.47	3.36	-3.22%
2	Automotive	5.26	4.69	-12.28%
3	CPR	3.70	3.36	-9.97%
4	LS	2.18	2.14	-1.53%
5	Metal & mining	0.74	0.78	5.17%
6	Oil & gas	0.99	0.93	-6.35%
7	Power	2.36	2.36	-0.02%
8	RE & infra	1.69	1.80	6.27%
9	Services	17.38	16.62	-4.56%
10	Technology	1.18	1.16	-1.59%
11	Telecom	2.28	2.22	-2.92%

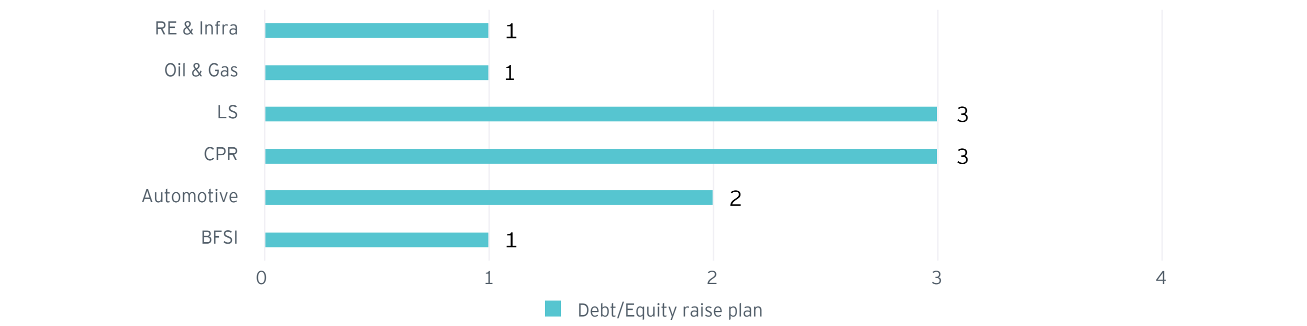
Exhibit 10: Global Companies' Shareholder Equity Movement



Source:Table 12

Plans to raise debt/equity

Exhibit 11: Debt and equity raise plans (as announced)



Source: As declared by companies in either quarterly results or press release or investor presentation for March 2020

Movement in value of current investments

The changes in value represents aggregate impact of changes in fair value of investments as on reporting date of respective quarters as well as movement in the portfolio due to addition, sale and change in classification of these investments.

Table: 13

S. No.	Sector	Indian companies*		
		Investment (March 2020)	Investment (September 2019)	% Change
1	BFSI	2,851,485	2,673,308	6.67%
2	AM&M	4,442	4,003	10.97%
3	Automotive	5,631	5,709	-1.36%
4	Aviation	9,499	9,025	5.26%
5	CPR	10,923	13,687	-20.19%
6	LS	15,697	15,633	0.41%
7	Metal & mining	20,782	19,118	8.71%
8	Oil & gas	78,123	74,630	4.68%
9	Power	1,819	2,121	-14.22%
10	RE & infra	26,278	18,457	42.36%
11	Services	312	350	-10.90%
12	Technology	66,264	60,907	8.80%
13	Telecom	13,768	6,038	128.01%

*12 Indian companies with year-end other than March are not included for balance sheet analysis

Table: 14

S. No.	Sector	Global companies		
		Investment (March 2020)	Investment (December 2019)	% Change
1	BFSI	83,764,886	76,928,526	8.89%
2	AM&M	3,033,902	2,804,780	8.17%
3	Automotive	1,796,216	1,535,696	16.96%
4	CPR	3,101,011	2,803,268	10.62%
5	LS	2,324,369	2,160,001	7.61%
6	Metal & mining	48,619	47,241	2.92%
7	Oil & gas	1,191,834	1,313,952	-9.29%
8	Power	500,185	448,184	11.60%
9	RE & infra	112,384	88,803	26.55%
10	Services	146,038	128,820	13.37%
11	Technology	5,981,160	5,969,821	0.19%
12	Telecom	966,966	985,366	-1.87%

Insights on sector impacts

Advanced manufacturing & mobility

AM&M sector has not observed any significant movement in their current and liquid ratios. However, AM&M sector witnessed -19% negative impact on its DSCR and approx. -8% negative impact on its ICR a consequence of negative implications of COVID on its EBITDA and increase in debt for the sector.

Aviation

Due to muted revenues for this sector, the liquidity ratio has slightly been hampered in March quarter. Negative impact on EBITDA has translated into similar impact on DSCR and ICR ratio for the sector.

Power

Power is one of the few sectors that witnessed significant negative impact (-14.22%) on the value of its current investments. While the sector has maintained its current and liquid ratio, sector's DSCR, ICR and shareholders' equity have been significantly impacted due to lower EBITDA and significant increase in borrowings.

Automotive

Automotive sector has observed around 5% negative impact on its current and liquid ratio. However, only 2 out of 9 companies in this sector have announced a plan to raise debt. -13% impact on DSCR and -9% impact on ICR seems to be primarily due to decline in EBITDA as well as increase in debt for this sector. As observed above, there is no significant decline in the fair value of investments for March quarter compared to September 2019 quarter end.

Oil & gas

The impact on current ratios for the sector seems to be due to impact of erosion of inventory value. However, liquid ratio shown positive movement due to reduced inventory value. The debt service coverage ratio as well as the interest coverage ratio are severely impacted primarily on account of negative impact on EBITDA with parallel increase in debt and finance cost for the sector.

Metal & mining

We observed positive impacts on value of current investments, current and liquidity ratios in the sector. However, negative impact on EBITDA and increase in debt impacted DSCR and ICR to the tune of -15.84% and -1.85% respectively.

Life Science

Pharma companies' large cash balances and ample headroom for liquidity protected the sector well to maintain its current and liquidity ratios despite ongoing lockdown. Further, the sector has shown notable positive impact on DSCR and shareholder's equity despite reduction in EBITDA, due to significant repayment of debt during the quarter. Sector's refinancing requirements are likely increase due to repayment of debt as per schedule, stress on liquidity and likely investments in potential research and development. 3 out of 22 companies have announced the plan to raise debt/equity so far.

Real Estate and infrastructure

RE & infra is the only sector where we observed significant (42%) increase in the value of current investments during March 2020 quarter compared to September 2019. Sector has actually improved its current and liquidity ratios by 6.71% and 8.41% respectively. Marginal decline in DSCR and ICR is attributable to increase in borrowing base in the sector.

Technology

The liquidity ratios have been largely neutral for the sector while it improved significantly DSCR due to material repayment of debt during March quarter. Technology companies largely continue to operate during the lockdown period; however, these would also face the impact on revenue due to likely depressing macro-economic factors.

Consumer Products and Retail

CPR is one of the few sectors that witnessed significant reduction in the value of the current investment portfolio (-20% approx.) during the March quarter. It could have been result of sale of investments during the quarter as well as significant decline in market price as on the reporting date. Current and liquidity ratios improved by 5%, primarily due to increase in inventory and receivable levels compared to previous quarter. On the other side, consequent to negative impact on EBITDA, DSCR and ICR have been impacted significantly. Shareholder's equity continues to remain strong for the sector. However, 3 out of 27 companies studied have announced the plan to raise debt/equity.

Services

Sector could maintain the liquidity ratios well in March quarter while improved DSCR and ICR due to positive impact in EBITDA. Credit rating agencies and security services are less impacted sub-sectors and continued to operate albeit at lesser capacity during the lockdown period. On the contrary, courier, trading and logistic support companies are likely to report negative impact in their June quarter results.

Telecom

Sector has improved its liquidity ratios. However, DSCR and ICR had been severely impacted due to negative impact on EBITDA. The sector reported 128% increase in the value of current investments for March 2020 compared to September 2019.

6

Analysis of income statements

Impact on revenue, PBT, PAT and EPS

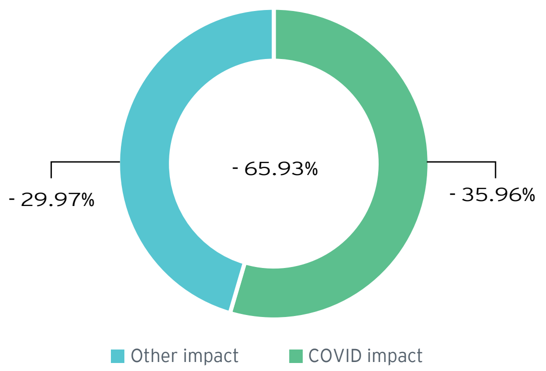
Following is the summary of impacts on revenue, profitability, EPS for Indian companies for quarter ended 31 March 2020 compared to quarter ended 31 December 2019:

Table: 15

S. No.	Sector	Indian companies							
		No. of companies	Impact on revenue	PBT Implications				Impact on PAT	Impact on EPS
				Impact on PBT	COVID provision impact*	Outlier impact	Normal impact on PBT		
			% change	% change	% change	% change	% change	% change	% change
1	BFSI	31	2.58%	-38.68%	-30.54%		-10.72%	-21.28%	-37.07%
2	AM&M	31	-5.66%	-11.18%			-5.52%	-9.13%	-9.46%
3	Automotive	9	-11.02%	-27.14%			-16.12%	-33.07%	-30.22%
4	Aviation	1	-16.44%	-331.75%		-162.00%[1]	-153.31%	-275.58%	-275.70%
5	CPR	27	-3.88%	12.74%			16.62%	19.35%	25.64%
6	LS	22	-3.07%	20.54%			23.61%	-2.12%	-5.95%
7	Metal & mining	4	-5.74%	46.88%			52.62%	55.23%	65.56%
8	Oil & gas	2	-7.67%	-129.96%	-31.95%	-9.59%[1]	-80.75%	-116.71%	-249.47%
9	Power	5	7.44%	-47.21%	-55.46%		0.81%	-19.72%	-14.36%
10	RE & Infra	9	25.21%	4.48%	-1.93%		-18.80%	-54.33%	-5.34%
11	Services	5	-3.02%	11.98%			15.00%	-23.07%	-23.02%
12	Technology	12	2.91%	-1.09%			-4.00%	-2.34%	-2.43%
13	Telecom	1	8.09%	-366.74%		-466.31%[2]	91.48%	-972.63%	-350.00%
	Total	**159**							

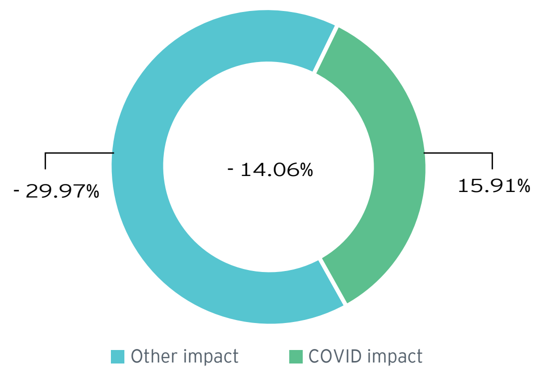
*Refer section "Impact on provisioning" for further details
1. Foreign currency gain/loss (both realised and unrealised)
2. Provision for AGR dues

Exhibit 12: PBT impact with outlier



Source:Table 15

Exhibit 13: PBT impact excluding outlier



Source:Table 15

Following is the summary of impacts on revenue, profitability, EPS for global companies for quarter ended 31 March 2020 compared to quarter ended 31 December 2019:

Table: 16

S. No.	Sector	Global companies						
		No. of companies	Impact on revenue	PBT Implications				Impact on EPS
				Impact on PBT	COVID provision impact	Normal impact on PBT	Impact on PAT	
			% change	% change	% change	% change	% change	% change
1	BFSI	10	-9.36%	-64.16%	-11.22%	-43.58%	-69.71%	-73.00%
2	AM&M	19	-6.31%	6.93%	-5.49%	18.73%	22.58%	15.00%
3	Automotive	5	-0.21%	142.21%	-74.04%	216.46%	136.64%	134.00%
4	CPR	19	-8.27%	-5.86%	-2.54%	4.95%	-7.16%	-7.00%
5	LS	10	1.58%	24.61%	-0.01%	23.04%	118.82%	118.00%
6	Metal & mining	1	-12.12%	25.65%	-	37.76%	57.41%	48.00%
7	Oil & gas	10	-16.89%	-724.91%	-104.48%	-603.54%	-843.38%	-632.00%
8	Power	10	1.86%	51.97%	-0.45%	50.56%	35.90%	33.00%
9	RE & Infra	10	2.86%	-36.01%	-0.56%	-38.31%	-35.27%	-37.00%
10	Services	1	-12.40%	731.31%	-13.15%	756.86%	1010.38%	1025.00%
11	Technology	15	-6.85%	11.65%	-1.30%	19.80%	-19.73%	-19.00%
12	Telecom	5	-6.16%	21.61%	-4.83%	32.60%	3.73%	5.00%
	Total	**115**						

Impact on provisions

Following is the impact on Indian and global companies on account of provisioning arising due to COVID as reported by companies for the quarter ended 31 March 2020. Provisions are mainly driven by expected loss on amounts recoverable, decline in recoverable amount of property, plant and equipment, goodwill and writing inventory to NRV due to the decrease in demand and prices.

Table: 17

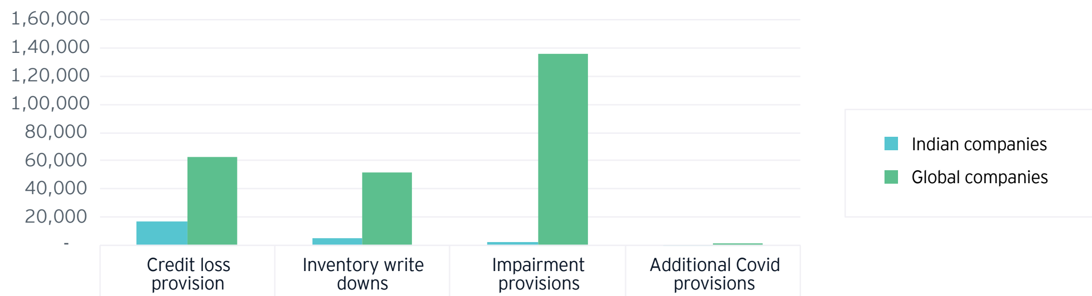
S. No.	Sector	Indian companies						
		Total companies	Companies making provision	Credit loss provision	Inventory write downs	Impairment provision	Additional provisions on account of COVID	Total
1	BFSI	32*	25	16,864			258	17,122
2	AM&M	31	-					-
3	Automotive	9	1				40	40
4	Aviation	1	-					-
5	CPR	27	5		3	304	12	320
6	LS	21	-					-
7	Metal & mining	4	1			725		725
8	Oil & gas	2	2		5,555			5,555
9	Power	5	1			1,000		1,000
10	RE & Infra	9	1			151	22	174
11	Services	1	-					
12	Technology	5	1	9		4		13
13	Telecom	12	-					-
	Total	**159**	**37**	**16,873**	**5,558**	**2,185**	**333**	**24,949**

*One company is categorized as part of the Lifesciences sector but the subsidiary company of the group which is NBFC company is considered in BFSI sector for provisioning impact as this subsidiary company has made provision for credit loss.

Table: 18

S. No.	Sector	Global companies						
		Total companies	Companies making provision	Credit loss provision	Inventory write downs	Impairment provision	Additional provisions on account of COVID	Total
1	BFSI	10	2	30,823				30,823
2	AM&M	19	3	1,717	3,156	3,683		8,556
3	Automotive	5	2	18,726		1,650		20,376
4	CPR	19	5	918	6,048	233		7,199
5	LS	10	1	15				15
6	Metal & mining	1	-					-
7	Oil & gas	10	7		42,438	128,895		171,333
8	Power	10	2	192				192
9	RE & Infra	10	1	128				128
10	Services	1	1	196				196
11	Technology	15	4	5,770		1,100	1,642	8,512
12	Telecom	5	4	4,663				4,663
	Total	**115**	**32**	**63,148**	**51,642**	**135,561**	**1,642**	**251,993**

Exhibit 14: Summary of provisions



	Credit loss provision	Inventory write downs	Impairment provisions	Additional Covid provisions
Indian companies	16,873	5,558	2,185	333
Global companies	63,148	51,642	1,35,561	1,642

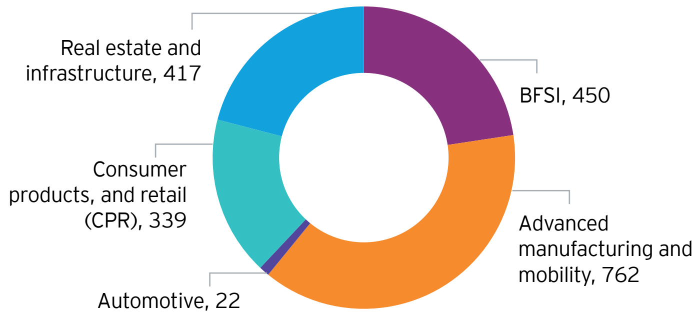
Source:Table 17 & 18

Impact on revenue due to lock down

COVID-19 lockdown has impacted many Indian industries badly such as aviation, auto, tourism and hospitality. Hotels and restaurants are unlikely to witness a pick-up in demand even after lifting of the lockdown. In the aviation industry revenue losses will climb up if the restrictions last longer and it may take quite some time to reach pre-pandemic levels. During the lockdown labour has also moved significantly which will have impact on manufacturing and consequently on revenue even after the lockdown.

7 out of 159 Indian companies have disclosed revenue loss due to 10 days of the lockdown within a range of 100 to 600 crores. Some companies have reported that their revenue and profits have been hit negatively but cannot be quantified. Following is the presentation of sector wise loss of revenue due to lockdown.

Exhibit 15: Revenue loss due to lockdown



Source: As declared by companies in either quarterly results or press release or investor presentation for March 2020

Insights on sector impacts

BFSI

We have observed decrease in interest revenue for banks and muted interest revenue growth for NBFC's due to subdued economic environment. Further, NBFC's companies in our data set have proactively made provisions for credit losses based on management overlays during the quarter ended March 2020. Further some of the banks in our dataset as well have made additional COVID provisions. These are primarily due to the expectation of increase in the credit losses as a result of slowdown in the economic activities. However, for one of the securities business entity the correction in the equities market has positively contributed to growth in the business due to its digital model.

In case of certain financial services entities, we have observed in percentage terms the fall in the PAT is lower that PBT due to reduction in statutory tax rates. For instance, in case of one the leading private sector banks in our data set the Effective Tax Rate (ETR) is reduced from 33% to around 25% as an outcome of reduction in the corporation tax rate.

Advanced manufacturing & mobility

While revenue reduced by approx. 5.66%, the fall in PBT and PAT was observed to be -11.18% and -9.13% respectively. We did not observe any additional provisioning on account of COVID-19. We did not note any significant charge on account of exceptional items in any company in the sector.

Automotive

On an average there was 11% fall in revenue. Maximum revenue loss reported was 18% and in 2 companies the fall was in the range of 3-5%. Since the lockdown happened in the last 10 days of March, the impact is further expected to be seen in the first quarter of FY 20-21 due to significant revenue loss.

While revenue was down by approx. 11%, the fall in PBT and PAT was 27.14% and 33.07% respectively reflecting asymmetrical movement in costs. We did not observe any significant provisioning on account of COVID-19 for this sector nor came across any significant charge on account of exceptional items.

Aviation

Revenue of this sector was negatively impacted by 16.44% in March 2020 quarter due to 10 days of lockdown. Revenue loss combined with depreciation of INR impacting foreign currency lease liabilities and higher operating costs for this sector lead to -331.75% impact on PBT. Due to significant period of lockdown during June quarter and muted demand for upcoming period due to travel restrictions and customer sentiments, we expect more significant negative implications for this sector.

Consumer products and retail

Revenue growth across the board was impacted as COVID-19 led lockdown impacted peak sales period. As presented by one company of the sector, the revenue loss for the quarter due to 10 days lockdown period was INR 339 crores. The sector has still managed remarkably well to maintain its profitability despite revenue loss and provisions for inventory write downs. Permanent markdowns, which have been or are expected to be taken upon reopening of the stores, on transitional or out of season merchandise and merchandise that was already in markdown status, combined with the write-off of perishable goods, resulted in a creation of provision for inventory. PAT has strengthened compared to PBT due to opting of lower tax regimes.

Metal and mining

While revenue for the metal and mining sector declined by approx. 5.74%, the fall in profit before tax (PBT) is approx. -32.30%, excluding the outlier impact of significant increase in profitability, due to reduction of material and operating cost by one of the companies in the sector.

Out of the four companies analyzed in the metal and mining sector, only one company has created the impairment provision during the quarter ended March 2020. Such provision has been created in respect of impairment of overseas subsidiaries towards the value of property, plant and equipment (including capital work in progress), goodwill, intangibles and other assets. This impairment is on account of increased uncertainties in restarting the iron ore mining operations due to the COVID-19 outbreak.

Asymmetric profit after tax (PAT) movement is observed predominantly due to adoption of lower tax rate under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. This has resulted in reversal of Minimum Alternate Tax (MAT) credit which is no longer available.

Lifesciences

The impact on revenue was marginal for the sector as life science falls under the essential service category and sector companies are exempt from the restrictions under the nationwide lockdown. PBT for the sector witnessed positive growth of approx. 20%, which was predominantly due to two companies which witnessed significant savings around cost of material and traded goods. Excluding this outlier impact, the sector has witnessed marginal reduction in PBT during the quarter approx. -4%.

Significant difference between movement in PAT and PBT for the sector is predominantly attributable to outlier impacts witnessed by two companies, 1) on account reversal of deferred tax assets (DTA) due to impairment of intangible assets and additional current tax provision on divestiture and 2) on account of DTA impact due to relief announced by US government under Coronavirus Aids, Relief and Economic Security Act (CARES Act).

Oil and gas

We have observed a decline in the March 2020 quarter revenue for the sector in comparison to December 2019 quarter both, at the Indian and global level. Since the lockdown continued for a substantial period of time during June 2020 quarter and impacted the demand significantly, we expect more fluctuation in revenues in June quarter results.

PBT and PAT has declined by -130% and -116%, respectively, against the revenue decline of 7.67% due to significant inventory write downs as net realizable value dropped significantly.

We further observed that for the quarter ended March 2020, most of the global companies have recognized impairment provisions in their financial results. However, Indian companies haven't recorded any impairment provision for the March quarter. We may possibly see more Indian companies assessing and recording impairment provisions in the subsequent quarters.

Services

Due to minimal impact on the revenue side, cost optimization and other measures taken by the companies, the sector has reported 11.98% PBT. Asymmetric PAT movement is observed predominantly due to adoption of lower tax rate under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and resultant reversals of MAT credit.

Power

Despite positive growth in revenue for this sector in March 2020, PBT was impacted adversely due to asymmetric movement in operation costs. Also, there was an impairment provision of INR1,000 crores by one of the prominent power companies leading to -47.21% decline in PBT, on an average, for the sector. Such provision has been created on account of impairment of one power project as the plant has been operated only intermittently post-COVID-19 disruption.

Asymmetric PAT movement is observed predominantly due to adoption of lower tax rate under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019.

Real estate and infrastructure

Due to outlier impact of a large real estate company (revenue in this case increased by 204% as compared to the December 2019 quarter), the sector reported positive growth in revenue and PBT. If we exclude this outlier impact, the sector actually reported very marginal growth in revenue (2.88%) in the March quarter compared to previous quarter with corresponding impact of -9% on PBT. Negative impact on PBT is predominantly driven by one of the real estate companies recording an impairment provision of INR151 crores and additional provisions of INR22 crores on account of COVID-19.

Technology

The technology sector has actually been neutral in all their parameters of profitability compared to the previous quarter. Probably, the adverse impact was limited to hamper the growth of the sector. The June quarter will be able to disclose the impact of COVID-19 disruptions on this sector more clearly.

Telecom

The telecom sector witnessed approx. 9% growth in its revenue. However, PBT has suffered negative impact of -366.74% due to outlier impact of adjusted gross revenue (AGR) dues provision of 466.31%. Excluding AGR dues provision, the sector would have reported neutral PBT compared to the previous quarter. Asymmetric PAT movement is observed predominantly due to adoption of lower tax rate under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 and resultant reversals of MAT credit.

7

Impact on BFSI-specific key performance indicators (KPIs)

For the purpose of this study, we have considered banking, non-banking financial companies (NBFCs) and other companies (life insurance, asset management, investment services and miscellaneous financial service companies) under the BFSI sector.

a. Banking: 12 companies

b. NBFCs: 11 companies

c. Others: 8 companies

The data is extracted from the investor presentation/financial results as presented by companies in their quarterly results and is available in the public domain.

Banking companies

Table: 19

S. No.	Specific KPI – banking companies	Banking companies			
		No. of Companies	Q4 FY20	PL - Q3 2020 BS - Q2 2020	% change
1	Aggregate net interest income (NII) for the banking companies	12	68,887	70,646	-2.49%
2	Net interest margin (NIM)	11[1]	4.35%	4.15%	5.00%
3	Capital Adequacy Ratio (CAR)	12	15.94%	15.45%	3.13%
4	Aggregate credit loss provisions for the banking companies	12	38,421	22,770	68.74%
5	Aggregate closing deposits for the banking companies	12	6,872,818	6,375,843	7.79%

1. NIM data for a company is not available in investor presentation/financial results.

NBFC companies

Table: 20

S. No.	Specific KPIs – NBFC companies	NBFC companies			
		No. of Companies	Q4 FY20	PL - Q3 2020 BS - Q2 2020	% change
1	Aggregate net interest income (NII) for NBFC companies	6[1]	21,540	20,297	6.13%
2	Net interest margin (NIM)	5[2]	7.17%	7.40%	-3.08%
3	Capital Adequacy Ratio (CAR)	7[3]	20.16%	20.57%	-1.99%
4	Aggregate credit loss provisions for NBFCs[6]	8[4]	5,204	5,004	3.98%
5	Aggregate closing deposits for NBFCs[6]	3[5]	162,513	147,613	10.09%

1. NII data for five companies is not available in investor presentation/financial results.
2. NIM data for six companies is not available in investor presentation/financial results.
3. CAR ratio is not available for four companies in investor presentation/financial results.
4. Credit loss provision data is not available for three companies in investor presentation/financial results.
5. Closing deposits for eight companies is not available in investor presentation/financial results.
6. Credit loss provision and closing deposits for Bajaj Finance Limited (BFL) is considered only once as the same is also consolidated with Bajaj Finserv.

Other companies

Table: 21

S. No.	Specific KPI – other companies	Other companies[1]			
		No. of Companies	Q4 FY20	PL - Q3 2020 BS - Q2 2020	% change[3]
1	Aggregate credit loss provisions for other companies	3[2]	144	54	168.31%
2	Aggregate closing deposits for other companies	3[2]	715	2,007	-64.36%

1. Includes three life insurance companies, three investment services companies, one asset management company and one miscellaneous financial service company.
2. Credit loss provision and closing deposits data is not available for five companies in investor presentation/financial results.
3. There has been a significant impact in credit loss provision and closing deposits is on account of outlier impact of one company. Credit loss provision has increased from INR42.57 crores in quarter ended December 2019 to INR117.67 crores in quarter ended March 2020 and closing deposits have decreased from INR2,003 crores at 30 September 2019 to INR713 crores at 31 March 2020.

Net interest income and net interest margin

Banks

On an average, there is decrease in the revenue (interest earned) in the last quarter of March 2020 mainly due to lower disbursement of loans for some banks. However, increase in net interest margin (NIM) is primarily attributed to improvement in current and savings accounts (CASA). However, in case the lockdown persists, it may potentially slow down the economy and increase the delinquencies. Further, it may result into weak demand for loans and adverse product mix due to low share of high yielding loans.

Fee income is likely to reduce due to waiver of charges on ATM withdrawals due to regulatory prescriptions. Further due to lockdown across the country and resultant slowdown, there is a possibility of reduction in fee and commission income on credit cards, new loans, foreign exchange, sale of third-party mutual funds, bancassurance, etc.

NBFCs

On an average, the revenue from operations, primarily comprising of interest income, has shown a muted growth in the last quarter of March 2020 mainly due to lower than expected loan disbursements on account of overall subdued economic environment. This has also resulted in paltry growth in NII. However, one company in our dataset focused on gold loans business. It has demonstrated more than 10% growth in the revenue from operations primarily on account of increase in the asset under management (AUM) in the last quarter. Further the lower NIM is primarily due to increase in the funding cost due to lack of availability of funds. The higher bad loans and proactive non-performing asset (NPA) provisions due to the pandemic has also resulted in pronounced drop in the PBT for most of the NBFCs in our dataset. The NBFCs have provided a moratorium to the borrowers as per the regulatory prescriptions. Based on the earnings release from one of the NBFCs in our dataset, almost 75% of their customers have availed the moratorium. However, for another NBFC, being the large player in the home loans business, the moratorium availed by its customers is around 25% of the AUM. In the uncertain business environment due to the lockdown, the NBFCs with higher share of secured portfolio or high salaried personal loans in their product portfolio and AUM may be able to sustain the stress in a better manner as against the NBFCs with higher share of unsecured retail loans or micro finance loans. One may also have to look at rural and urban portfolio mix as lockdowns are longer in urban areas as compared to rural areas.

Insurance

We have observed that the revenue comprising of net premium income has increased. However, on further analysis, it is observed that first year premium (FYP) numbers are lower in comparison to the previous quarter. Generally, it is observed that in March many individuals buy life insurance policies. But due to the pandemic and lockdown in the last two weeks of March 2020, the new business growth has been impacted due to lower underwriting. However, increase in the renewal and single premiums are moderate due to use of digital modes for premium collection.

Capital adequacy ratio (CAR)

Banks

Eleven out of 12 banks are within the regulatory prescribed limit of 9% for scheduled commercial banks (SCB). Those at the lower end of the spectrum are more vulnerable to the changes in the business environment and NPAs. One bank in our data set is expected to raise INR2,000 crores of fresh equity capital in Q1 of FY 21 and improve its Capital Adequacy Ratio from 13.38% to above 15%. We expect a few other banks to also raise the capital through qualified institutional placement route as a safeguard against business uncertainties.

NBFCs

For all the NBFCs in our dataset, the CAR is above the regulatory prescribed 15%. For one NBFC, it is around 23%.

Insurance companies

Insurance companies are expected to pay current or future claims to policyholders. For this, the insurance companies set aside certain sum of money to cover these liabilities. These are generally referred as technical provisions. However, these prudent technical provisions may prove insufficient for taking care of liabilities. Hence the insurance regulator has prescribed solvency margins through rules which companies carrying on the insurance business in India are always expected to maintain. Life insurance companies are expected to maintain 150% solvency margin. All the companies in our dataset have solvency margins well above the required 150% and this may provide elbow room to the insurance companies in case they need to provide for huge claims due to COVID-19.

Closing deposits

Banks

We have observed that on an average, there is a 7.79% increase in the closing deposits. These deposits mainly comprised of current and saving accounts (CASA), certificate of deposits (CDs) and term deposits. However, for one private sector bank in our dataset, there is a fall of 8% in the total deposits but the CASA grew by 2% quarter-on-quarter (QoQ). Likewise, another private sector bank in our dataset has shown negative growth of around 5% in total deposits as the bank has reduced its exposure to CD being short-term instruments and replaced them with retail fixed deposits and CASA. In the uncertain environment, banks with such retail deposit franchise are well-placed to generate sustainable returns. However, one may also have to factor the liquid risk on such deposits due to high unemployment rates, prolonged pay cuts or loss of livelihood in the economy due to slowdown.

NBFCs

We have observed a 10% increase in the closing deposits for deposit accepting NBFCs in our dataset. This is primarily due to sizable retail deposits attracted by one NBFC as a result of higher fixed deposit rates offered.

ECL provisions

Banks

There is a strong possibility of higher non-performing assets (NPAs) due to potential slowdown in the economy. In such cases, banks with higher exposure to BBB-rated and below assets, unsecured retail loans, micro, small and medium enterprise (MSME), loan against property (LAP), micro finance portfolio, etc. may have higher than normal credit cost. As these loans are more vulnerable to default. Major challenges for the bank borrowers may be due to the strain on cash flows and elongated working capital cycles for corporates. Some of the banks in our dataset have proactively created additional provisions due to potential impact of the pandemic and possible slowdown in the economy. Even though as per the regulatory prescription, the moratorium period is to be excluded for classification of loans for the purpose of impairment, these additional provisions are based on the premise that the full extent of bad loans would get visible post moratorium period in FY21. Though the sufficiency of these additional provisions cannot be ascertained, it certainly provides some resilience to the banks in uncertain business environment. Major part of operating profits of March 2020 quarter are set aside as provisions and this has resulted in lower PBT compared to previous quarter for certain banks, however pre provision operating profits (PPOP) are higher for March 2020 quarter. Loans under moratorium are expected to increase as we move forward.

NBFCs

We have observed that almost all the NBFCs in our dataset have recognized higher provisions to serve as COVID-19 buffers. These are primarily on the account of expected credit loss impairment provisions as per the Indian Accounting Standards (IND AS) followed by NBFCs. As these provisions are forward-looking, they need to consider the impact of macro-economic factors on the financial assets such as loans. In case the lockdown persists and there is slowdown in the economy, there is a possibility for some of the loan assets such as unsecured retail and MSME loans becoming NPAs. These buffers may help to absorb the stress on the balance sheet.

B

Planning for Next

As corporates around the world continue to ride this unexpected wave, it is encouraging that world is opening and trying to regain the momentum as it was before the pandemic.

Albeit, the world has changed in many ways and financial reporting is not an exception. Due to the pandemic, the involuntary positive impact on the environment is driving a shift towards larger focus around sustainable organizations and reporting around the same. We are also seeing an uptake in advanced technologies along with an enormous shift in behavioral changes with respect to how companies deal with financial reporting, management reporting, controls and more importantly, their communication with the stakeholders.

While lockdowns and business disruptions are unique of its kind, this situation demands optimal transparency and information about business operations continuity, challenges, opportunities and revisited strategy of the company beyond its financial numbers. Due to a rapidly changing COVID-19 situation with consequential emerging trends, companies also need to relook the frequency and medium of communication with their stakeholders.

It is observed that many entities in India have made disclosures, under the Securities Exchange Board of India Listing Obligations and Disclosure Regulations, primarily intimating shutdown of operations owing to the pandemic and resultant lockdowns. However, only a few of them have disclosed the financial impact of the pandemic. Listed entities around the world have been making disclosures regarding the impact of the pandemic, including that on financial condition and results of operations, future operations, demand of their products, capital and financial resources, liquidity, internal control over financial reporting, etc. In these difficult and uncertain times, timely and adequate information around operations and finance would be inevitable for investors and stakeholders' confidence. In May 2020, the SEBI has also issued an advisory on disclosures of material impact of the COVID-19 pandemic on listed entities under the SEBI LODR.

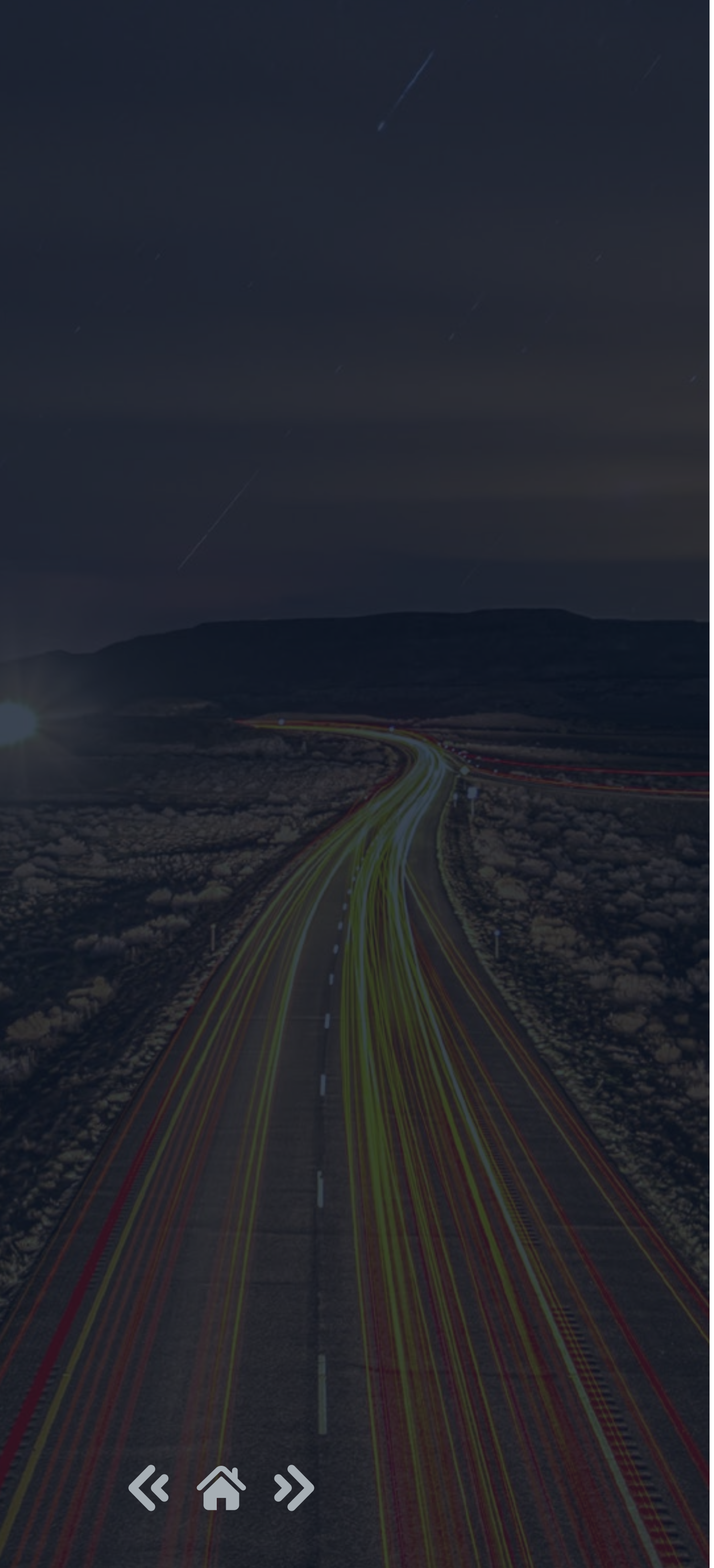
Since, investor communication cannot remain limited to past performance, organizations started focusing on communicating wider and futuristic agendas around reframed and realigned business strategy, technological state, values, social responsibility, sustainability and people priorities as response to the new normal.

Many corporates are developing new metrics to report the impact of the pandemic and are revising their stakeholder communication strategy. Measures beyond the financial ones are appropriate, given the challenges around communicating something so multi-faceted. After several years of growing evidence of the impact of commerce on climate change, scandals tied to poor corporate governance and a new appreciation for the social impact of business and institutional investors are increasingly likely to use non-financial performance information as an essential component in investment decision-making.

This is important and a key priority today for the CFOs' offices to help you remain trusted with your key stakeholders. Companies need to reassess their investor communication strategy to cover the following key parameters, while continue to observe its rapidly-evolving nature and scope:

? **Are reported KPIs aligned to reflect the dynamics of digital economy?**

? **Does your company's shareholder value reflect society values?**



?

Are you communicating social contracts and changing role of your company in the society?

?

How is your company adopting new technologies to shape its resilience and the future?

?

How are you updating your risk management framework and strategy to account for changing risk profile and mitigate some focused threats?

?

How are you reinventing the learning culture of your organizations to be continual, flexible and customized?

?

How do you plan to build employee experiences that transcend the physical boundaries of the work environment?

We have observed that most of the companies have started to realign their investor communication around people, supply, demand, cost, and cash and community. Corporates have also started to realign their medium of communication by focusing on digital mediums and social media.

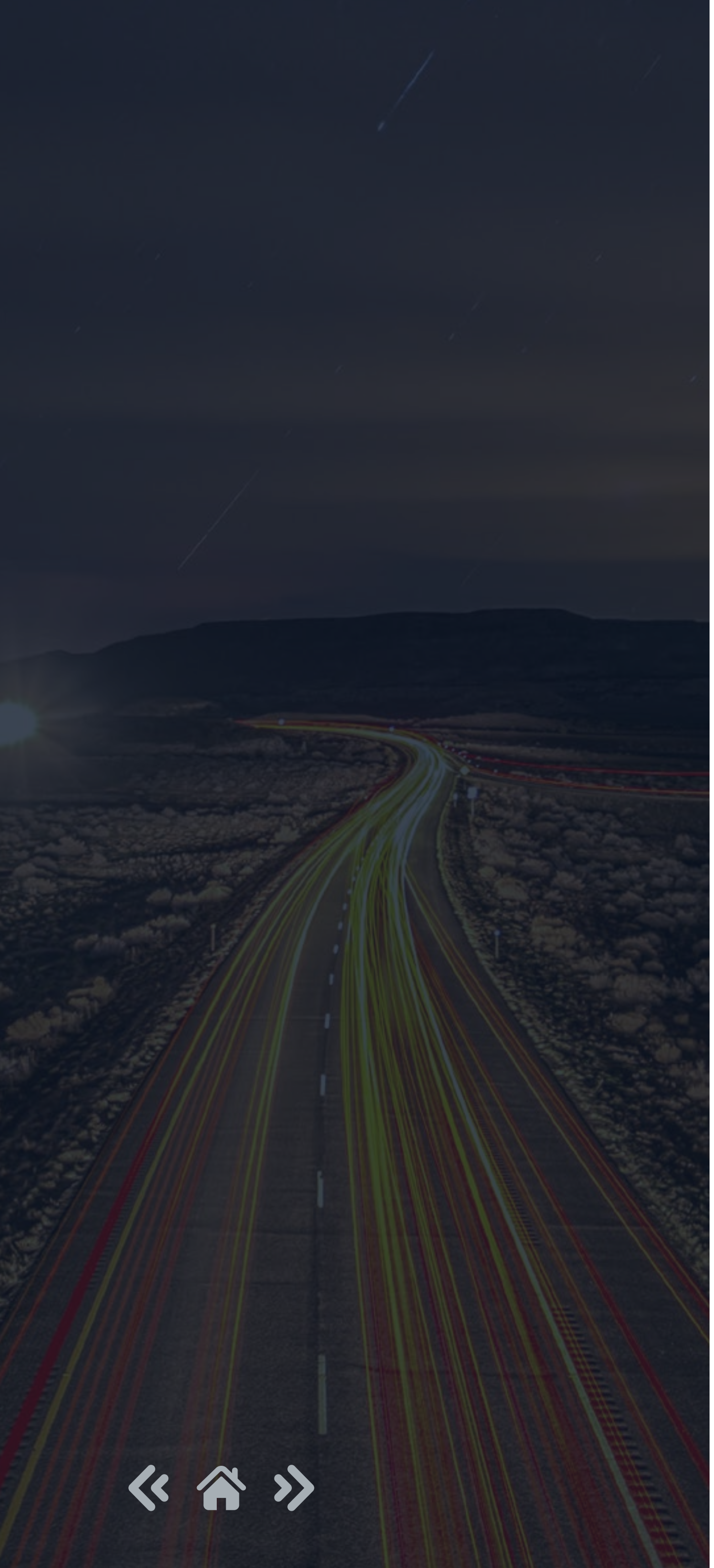
Following is the summary of nature of communication that corporates are covering against five domains, depending upon the importance or impact for these domains on the industry or company. Digital and technology continue to be at the core of the strategy across these domains.

People

Operation model, health, safety and well-being initiatives, availability of labor, remote working policies, diversity and inclusiveness policies, etc.

Supply

Supply chain resilience, continuity, nationalization trend and its impact on raw materials' supply, delivery models for borders, operational level at which plants operate and other logistic hurdles.



Demand

Demand recovery and expected trend, changing customer sentiments (including vocal for local trend), evolving customer service delivery models, contextual communication and innovation, repurposing of brand communication, higher engagement on social media and creating new or innovative products.

Community

Campaign to educate public around health and safety, providing support in terms of medical facilities and infrastructure, providing health and hygiene products and reduction in prices of such products, donations, collaborations with government and NGOs, etc.

Cost and cash

Laser focus on receivables, judicious deployment and exploration of credit avenues, optimization of capex spends, safety and liquidity of investments, strong working capital management without interrupting supply chain, operational cost discipline, undertaking cost rationalization projects and their sustainability, access to capital and growth strategy, including mergers and acquisition (M&A) plans

Thinking Beyond

C

Building a resilient finance function

Data and smarter technologies have revolutionized organizations' way of working. Yet when it comes to finance, there's a lot of room for improvement in terms of leveraging digital technologies. Sometimes, this is because organizations' onboard systems are not sufficiently automated.

Regardless of the cause, organizations are often forced to work with finance data that need to be reviewed and often carry the risk of being incomplete or unreliable. Such data comes from multiple sources and is frequently contradictory. In the current times, when the finance function needs to generate comprehensive KPIs around demand, supply, people, cost, capital and social contribution beyond regulatory reporting around financial numbers, building a resilient, agile, scalable and digital finance function is the need of the hour.

The COVID-19 pandemic has given an unprecedented shock to businesses, but it has also provided the finance functions of organizations with the opportunity to build their future. It is vital for finance leaders to gain insight on the megatrends shaping their businesses' future and consequential challenges for finance functions to gear up to support the operations with new reality.

How individual businesses have reacted to COVID-19 crisis has given a clear insight into exactly how resilient their finance functions are (along with the businesses as a whole). Some functions have had to rethink processes and large parts of their operations, plugging gaps as they increased and discovering they didn't have the relevant expertise in certain areas. Others, however, found that they were able to implement changes more effectively and fluidly.

It is now time for future-back strategy. This method flips the script on the standard approach to developing projections, plans and strategies. It uses the future-state as a starting point and then works backwards to craft plans to navigate them to that desired future state.

Finance for the future through digital transformation

Prior to the COVID-19 outbreak, many global corporates started reviewing the design of finance function and its operating model to reduce the cost of the compliance while continuing to remain the most important and core support function for the business. This was largely in response to a broad and well-documented set of challenges and drivers, including managing costs, delivering value, attracting and retaining talent, making efficient use of technology and automation, and complying with new regulations. Post-pandemic, this exercise remains a priority for these organizations.

Technology and digital transformation continue to be central to the futuristic design and vision for finance. Across industries and sectors, technologies such as advanced data analytics, robotics, blockchain and Artificial Intelligence (AI) are creating new opportunities and driving finance transformation. Organizations should be as disruptive and innovative while thinking about leveraging technology for finance. This is not just about reducing costs but also improving financial performance. When organizations trust their finance data and are able to generate multi-faceted KPIs, they have the potential to transform their operations and unlock value more widely.

The agenda phase for beyond for finance function will be largely shaping around following:

Define a compelling vision for your finance organization that addresses the needs of your key stakeholders, and the financial and non-financial outcomes that they may desire.

Build accelerators and insights to rapidly identify key finance areas where organizations can make tactical and strategic improvements to reduce cost and deliver better and more consistent services to its stakeholders.

Empower the finance function **to embrace innovation and technology** more strategically to improve the ways to create, provide, capture and communicate value.

Meet current and future operational and reporting requirements for **real-time data, agility and more-informed decision-making.**

Improve control in an increasingly automated and digitally-supported environment.

Address new skills and changing demands of the people within the finance function.

Appendix 1:
List of companies

Selection of population

Indian companies: we extracted the list of BSE 500 Companies by market capitalization as at 5 June 2020 (from https://www.valueresearchonline.com/stocks/selector/indices/46/bse-500-index/) which is then sorted in descending order based on market capitalization and top 300 companies were selected from the sorted list for the analysis. We then extracted results calendar (from https://www.bseindia.com/corporates/Comp_Resultsnew.aspx?expandable=0) as at 5 June 2020 and out of the 300 companies, 159 companies had declared the results till 5 June 2020.

Global Companies: We selected companies from key sectors to ensure appropriate mix and coverage. 12 sectors were considered for the analysis selecting 115 companies in aggregate.

Table: 22

Number of companies considered	
Indian companies (A) (Results announced or declared by BSE top 300 companies till 5 June 2020)	159
Global companies (B)	115
Total companies covered (India + global) (A+B)	274

Source of information

For Indian companies, we have primarily referred consolidated financial statements, in absence thereof, standalone financial statements, for the respective quarters as published on the website of the respective companies. in some cases, we have referred press releases and investors' presentations, but we haven't ensured use of these sources' comprehensiveness for all companies in the population. For global companies, we have primarily referred Form 10-K/10-Q as published.

Period of information

Indian companies: for profit and loss data, financial statements and other documents referred above are for quarter ended 31 March 2020 and 31 December 2019. For balance sheet data, we referred financial statements and other documents as at 31 March 2020 and 30 September 2019.

Global companies: we referred data from Factiva for December 2019 and March 2020 for understanding and analyzing the impact of COVID-19 on the profit and loss and balance sheets of the global companies.

List of companies (Indian and global) considered

Table: 23

S. No.	Indian companies	S. No.	Global companies
	BFSI		
1	Aavas Financiers Ltd.	1	AFLAC Inc
2	Aditya Birla Capital Ltd.	2	Allstate Corp
3	AU Small Finance Bank Ltd.	3	American Express Co.
4	Axis Bank Ltd.	4	American International Group
5	Bajaj Finance Ltd.	5	Bank of America Corp.
6	Bajaj Finserv Ltd.	6	Chubb Limited
7	Bajaj Holdings and Investment Ltd.	7	Cincinnati Financial
8	Bandhan Bank Ltd.	8	Citigroup, Inc.
9	Cholamandalam Investment & Finance Co. Ltd.	9	JPMorgan Chase & Co.
10	CreditAccess Grameen Ltd.	10	Wells Fargo & Co.
11	Federal Bank Ltd.		
12	HDFC Bank Ltd.		
13	HDFC Life Insurance Company Ltd.		
14	Housing Development Finance Corporation Ltd.		
15	ICICI Bank Ltd.		
16	ICICI Prudential Life Insurance Company Ltd.		
17	ICICI Securities Ltd.		
18	IDBI Bank Ltd.		
19	IDFC First Bank Ltd.		
20	Indusind Bank Ltd.		

S. No.	Indian companies	S. No.	Global companies
21	JM Financial Ltd.		
22	Kotak Mahindra Bank Ltd.		
23	L&T Finance Holdings Ltd.		
24	Mahindra & Mahindra Financial Services Ltd.		
25	Manappuram Finance Ltd.		
26	Max Financial Services Ltd.		
27	Motilal Oswal Financial Services Ltd.		
28	Multi Commodity Exchange of India Ltd.		
29	Nippon Life India Asset Management Ltd.		
30	RBL Bank Ltd.		
31	State Bank of India		
	Advanced manufacturing and mobility		
32	Adani Enterprises Ltd.	11	3M Co.
33	Adani Gas Ltd.	12	Air Products & Chemicals, Inc.
34	Amara Raja Batteries Ltd.	13	Ball Corp.
35	Astral Polytechnik Ltd.	14	Booking Holdings, Inc.
36	Atul Ltd.	15	Caterpillar, Inc.
37	BASF India Ltd.	16	CSX Corp.
38	Chambal Fertilizers & Chemicals Ltd.	17	Dow, Inc.
39	Coromandel International Ltd.	18	DuPont de Nemours, Inc.
40	DCM Shriram Ltd.	19	Ecolab, Inc.
41	Deepak Nitrite Ltd.	20	General Electric Co.
42	Essel Propack Ltd.	21	Honeywell International, Inc.
43	Exide Industries Ltd.	22	Linde Plc

S. No.	Indian companies	S. No.	Global companies
44	GMM Pfaudler Ltd.	23	Lockheed Martin Corp.
45	Gujarat Gas Ltd.	24	LyondellBasell Industries NV
46	Havells India Ltd.	25	Northrop Grumman Corp.
47	Honeywell Automation India Ltd.	26	PPG Industries, Inc.
48	JSW Energy Ltd.	27	The Boeing Co.
49	Kansai Nerolac Paints Ltd.	28	The Sherwin-Williams Co.
50	KEC International Ltd.	29	Union Pacific Corp.
51	L&T Technology Services Ltd.		
52	Linde India Ltd.		
53	PI Industries Ltd.		
54	Polycab India Ltd.		
55	Rallis India Ltd.		
56	Schaeffler India Ltd.		
57	Siemens India Ltd.		
58	SKF India Ltd.		
59	SRF Ltd.		
60	Supreme Industries Ltd.		
61	Timken India Ltd.		
62	UPL Ltd.		
	Automotive		
63	Apollo Tyres Ltd.	30	Advance Auto Parts
64	Bajaj Auto Ltd.	31	Aptiv PLC
65	Bosch Ltd.	32	BorgWarner
66	Escorts Ltd.	33	Ford Motor Company

S. No.	Indian companies	S. No.	Global companies
67	Maruti Suzuki India Ltd.	34	General Motors
68	Motherson Sumi Systems Ltd.		
69	Tube Investments of India Ltd.		
70	TVS Motor Co Ltd.		
71	Wabco India Ltd.		
	Aviation		
72	Interglobe Aviation Ltd.		
	Consumer products and retail (CPR)		
73	Aditya Birla Fashion and Retail Ltd.	35	Altria Group, Inc.
74	Avenue Supermarts Ltd.	36	Amazon.com, Inc.
75	Bata India Ltd.	37	Colgate-Palmolive Co.
76	Blue Star Ltd.	38	Costco Wholesale Corp.
77	Britannia Industries Ltd.	39	Dollar General Corp.
78	Colgate-Palmolive India Ltd.	40	Lowe's Cos., Inc.
79	Crompton Greaves Consumer Electricals Ltd.	41	McDonald's Corp.
80	Dabur India Ltd.	42	Mondelez International, Inc.
81	Gillette India Ltd.	43	NIKE, Inc.
82	Godrej Agrovet Ltd.	44	PepsiCo, Inc.
83	Godrej Consumer Products Ltd.	45	Philip Morris International, Inc.
84	Godrej Industries Ltd.	46	Procter & Gamble Co.
85	Hindustan Unilever Ltd.	47	Starbucks Corp.
86	Jubilant Food Works Ltd.	48	Target Corp.
87	Jyothy Labs Ltd.	49	The Coca-Cola Co.
88	Marico Ltd.	50	The Estée Lauder Companies, Inc.

S. No.	Indian companies	S. No.	Global companies
89	Nestle India Ltd.	51	The Home Depot, Inc.
90	Procter & Gamble Hygiene & Health Care Ltd.	52	The TJX Cos., Inc.
91	Radico Khaitan Ltd.	53	Walmart, Inc.
92	Symphony Ltd.		
93	Tata Consumer Products Ltd.		
94	Trent Ltd.		
95	Varun Beverages Ltd.		
96	V-Guard Industries Ltd.		
97	Voltas Ltd.		
98	VST Industries Ltd.		
99	Zydus Wellness Ltd.		
	Lifesciences		
100	Ajanta Pharma Ltd.	54	Abbott Laboratories
101	Alembic Pharmaceuticals Ltd.	55	AbbVie, Inc.
102	Alkem Laboratories Ltd.	56	Amgen, Inc.
103	AstraZeneca Pharm India Ltd.	57	Bristol-Myers Squibb Co.
104	Aurobindo Pharma Ltd.	58	Eli Lilly & Co.
105	Bayer Crop Science Ltd.	59	Johnson & Johnson
106	Biocon Ltd.	60	Merck & Co., Inc.
107	Cipla Ltd.	61	Pfizer Inc.
108	Dr Reddy's Laboratories Ltd.	62	Thermo Fisher Scientific, Inc.
109	Dr. Lal Pathlabs Ltd.	63	UnitedHealth Group, Inc.
110	Eris Lifesciences Ltd.		
111	Glaxosmithkline Pharmaceuticals Ltd.		

S. No.	Indian companies	S. No.	Global companies
112	Granules India Ltd.		
113	Jubilant Life Sciences Ltd.		
114	Laurus Labs Ltd.		
115	Lupin Ltd.		
116	Metropolis Healthcare Ltd.		
117	Piramal Enterprises Ltd.		
118	Sanofi India Ltd.		
119	Sun Pharmaceutical Industries Ltd.		
120	Syngene International Ltd.		
121	Torrent Pharmaceuticals Ltd.		
	Metal and mining		
122	Grindwell Norton Ltd.	64	Newmont Corp.
123	Hindustan Zinc Ltd.		
124	Jindal Steel & Power Ltd.		
125	JSW Steel Ltd.		
	Oil and gas		
126	Bharat Petroleum Corporation Ltd.	65	Chevron Corp.
127	Reliance Industries Ltd.	66	ConocoPhillips
		67	EOG Resources, Inc.
		68	Exxon Mobil Corp.
		69	Kinder Morgan, Inc.
		70	Marathon Petroleum Corp.
		71	Phillips 66

S. No.	Indian companies	S. No.	Global companies
		72	Schlumberger NV
		73	The Williams Cos., Inc.
		74	Valero Energy Corp.
	Power		
128	Adani Green Energy Ltd.	75	American Electric Power Co., Inc.
129	Adani Power Ltd.	76	Dominion Energy, Inc.
130	Adani Transmission Ltd.	77	Duke Energy Corp.
131	Tata Power Co Ltd.	78	Eversource Energy
132	Torrent Power Ltd.	79	Exelon Corp.
		80	NextEra Energy, Inc.
		81	Sempra Energy
		82	The Southern Co.
		83	WEC Energy Group, Inc.
		84	Xcel Energy, Inc.
	Real estate and infrastructure		
133	ACC Ltd.	85	American Tower Corp.
134	Adani Ports and Special Economic Zone Ltd.	86	AvalonBay Communities, Inc.
135	Ambuja Cements Ltd.	87	Crown Castle International Corp.
136	Bharti Infratel Ltd.	88	Digital Realty Trust, Inc.
137	DLF Ltd.	89	Equinix, Inc.
138	Godrej Properties Ltd.	90	Equity Residential
139	Larsen & Toubro Ltd.	91	Prologis, Inc.
140	Shree Cement Ltd.	92	Public Storage
141	Ultratech Cement Ltd.	93	SBA Communications Corp.

S. No.	Indian companies	S. No.	Global companies
		94	Simon Property Group, Inc.
	Services		
142	3M India Ltd.	95	United Parcel Service, Inc.
143	Blue Dart Express Ltd.		
144	Crisil Ltd.		
145	Indian Energy Exchange Ltd.		
146	Security and Intelligence Services (India) Ltd.		
	Technology		
147	HCL Technologies Ltd.	96	Activision Blizzard, Inc.
148	Hexaware Technologies Ltd.	97	Adobe, Inc.
149	Infosys Ltd.	98	Alphabet, Inc.
150	Larsen & Toubro Infotech Ltd.	99	Apple, Inc.
151	MindTree Ltd.	100	Cisco Systems, Inc.
152	Mphasis Ltd.	101	Facebook, Inc.
153	NIIT Technologies Ltd.	102	Intel Corp.
154	Oracle Financial Services Software Ltd.	103	Mastercard, Inc.
155	Tata Consultancy Services Ltd.	104	Microsoft Corp.
156	Tata Elxsi Ltd.	105	Netflix, Inc.
157	Tech Mahindra Ltd.	106	NVIDIA Corp.
158	Wipro Ltd.	107	Oracle Corp.
		108	PayPal Holdings, Inc.
		109	The Walt Disney Co.
		110	Visa, Inc.

S. No.	Indian companies	S. No.	Global companies
	Telecom		
159	Bharti Airtel Ltd.	111	AT&T, Inc.
		112	Charter Communications, Inc.
		113	Comcast Corp.
		114	T-Mobile US, Inc.
		115	Verizon Communications, Inc.

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