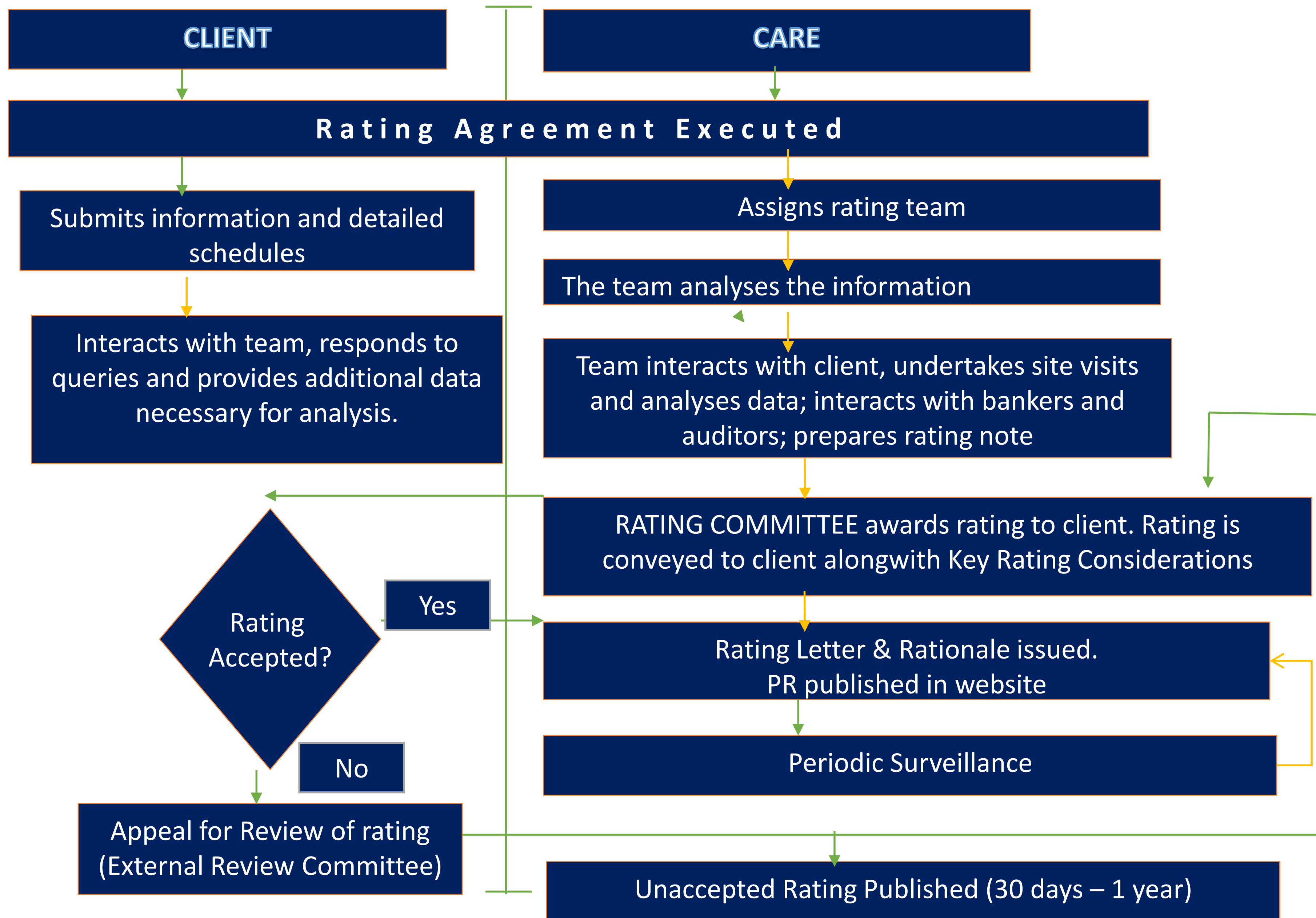
Presentation to WIRC – ICAI Members

- Revati Kasture

August 29, 2020


CLIENT
CARE
Rating Agreement Executed
Submits information and detailed schedules
Assigns rating team
The team analyses the information
Interacts with team, responds to queries and provides additional data necessary for analysis.
Team interacts with client, undertakes site visits and analyses data; interacts with bankers and auditors; prepares rating note
RATING COMMITTEE awards rating to client. Rating is conveyed to client alongwith Key Rating Considerations
Rating Accepted?
Yes
No
Rating Letter & Rationale issued.
PR published in website
Periodic Surveillance
Appeal for Review of rating (External Review Committee)
Unaccepted Rating Published (30 days – 1 year)

Rating Process

- Rating agreement entered into between CRA and client
- CRA to have professional rating committees comprising members who are qualified and knowledgeable
- All rating decisions to be taken by rating committee
- CRA to intimate stock exchanges regarding securities rated by it and to general public through website- Timeline of PR
- Continuously monitor rating during life time of securities unless the rating is withdrawn

Rating Process

- Disclose the newly assigned ratings and any changes in the ratings promptly through PR and websites and in case of listed securities disclose the same to the stock exchanges as well
- CRA to carry out periodic review of rating during lifetime of securities unless the rating is withdrawn
- Surveillance and Material event reviews

Rating Process (contd.)

- Monitoring of repayment schedules – CRA to be proactive in early detection of defaults/ delays
- Monthly NDS to be sought from issuer
- Default SOP in place for rating agencies
- In case client does not co-operate, CRA to do rating based on best available information and disclose the same by calling it INC (Issuer Not Cooperating) in the Press Release

Rating Process

- CRA not to withdraw rating so long as the obligations under the security rated are outstanding unless the company is wound up or merged or amalgamated with other company
- Withdrawal policy in place and on website
- INC ratings to be moved to BIG INC in 6 months
- No other rating agency can rate INC client after 12 months
- Due diligence – Bankers / auditors / Lenders engg/ Audit Committee

Appeal of Ratings (Representation)

a) Cases of requests by an issuer for review of the rating(s) provided to its instrument(s) to be reviewed by a rating committee of the CRA to consist of majority of members that are different from those in the Rating Committee of the CRA that assigned the earlier rating, and at least one-third of members are independent

b) Independent here means not having any pecuniary relationship with CRA or its employees

c) If a rating is not accepted by client, it will be disclosed on the website of CRA, after one month of rating and remain on the website of CRA for a period of 12 months from the date of such disclosure

Criteria-
Important documents and Availability

- **Important Criteria documents:**
  - Default Recognition
  - Rating Outlook and Credit Watch
  - Rating of Credit Enhanced Debt
  - Criteria for rating Short Term Instrur
  - Criteria for Issuer Rating
  - Criteria for Provisional Rating

- **Availability:**

  CARE's website → Resources → Rating Criteria/Methodology

Factoring Linkages in rating

Parent-subsidiary link

- Rating of parent: Consolidated view (unless sub is separate SPV/ ringfenced), impact of support on cash flow
- Rating of subsidiary : economic strategic importance, demonstrated track record of support, cash flow fungibility, legal/ moral obligation of parent, subsidiary of weak parent
- Financial sector: high level of integration between parent and subsidiaries in large groups, interdependence, ratings tend to be closer

Group support

- Joint ventures : extent of holding of each JV partner determines extent of notch up, inherent limitations in JV structure and possibility of conflicts restrict very high rating
- Group assessment : Economic and strategic importance , Demonstrated track record of support , Cash flow fungibility
- Combined approach : closely held entities with common ownership, fungibility of cash flow

Factoring Linkages in rating

Government support

- PSEs (manufacturing and financial sector) receive sovereign support
- Standalone rating notched up based on nature and extent of government support
- The support is dependent on - policy function served by the entity, strategic importance, extent of ownership.
- Rating of entities having significant strategic importance to state/centre is normally equated with respective state rating or central government rating.

Credit enhancement

What is a CE rating and how is it different from SO rating?
What is an unsupported rating
Is a symbol change equivalent to change in rating
Is LOC similar to guarantee?
What is partial credit enhancement and how are those ratings assigned

Disclosure of rating sensitivities and liquidity indicator in PR

- ✓ Rating Sensitivities to be disclosed in PR
- ✓ Liquidity indicators to be disclosed in PR

  Superior

  Adequate

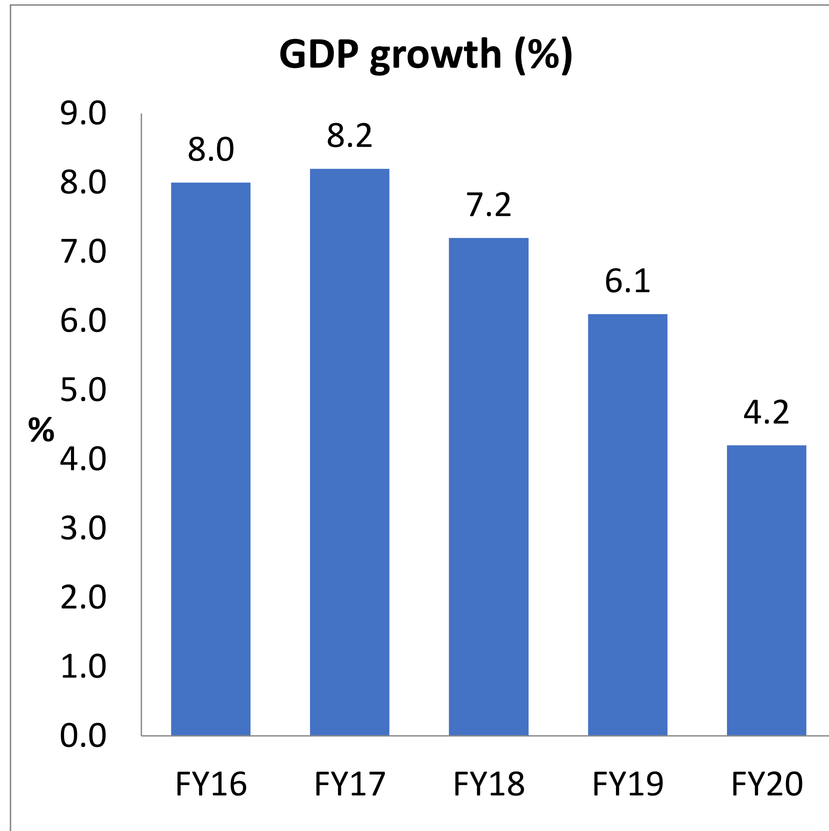
  Stretched

  Poor

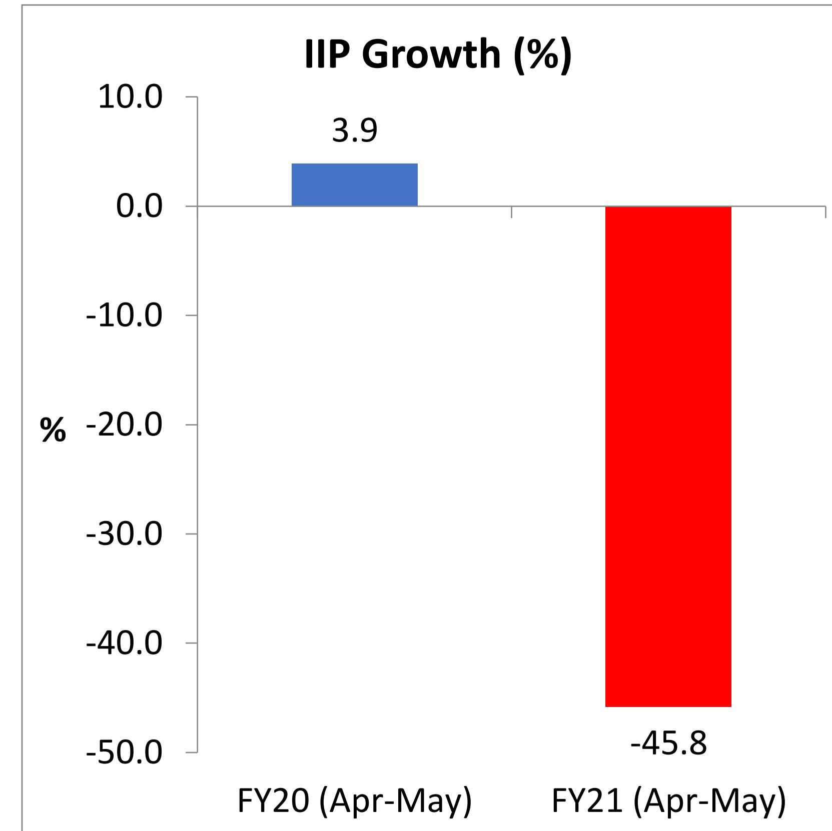
Credit Assessment in Challenging Times

Economic Growth and Industrial Output

CARE Ratings
Professional Risk Opinion



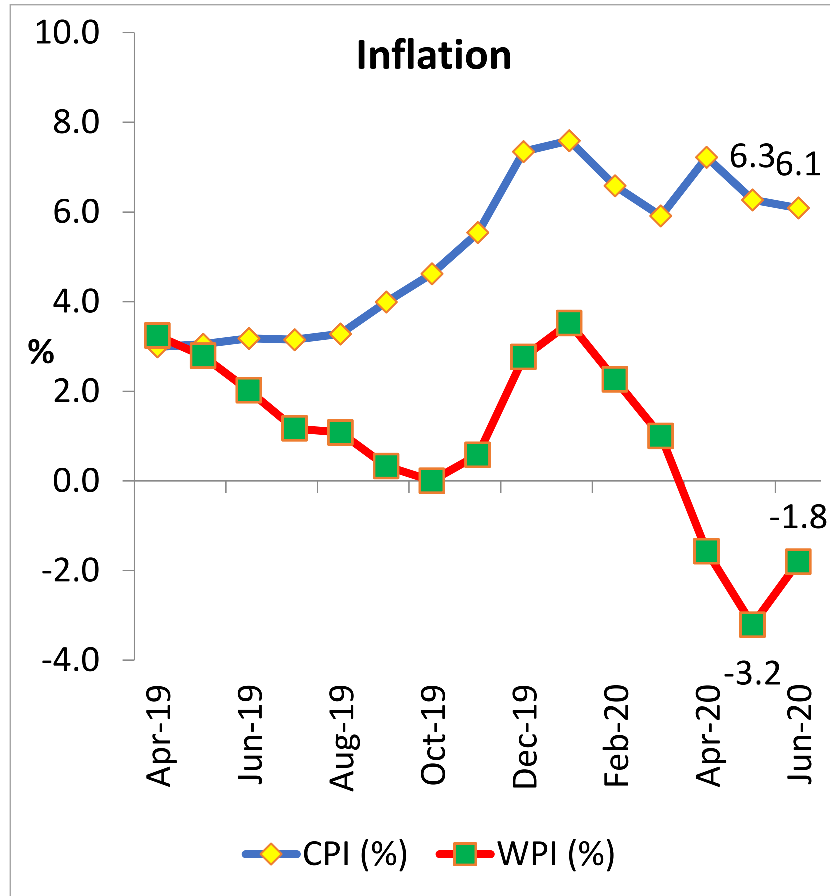
Source: MOSPI



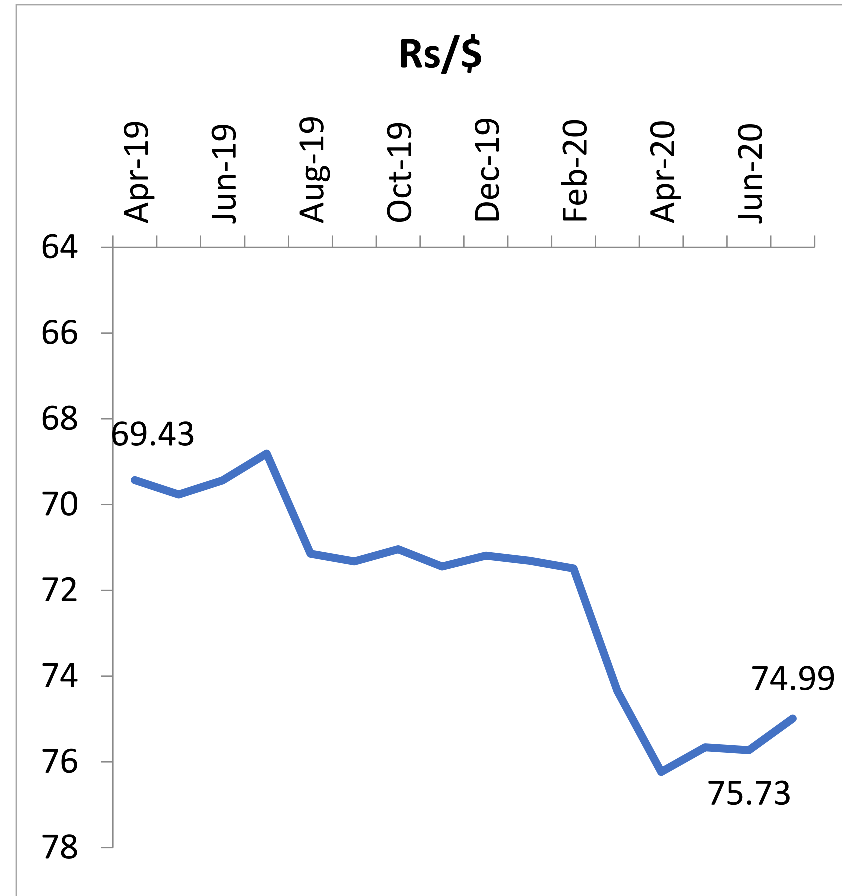
Source: MOSPI

Our estimate for FY21 – Contraction in real GDP growth by 6.4%

Inflation and Exchange Rate

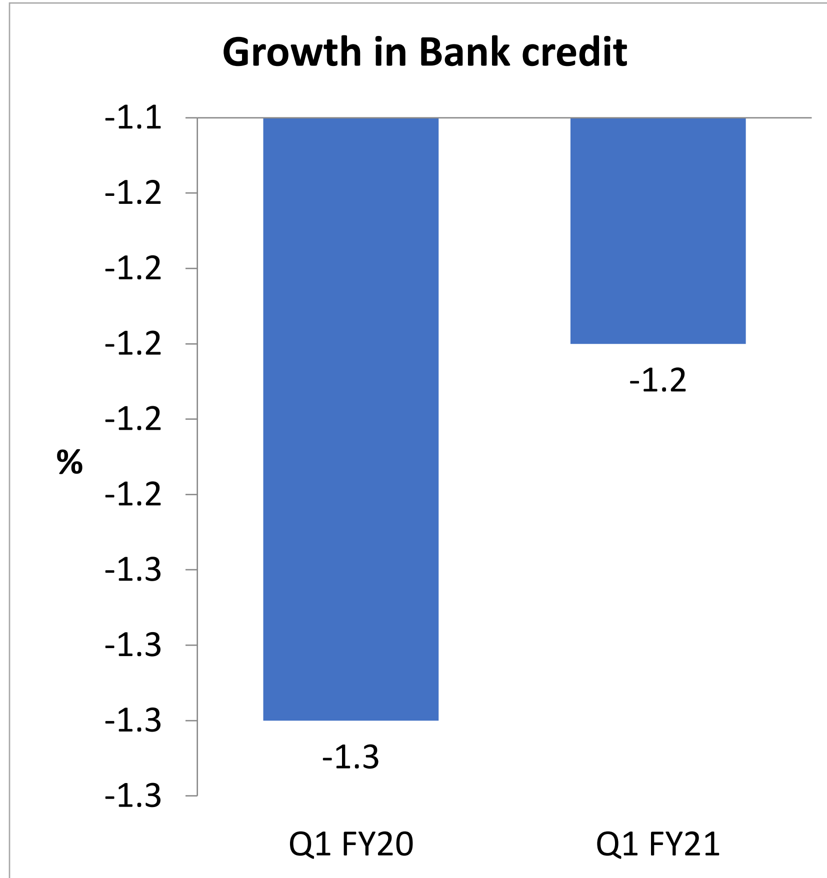


Source: MOSPI

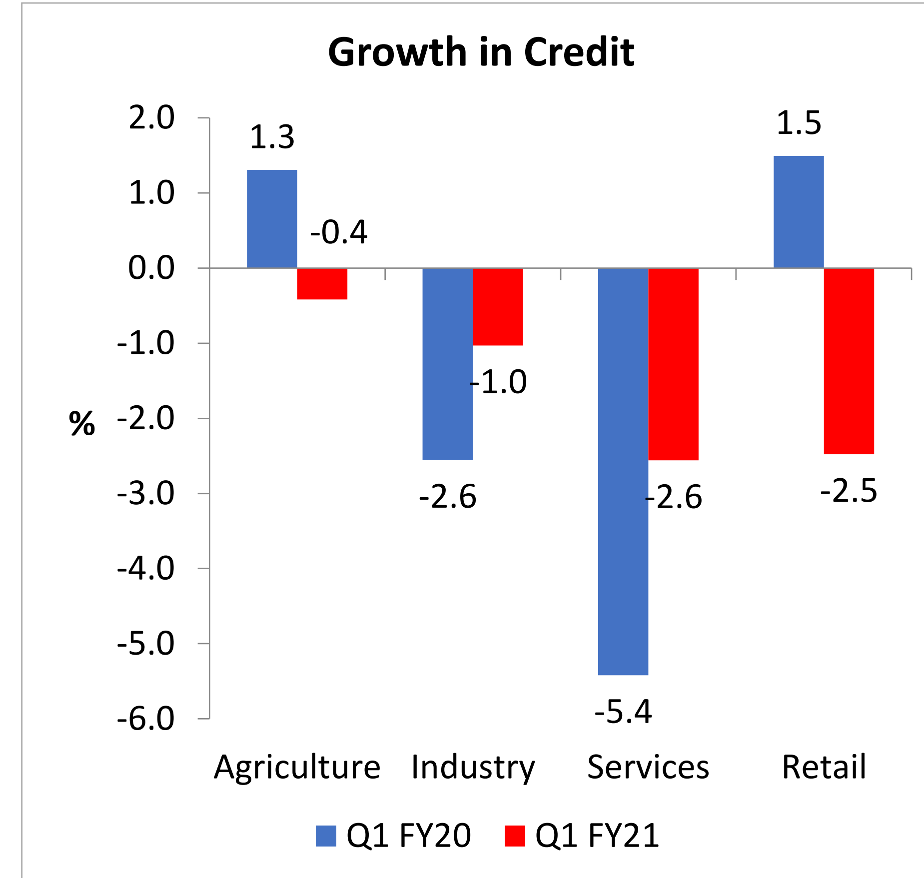


Source: RBI

Bank Credit



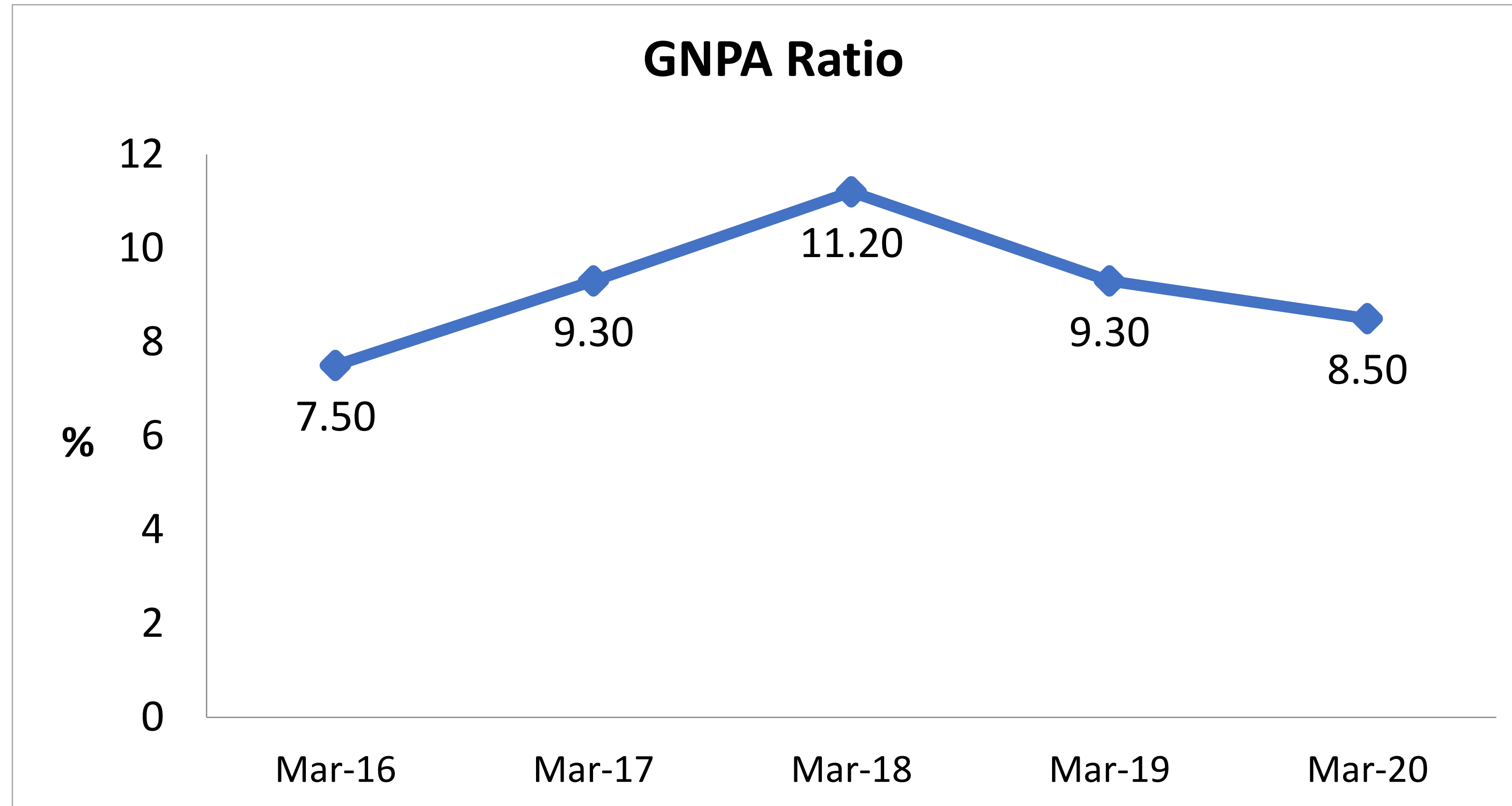
Source: RBI



Source: RBI

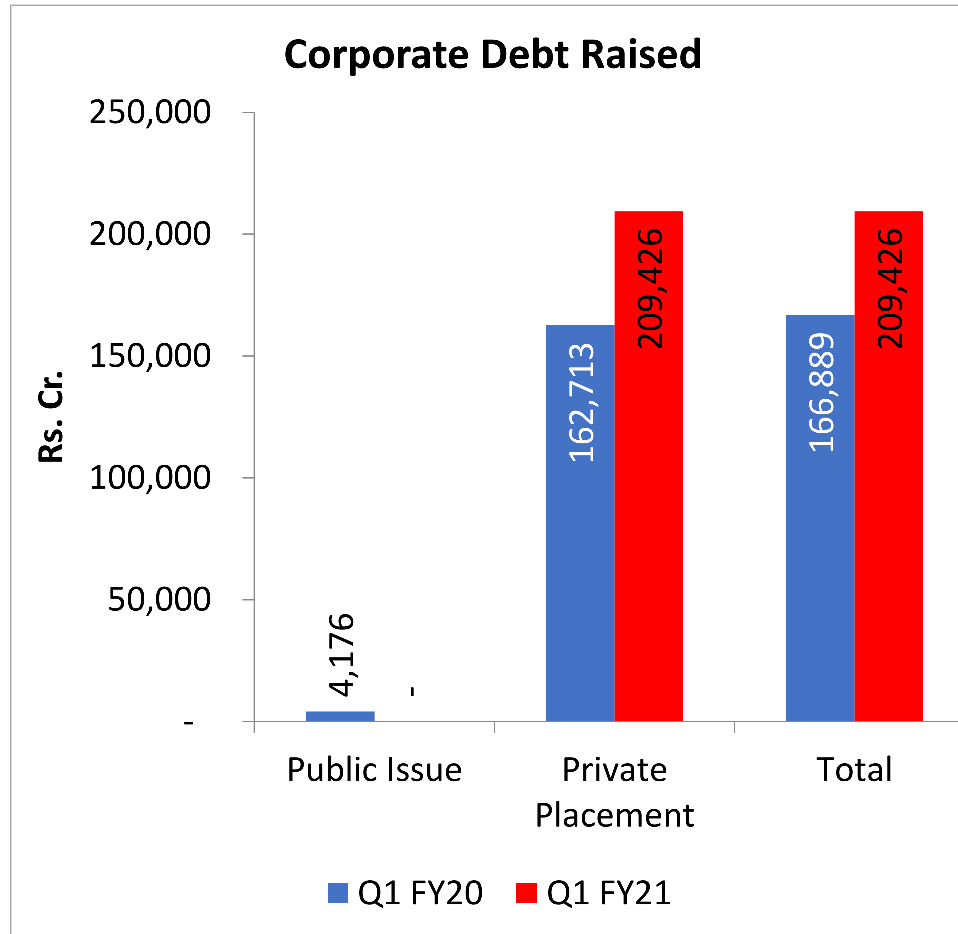
Non-Performing Assets

CARE Ratings
Professional Risk Opinion



Note: Gross NPAs as a percentage of gross advances
Source: RBI

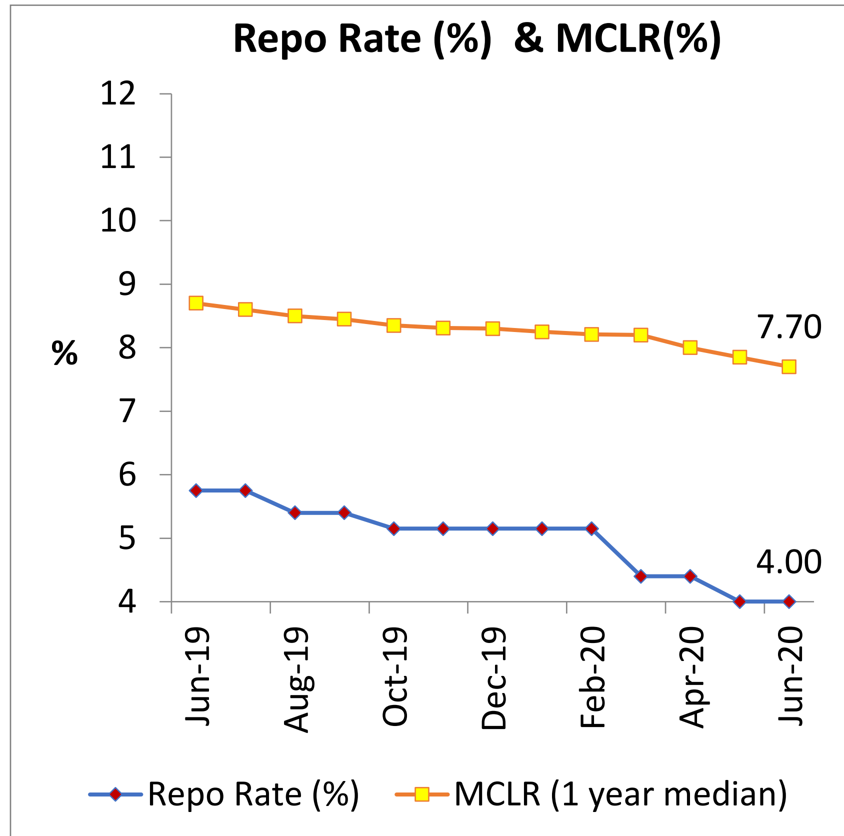
Corporate Bond Issuances



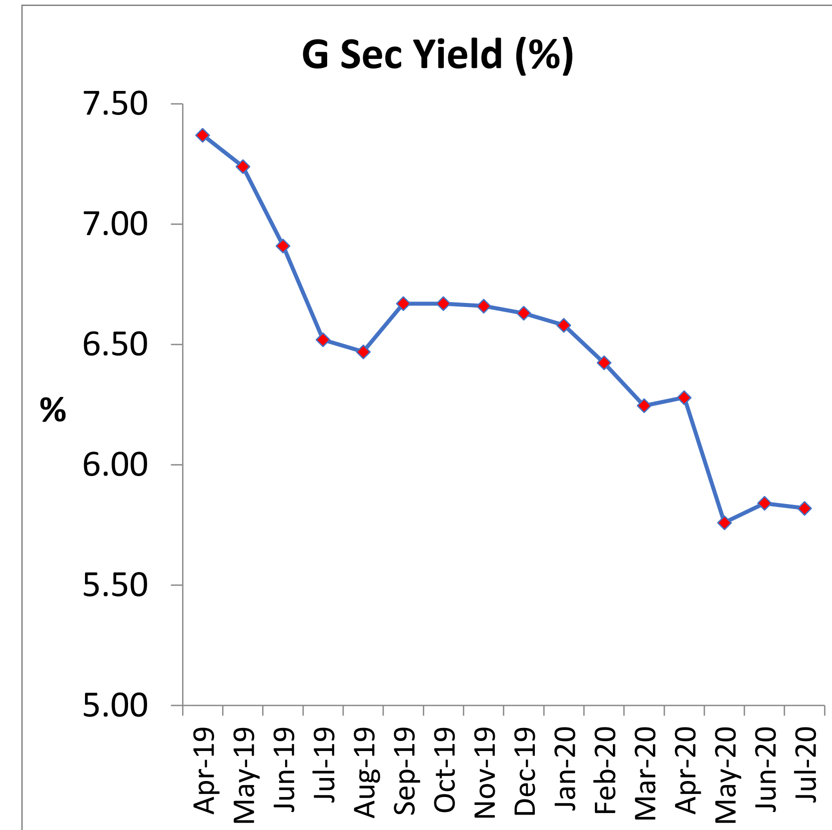
Source: SEBI

- During the first quarter, majority of the corporate bond issuances are raised by the financial sector (57% share)
  - Banks/term lending (28%), financial services/investment (16%), housing finance (13%)
- Some of the other main sectors pertained to
  - Power generation and supply (8%)
  - Roads and highways (3% share)
  - Iron and steel (3%)
  - Real estate (3%)
  - Auto (2%)

Interest Rate and GSec yields



Source: RBI



Source: FIMMDA

Economic Scenario – India

Economic activity – subdued

Trade – Exports & Imports declined

Financing Conditions – challenging

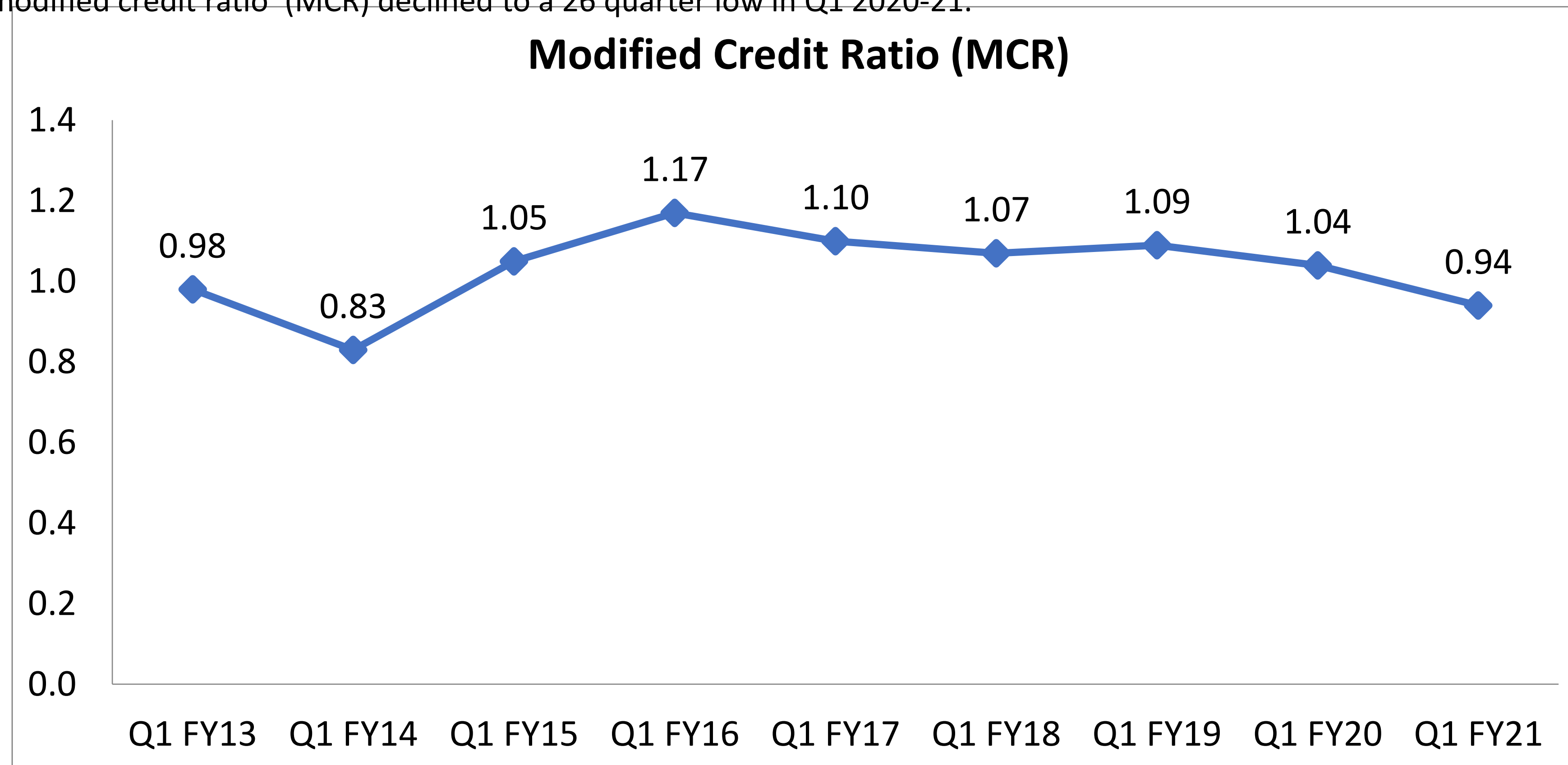
Government Finances : Stressed

Fiscal Deficit : 8 percent of GDP

Corporate Performance : Weak

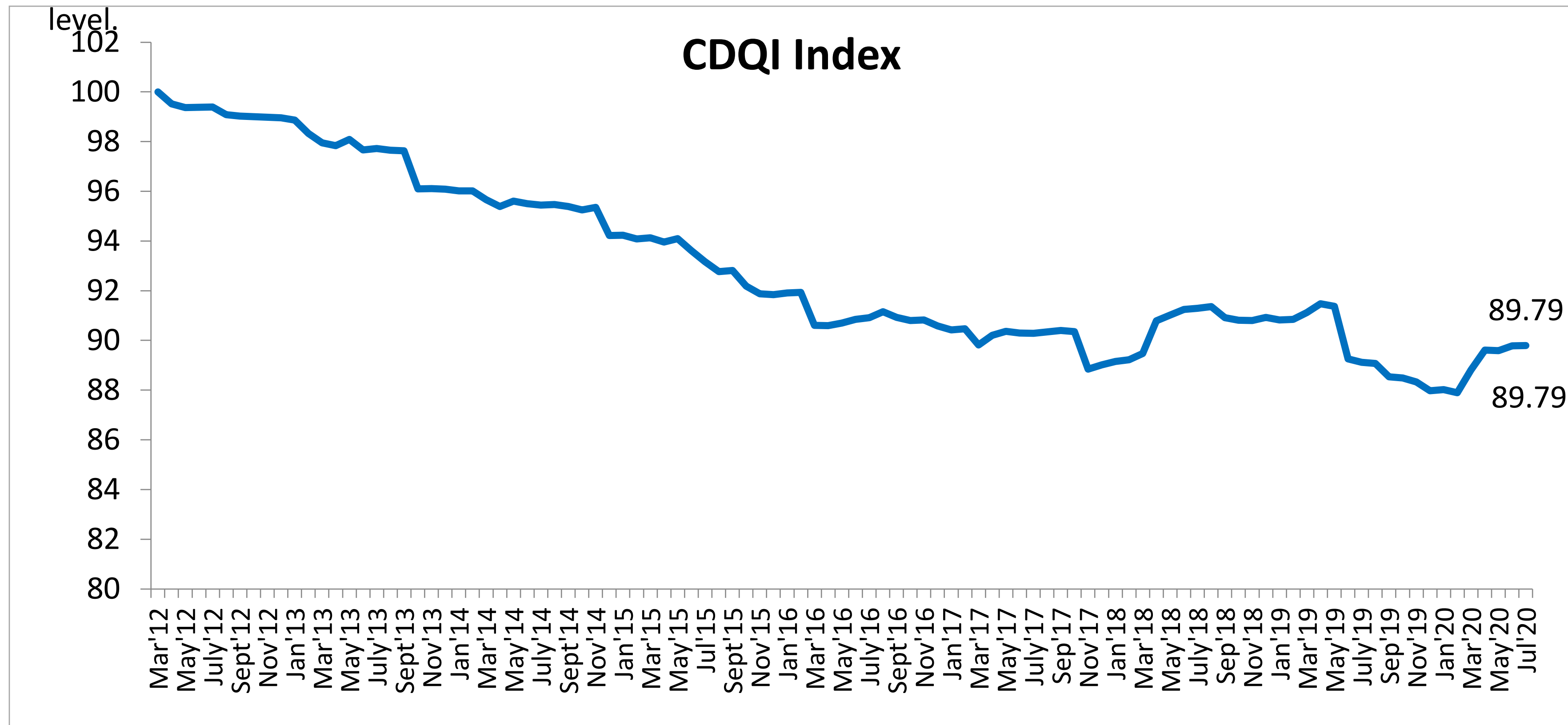
Rating Movement

The credit profile of entities rated by CARE Ratings has witnessed a perceptible moderation in the current financial year triggered mainly by COVID-19 and the consequent lockdown announced affecting the operations of most entities. The credit quality of the rated entities as measured by CARE Rating's
'modified credit ratio' (MCR) declined to a 26 quarter low in Q1 2020-21.



CARE Ratings Debt Quality Index (CDQI)

The index has seen a notable increase in April'20 on account of enhancements in rated debt of high rated entities while it remained almost stable in May 2020 at 89.58. CDQI increased by 0.20 points in June 2020 on account of enhancements in rated debt of high rated entities and few ratings moving from default grade to non-default category on improvement in the liquidity of those companies. In July 2020, it remained unchanged at the previous month's level.



- Thru the cycle rating
- Credit Models ?
- Structural v/s Temporary
- Liquidity v/s Solvency
- Sector-wise Impact
- Recovery timelines

- .

CARE Ratings
Professional Risk Opinion

Sectorwise recovery timelines

Low impact with Recovery in 3 months

- Pharmaceuticals
- Retail – essential goods
- Renewables
- Power Transmission

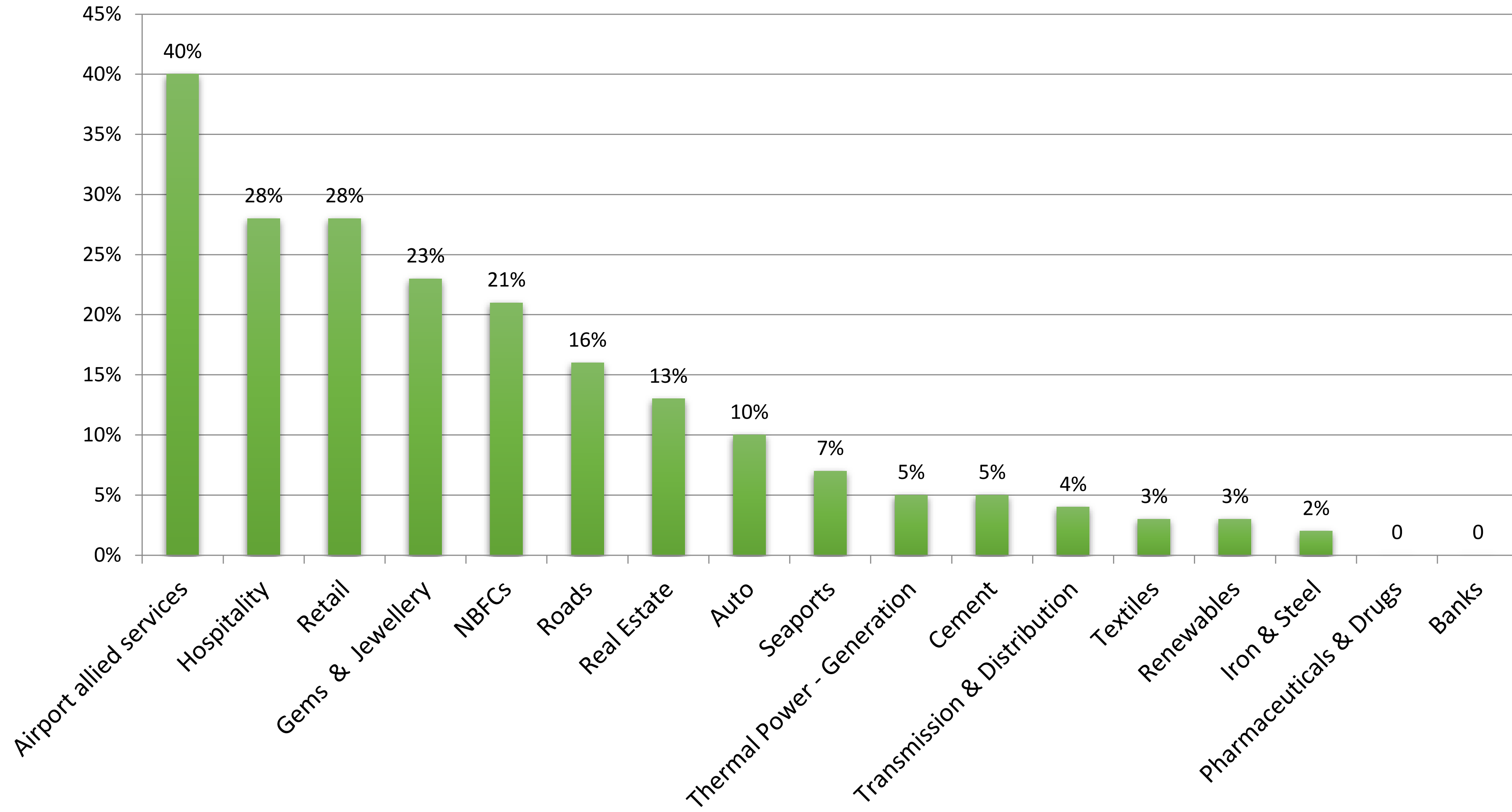
Moderate impact with Recovery in 3 – 12 months

- Banks
- Roads
- Steel & Iron products
- Auto
- Thermal Power Generation
- Power Distribution
- Textiles
- Gems & Jewellery
- Cement

Severe impact with Recovery in over 12 months

- NBFCs
- Real Estate
- Hospitality & Tourism
- Retail – apart from essential goods
- Airport allied services
- Seaports

Adverse rating actions due to COVID - Sector-wise % of outstanding ratings



CARE Ratings
Professional Risk Opinion

CARE Ratings
Professional Risk Opinion

Sector Focus

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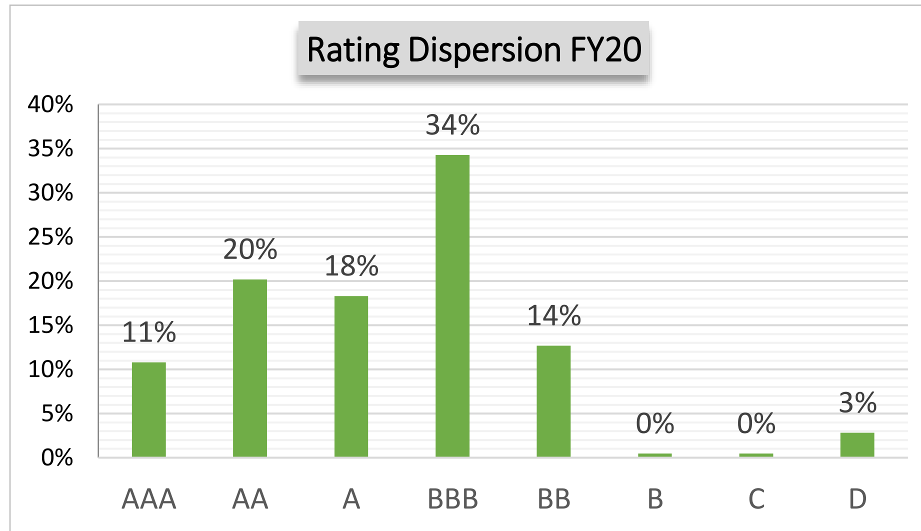
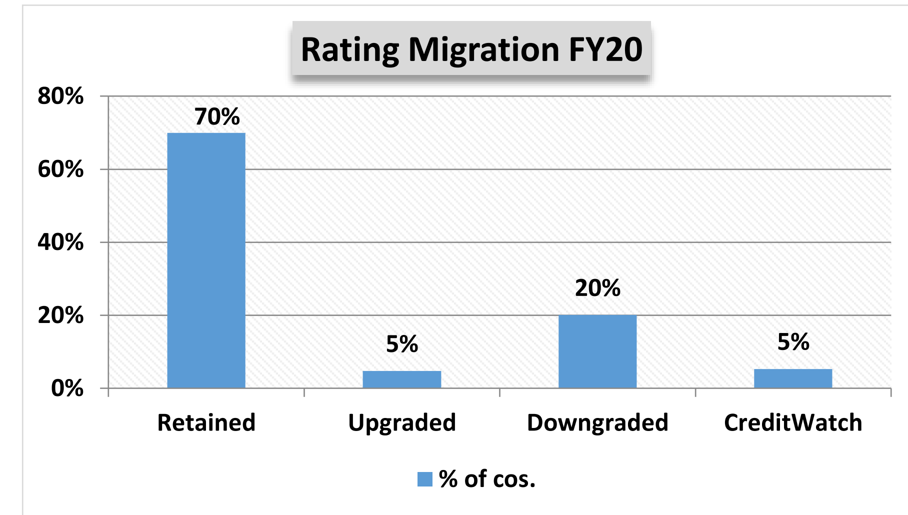
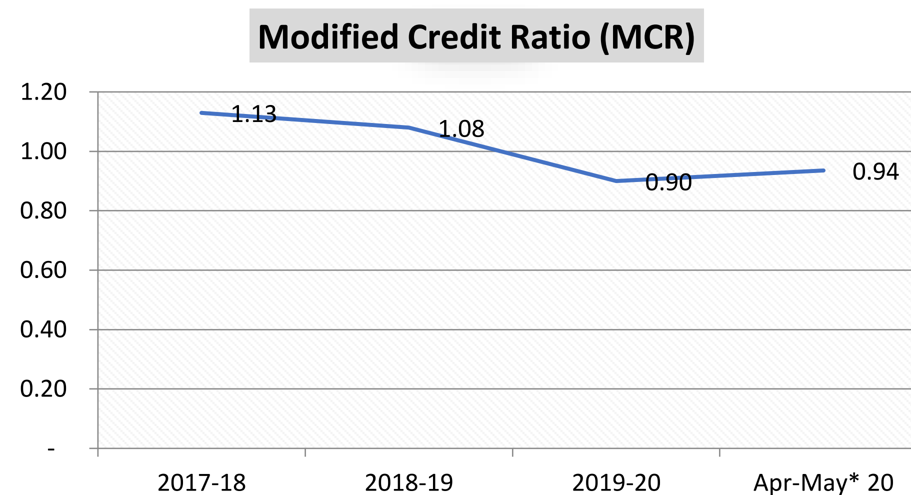
Professional Risk Opinion

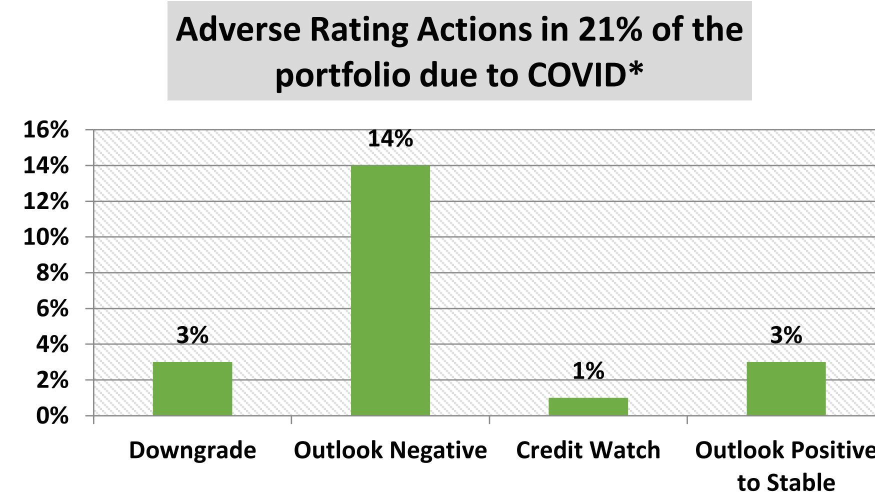
Banking & Financial Institutions

NBFCs - The year that was and COVID impact on ratings









*Based on Press Releases published from April 01, 2020 to May 28, 2020

CARE Ratings
Professional Risk Opinion

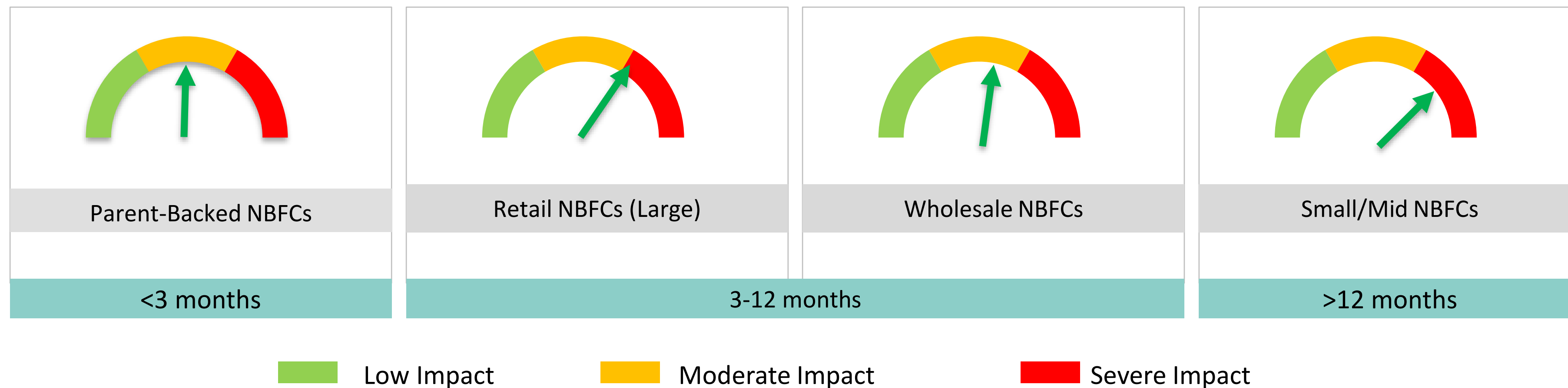
Key Issues

- Sector stabilizing post ILFS crisis; liability challenges were easing
- Moratorium provided to borrowers to cause cash flow disruptions; liquidity buffers likely to deplete
- Cost of funds inching higher
- Various govt. schemes yet to provide support where it is needed
- Larger NBFCs well capitalized with adequate liquidity buffers; can withstand a period of low growth
- Small/Mid-sized NBFCs more vulnerable

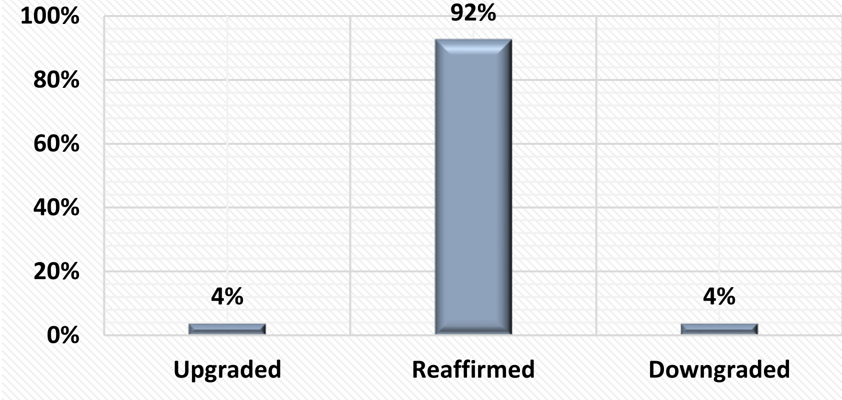
Ratings Outlook

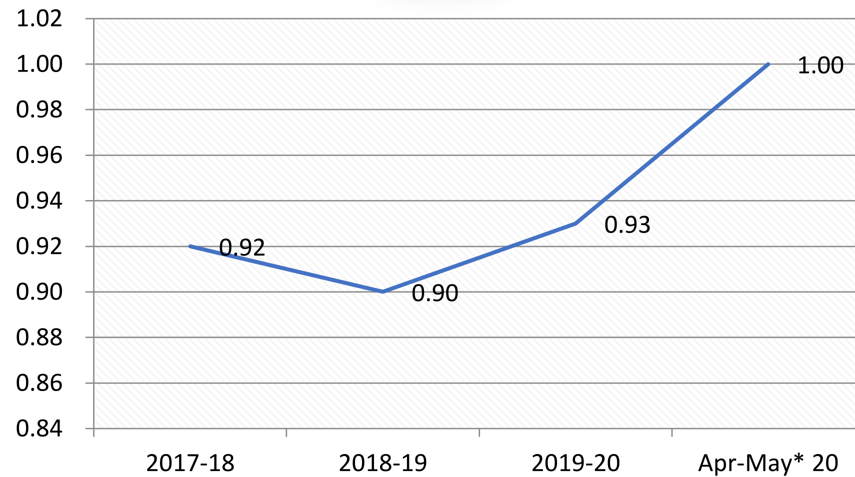
- Outlook is negative.
- Growth, Profitability and Asset Quality to be adversely impacted
- Funding challenges mount for smaller/lower-rated NFBCs
- Retail portfolios also likely to come under stress
- Microfinance, MSME loan, CV, unsecured loan portfolio expected to be most impacted
- Securitization to face challenges amidst asset quality uncertainty

Impact-o-meter and Recovery timeline



Banks - the year that was and COVID impact on ratings





Adverse Rating actions due to COVID – Nil

Banks

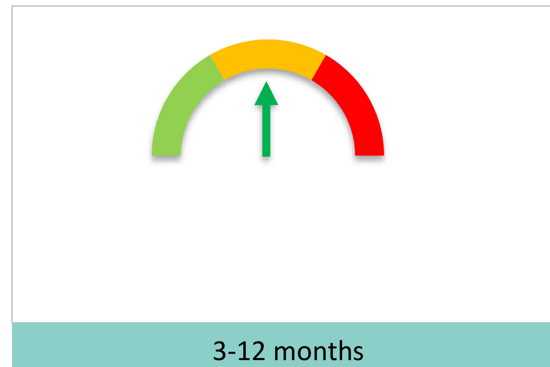
Key Issues

- Decline in credit growth due to overall economic slowdown
- Impact on income profile due to lockdown
- Deterioration in asset quality in the medium term
- Increase in credit costs impacting profitability

Ratings Outlook

- Public sector banks expected to get continued GOI support
- Majority of the private sector banks remain adequately capitalised while provisioning would increase
- Some banks may see higher deterioration in asset quality in the medium term
- Rating notching would be higher for hybrid instruments like AT I bonds
- Rating outlook is stable with a negative bias

Impact-o-meter and Recovery timeline

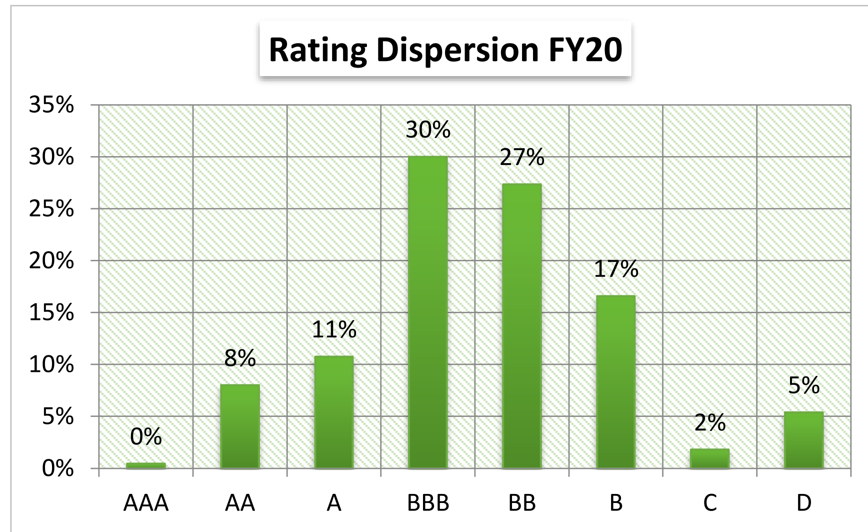


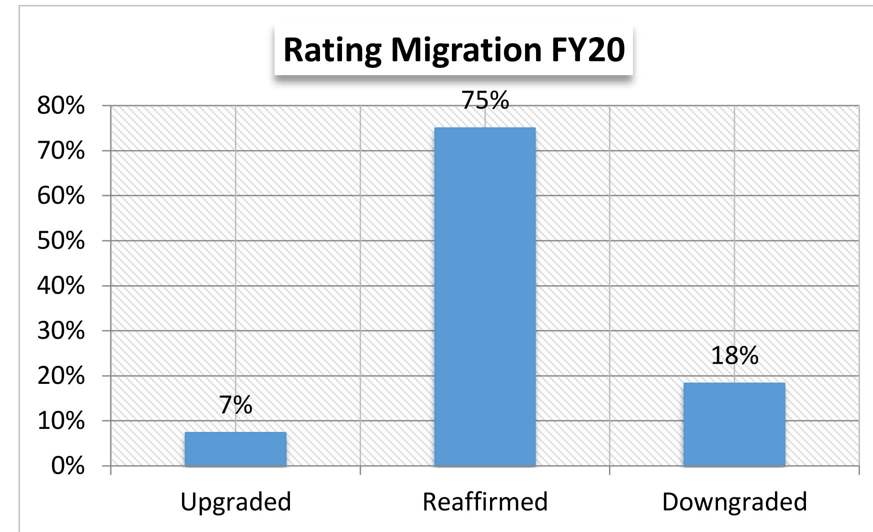
Low Impact　Moderate Impact　Severe Impact

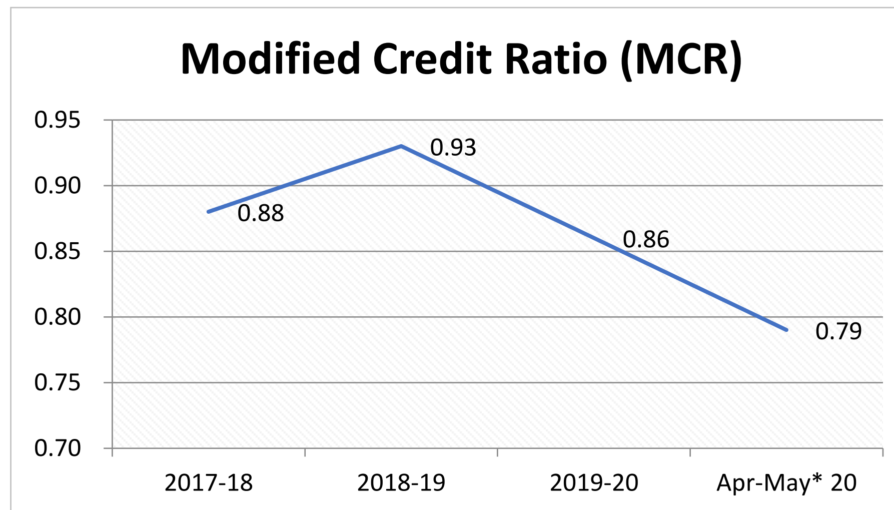
CARE Ratings
Professional Risk Opinion

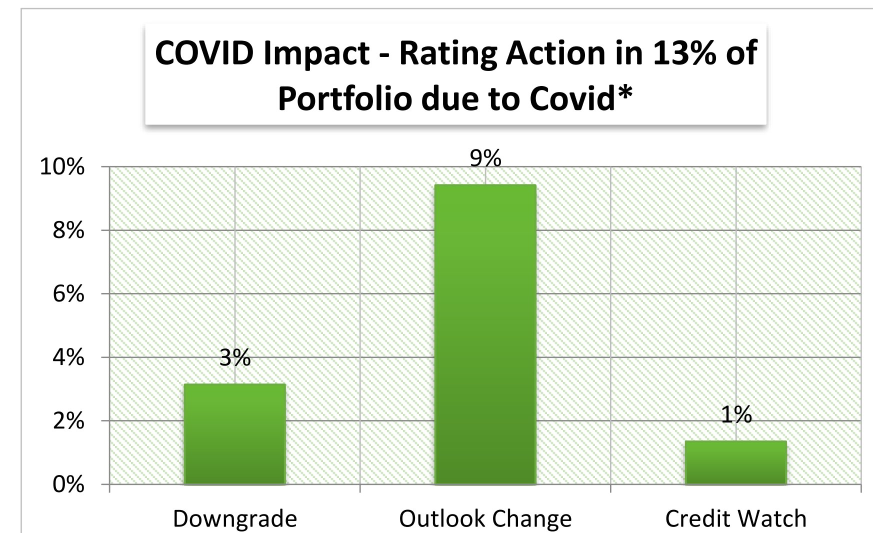
Manufacturing / Services

Real Estate - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Real Estate

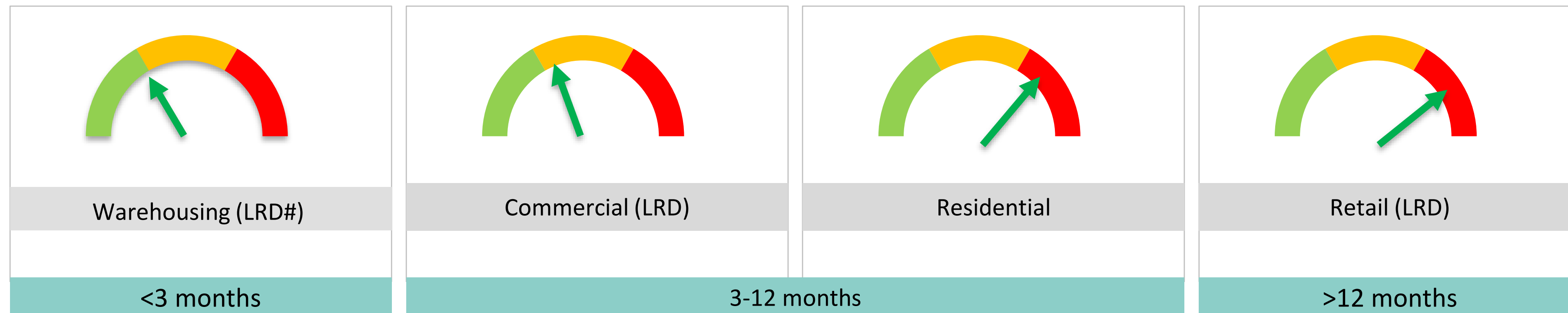
Key Issues

- High Inventory levels
- Demand drying up
- Shortage of workers and disrupted supply chain
- Growing risk aversion among lenders
- Liquidity stress
- Increased cost of funding

Ratings Outlook

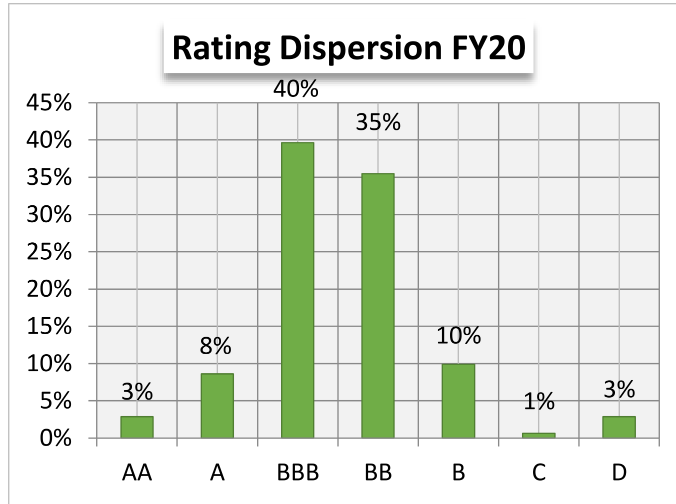
- Developers having financial flexibility and liquidity buffer to remain better placed during pandemic
- Luxury segment will continue to face headwinds.
- Affordable housing segment to remain severely affected
- Commercial LRD segment to have moderate impact, especially if tenant profile is strong
- Ratings for the sector would have negative bias.

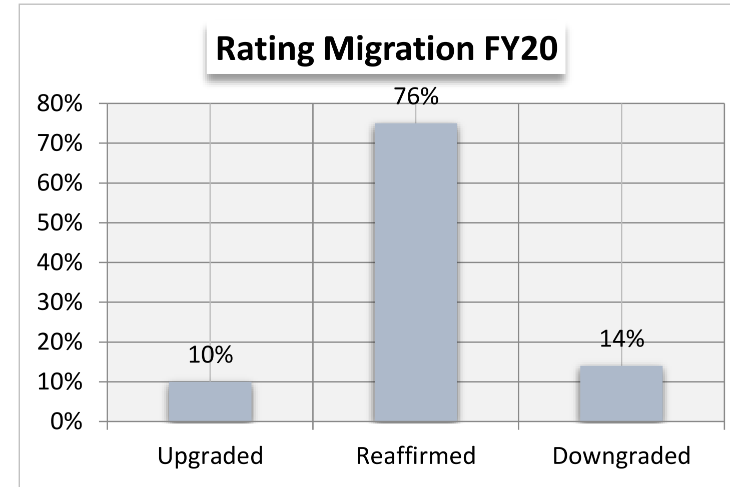
Impact-o-meter and Recovery timeline

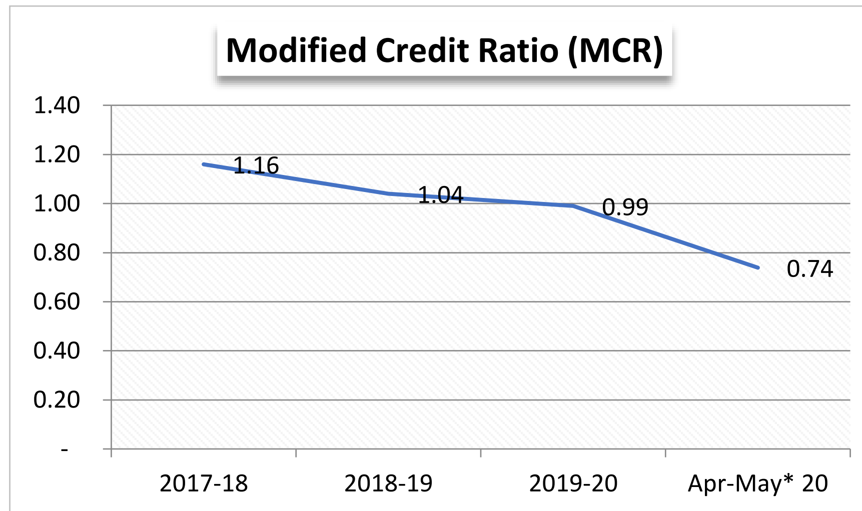


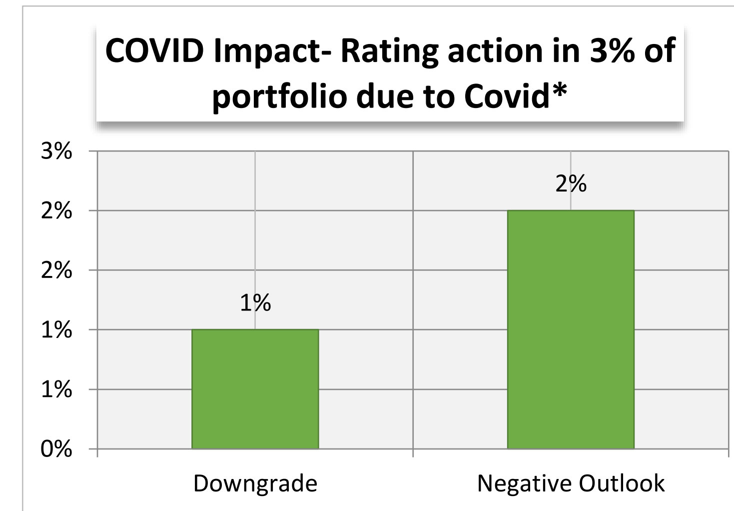
#LRD: Lease Rental Discounting

Textiles - the year that was and COVID impact on ratings









*Based on Press Releases published from April 01, 2020 to May 28, 2020.

CARE Ratings
Professional Risk Opinion

Textiles

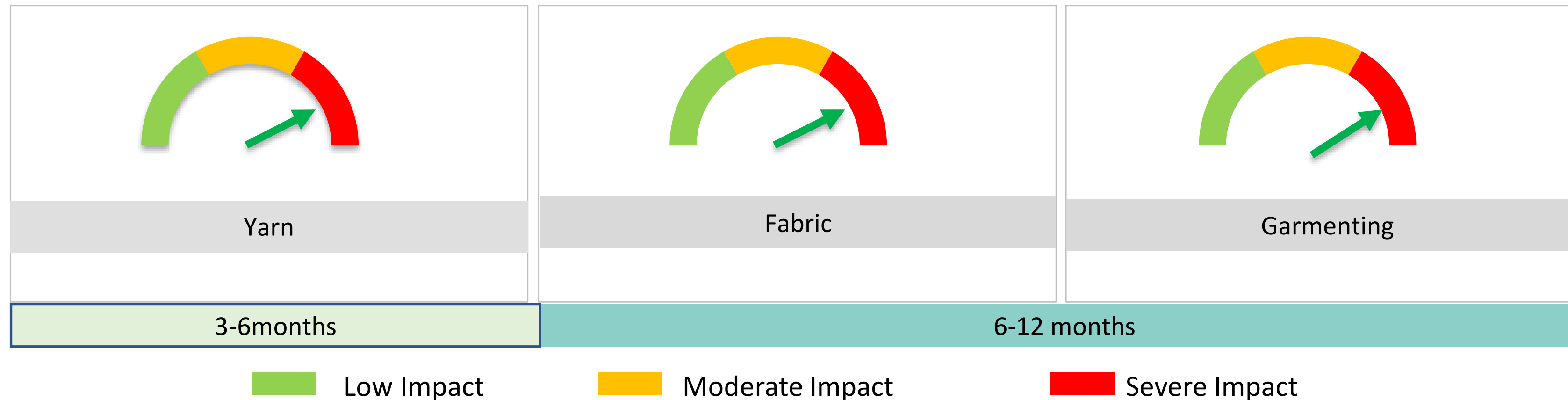
Key Issues

- Domestic demand impacted on account of lockdown
- India's major textile export destinations viz. USA and EU have been severely impacted by the pandemic resulting in low demand in the export markets
- Reverse migration of labour and disrupted supply chain
- Discretionary consumer spending to be impacted by the general slowdown in the economy, job losses/ salary cuts
- Increased inventory levels and stretched receivables would result in liquidity issues

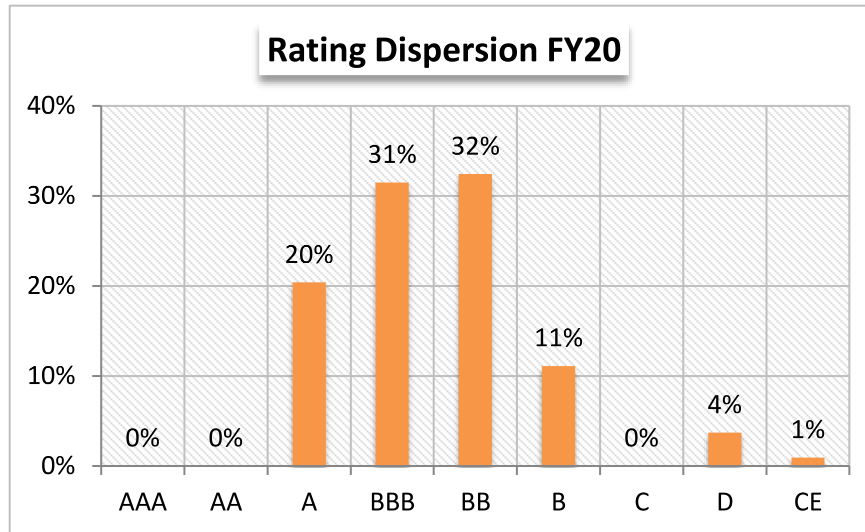
Ratings Outlook

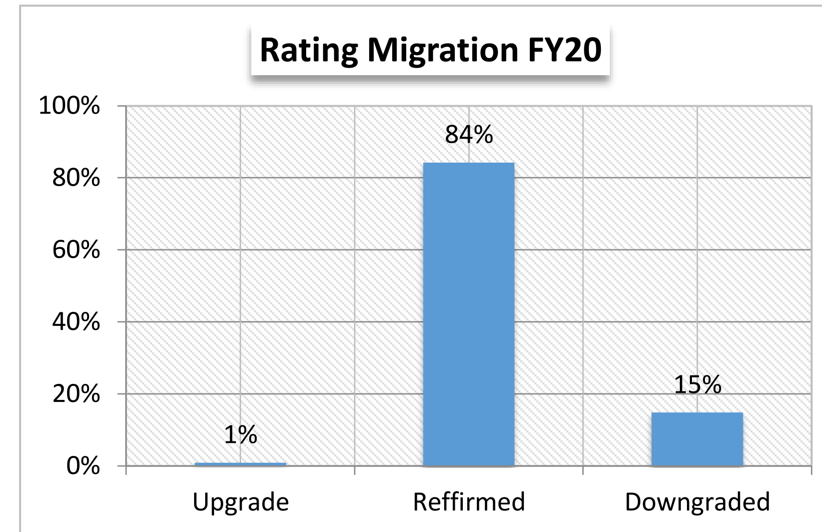
- Companies with low term debt liabilities and liquidity buffer will be relatively better placed
- Extension of Rebate of State and Central Taxes and Levies (RoSCTL) to benefit exporters of garments and made-ups
- Availability of adequate manpower to ramp up production will be a key challenge for the industry
- Anti China sentiment to benefit textile industry only in medium to long term; difficult to compete in short term on account of scale and cost competitiveness
- Negative outlook for Yarn, Garmenting and Home Textiles- Decline in demand in domestic market and disruption in key export markets of USA and EU

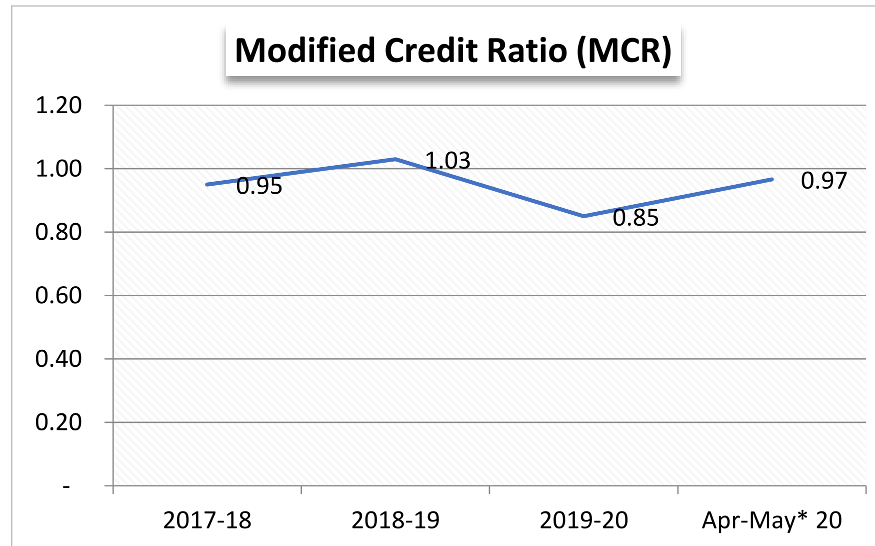
Impact-o-meter and Recovery timeline

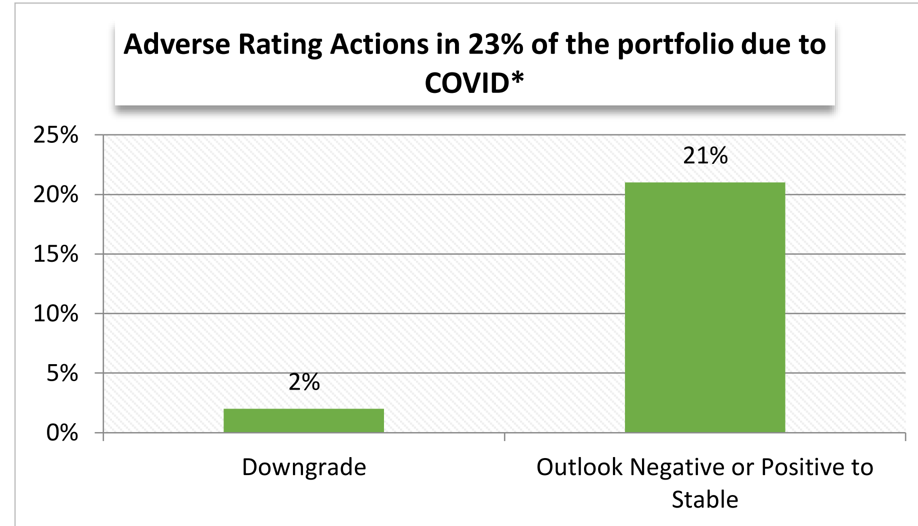


Gems & Jewellery - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Gems & Jewellery

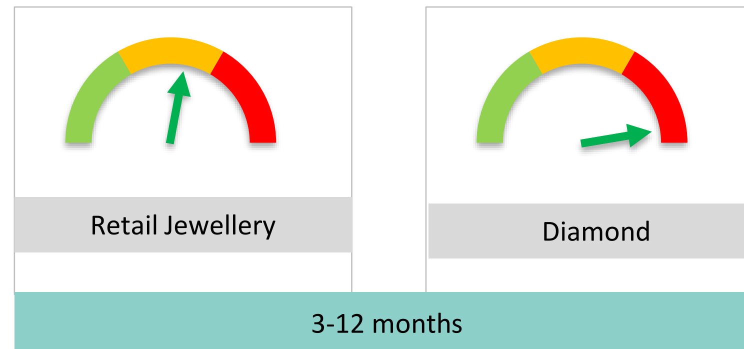
Key Issues

- Low demand
- High Inventory levels
- High prices of precious metals
- Liquidity crisis due to increase in working capital intensity
- Impact of exchange rate fluctuations
- Growing risk aversion among lenders
- Shortage of workers and disrupted supply chain

Ratings Outlook

- Although operations have resumed partially, CPD exports are expected to reduce by around 25-30% to USD13-14billion in FY21
- Reduction in polished diamond prices may result in Inventory losses
- Delay in realization of export bills is envisaged to impact liquidity profile and increase working capital intensity in the near term
- Credit risk profile envisaged to be impacted on account of global economic slowdown, reduction in disposable income and discretionary spend
- High volatility in prices of precious metals and falling consumer sentiments has further weakened the end-user demand
- Ratings for the sector would have negative bias

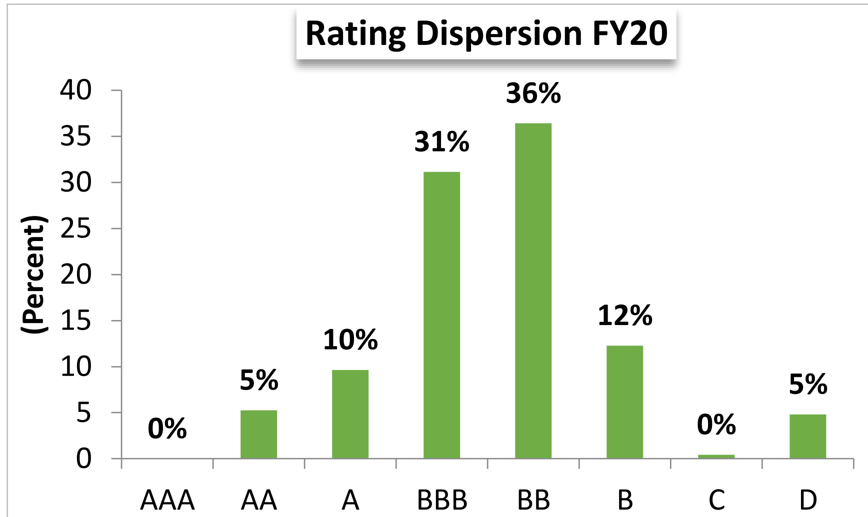
Impact-o-meter and Recovery timeline

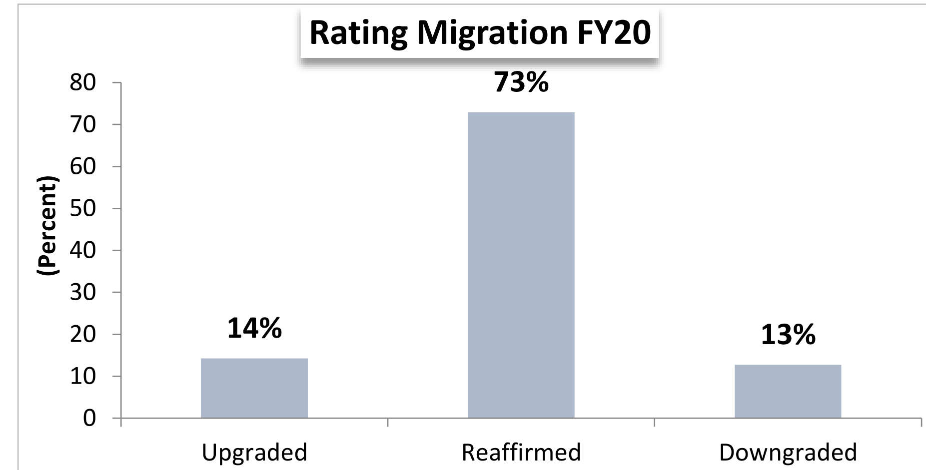


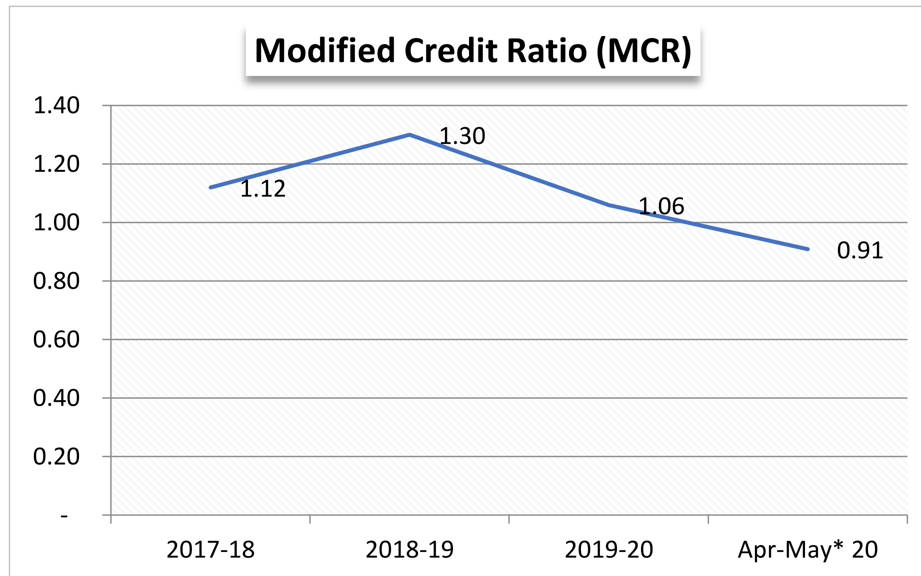
Low Impact Moderate Impact Severe Impact

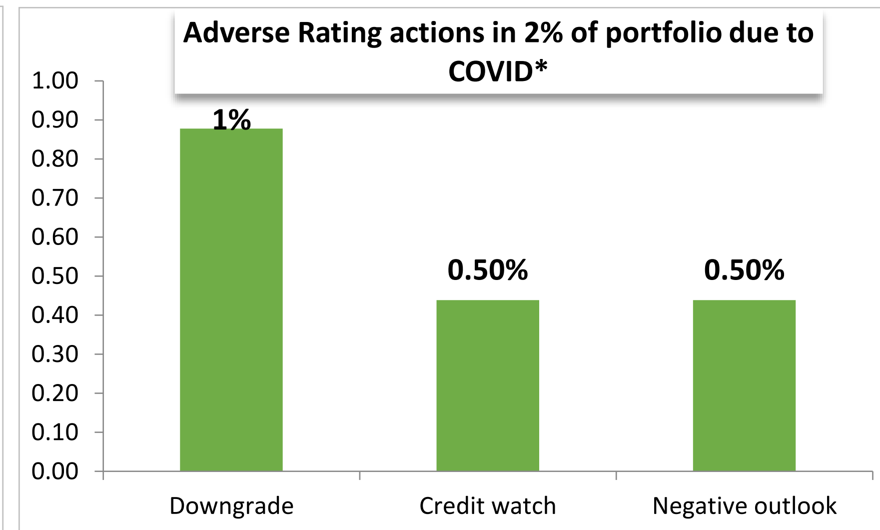
CARE Ratings
Professional Risk Opinion

Steel & Iron products - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 28, 2020.*

Steel & Iron products

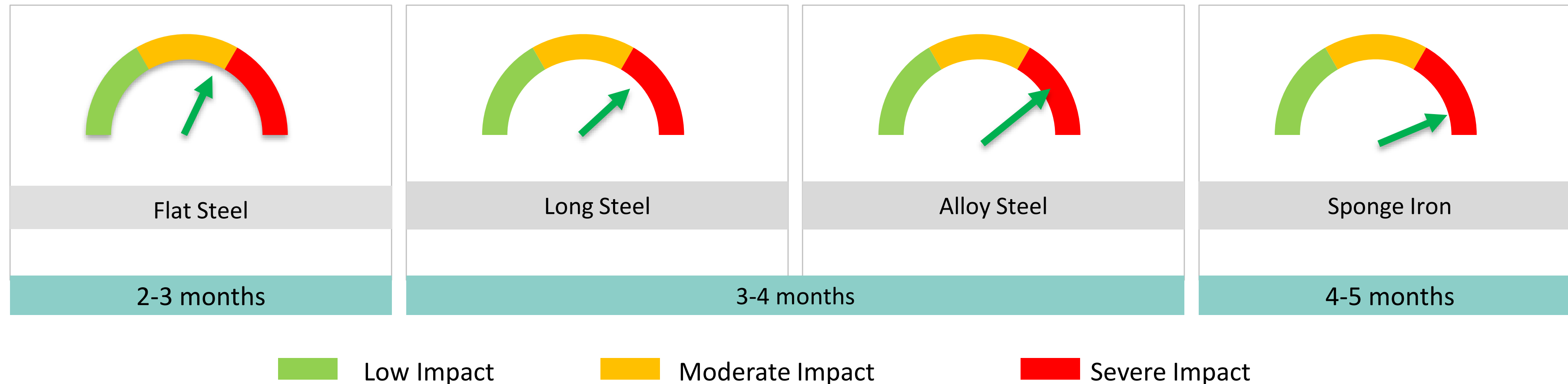
Key Issues

- Significant decline expected in domestic demand during FY21
- Pressure on realizations
- Liquidity stress
- Logistical constrains in movement of materials

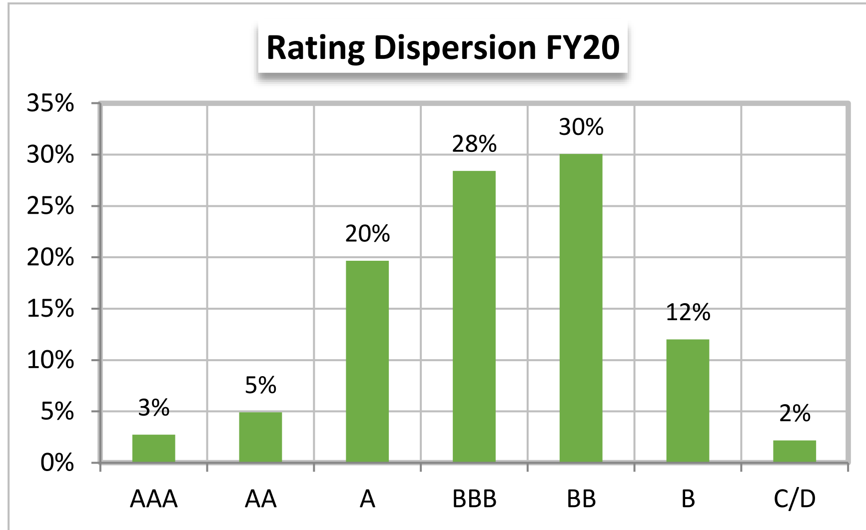
Ratings Outlook

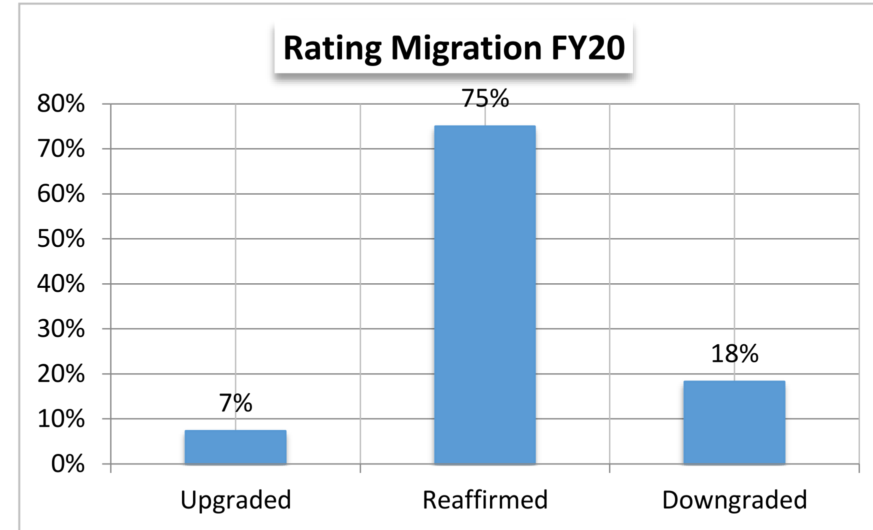
- Large integrated players with higher financial flexibility and product/geographical diversification are better placed
- Increased share of exports and lower raw material prices to partially off-set demand destruction and decline in realizations respectively.
- CARE expects recovery in demand post monsoon, led by improvement in manufacturing and automobile production. Demand from construction activity is likely to witness a much slower recovery.
- Overall ratings/outlook of CARE rated players will have a negative bias, amid negative industry outlook for CY20.

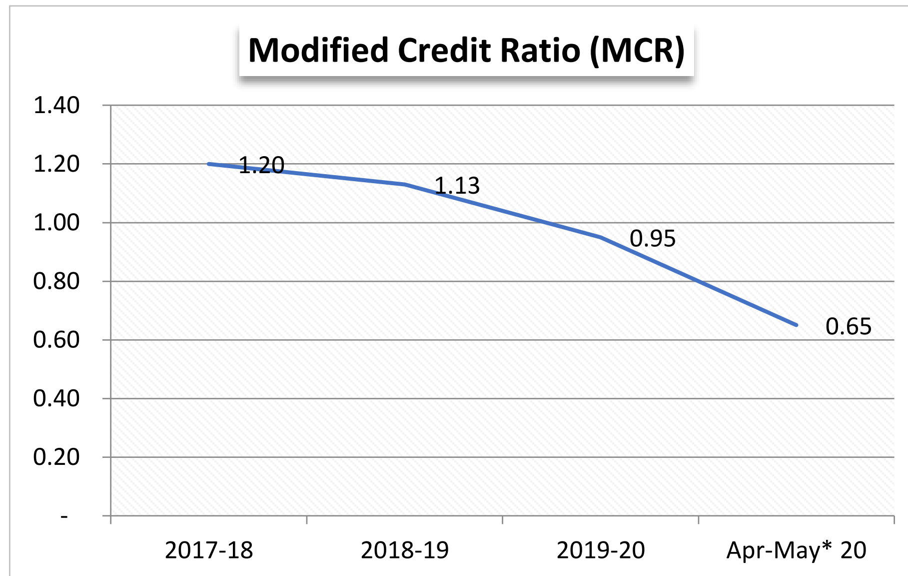
Impact-o-meter and Recovery timeline

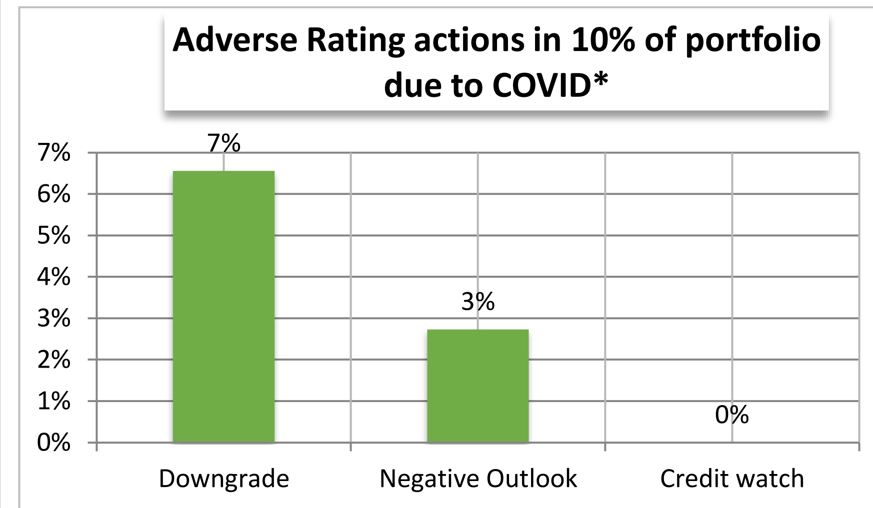


Auto - the year that was and COVID impact on ratings









*Based on Press Releases published from April 01, 2020 to May 22, 2020.

CARE Ratings
Professional Risk Opinion

Auto

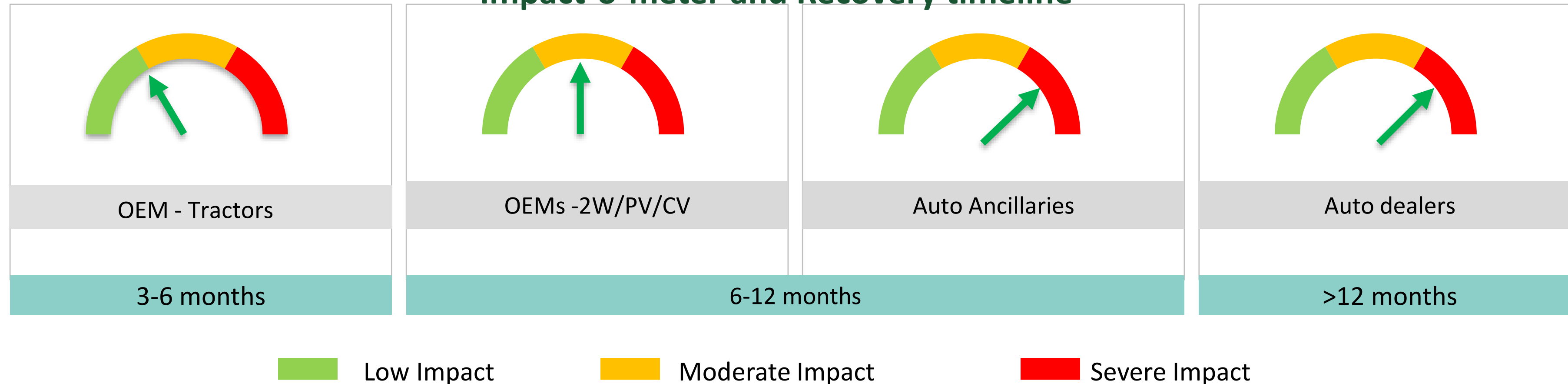
Key Issues

- Industry was already under the grip of weak demand in FY20.
- GDP contraction in domestic market as well as slowdown in export markets to significantly impact industry sales growth further.
- Stressed NBFC ecosystem and heightened risk aversion in banking system to constrain financing.
- As per SIAM, auto industry was losing Rs.2300 cr every day due to closure.
- Restoration of supply chain to take time. This along with reverse migration of labour to constrain factory production.

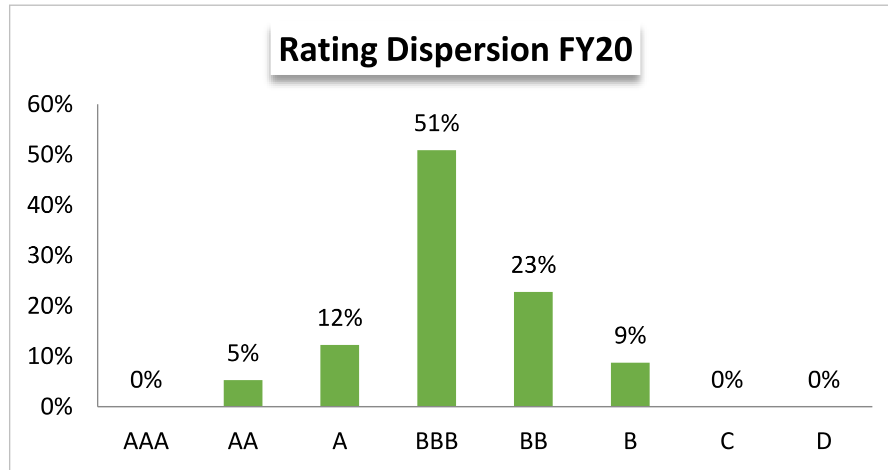
Ratings Outlook

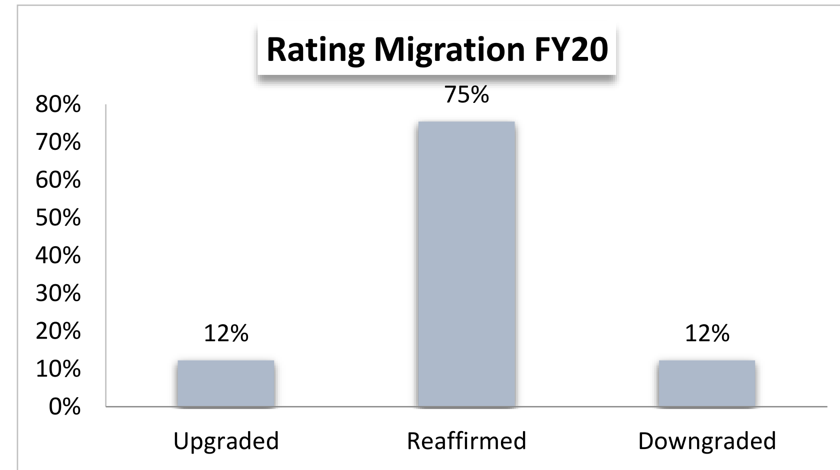
- Overall economic uncertainty to translate into weak consumer sentiment and result in contraction in demand. While demand for 2W and PV is likely to pickup by H2, CV segment is expected to see a slow recovery.
- In view of macro-economic headwinds and constrained financing environment, overall rating outlook for the sector to have negative bias except tractors segment. However, most OEMs with sizeable cash reserves may see limited impact on credit profile.
- Negative outlook continues for Auto Ancillaries and auto dealerships. Ancillaries with higher share of replacement market sales and low leverage are better placed than their Tier II and Tier III component manufacturers where liquidity challenges are more pronounced.

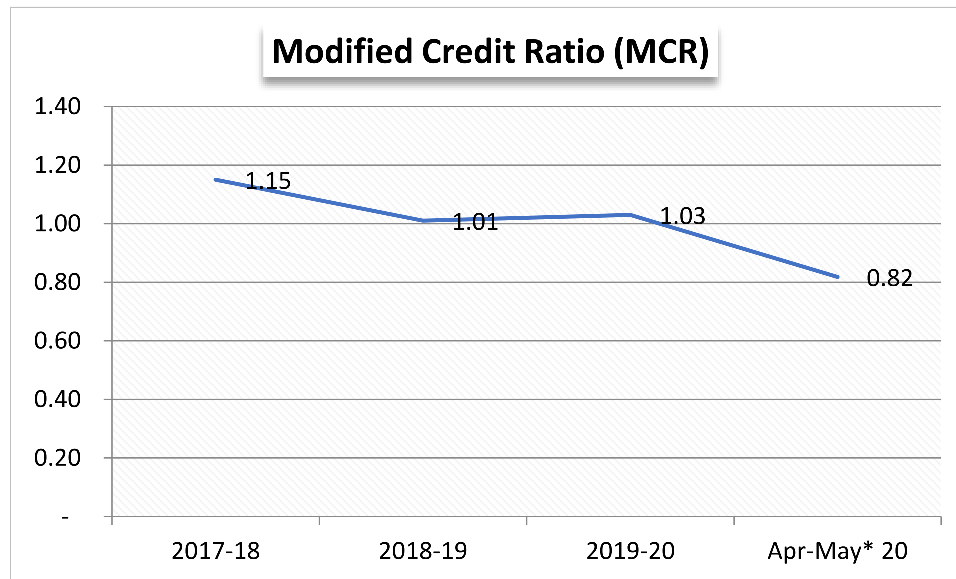
Impact-o-meter and Recovery timeline

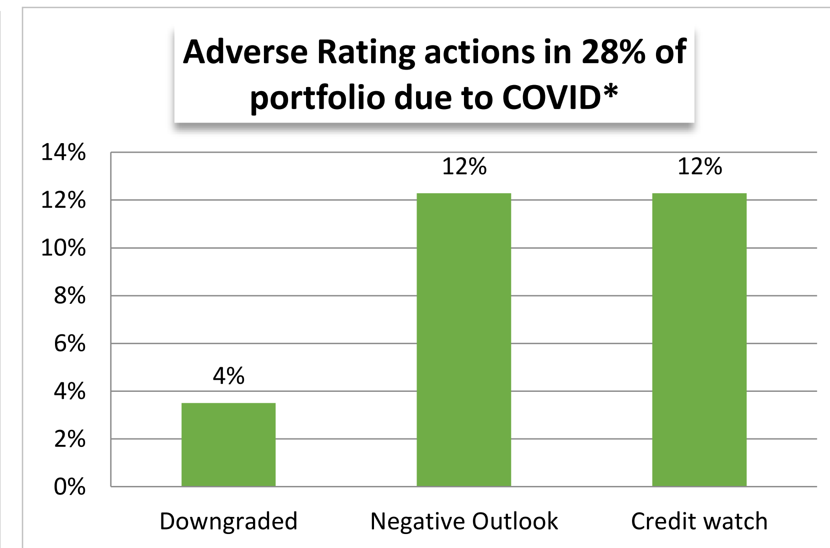


Hospitality - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Hospitality

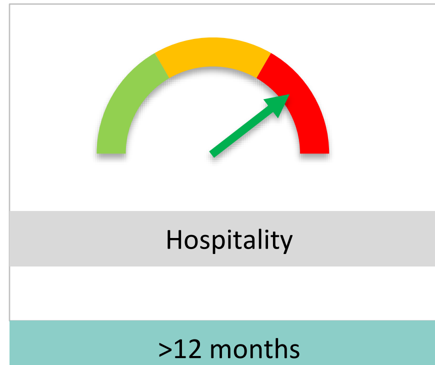
Key Issues

- Sharp demand destruction across all the segments due to travel restriction and fear of infection
- Significant adverse impact on operational parameters: Occupancy, ARR, RevPAR and ALOS
- Liquidity stress and Cash flow mismatches, especially if repayment obligations are high
- Entities with recent expansion or capex in higher stress

Ratings Outlook

- One of the worst hit sectors during post outbreak of COVID-19. Travel restrictions have led to demand destruction for all the segments
- Geographically: Impact on the inbound and the outbound segment to be most severe. Domestic segment expected to witness early recovery with lifting of travel restrictions
- Vertical: Both Business and Leisure segments impacted adversely. Most of the summer holiday booking cancelled leading to higher impact on the leisure segment
- Level of service: Luxury segment to be impacted most while mid market and economy hotels will start witnessing recovery in next couple of quarters
- Entities would need to do cost rationalization and undertake process improvement measures and also have to revisit their expansion plans to preserve cash.
- Overall ratings for the sector would have negative bias.

Impact-o-meter and Recovery timeline

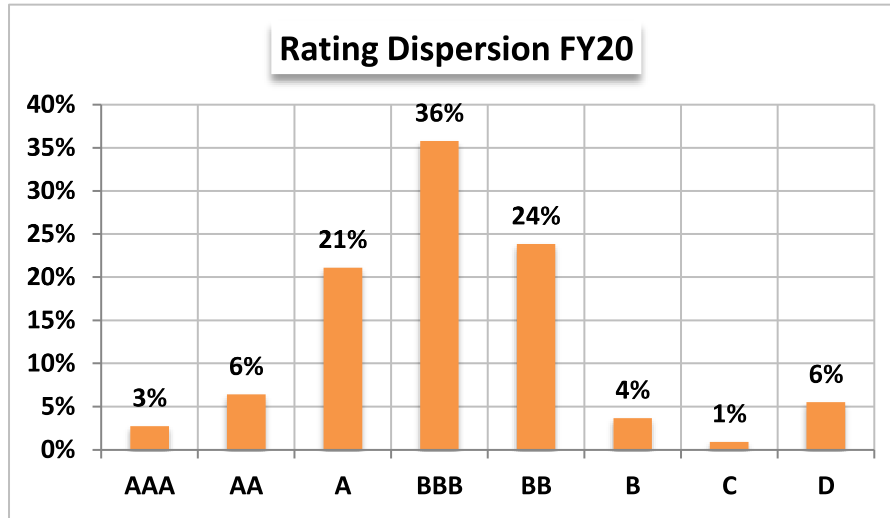


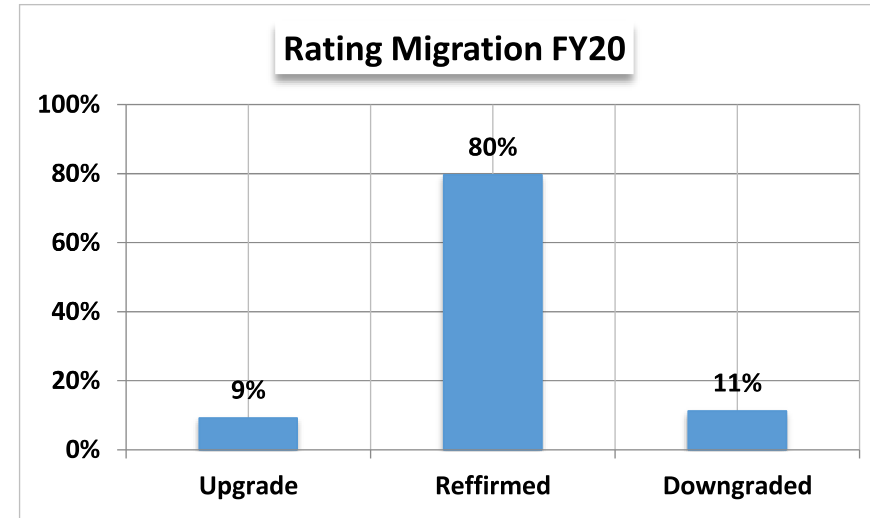
Low Impact   Moderate Impact   Severe Impact

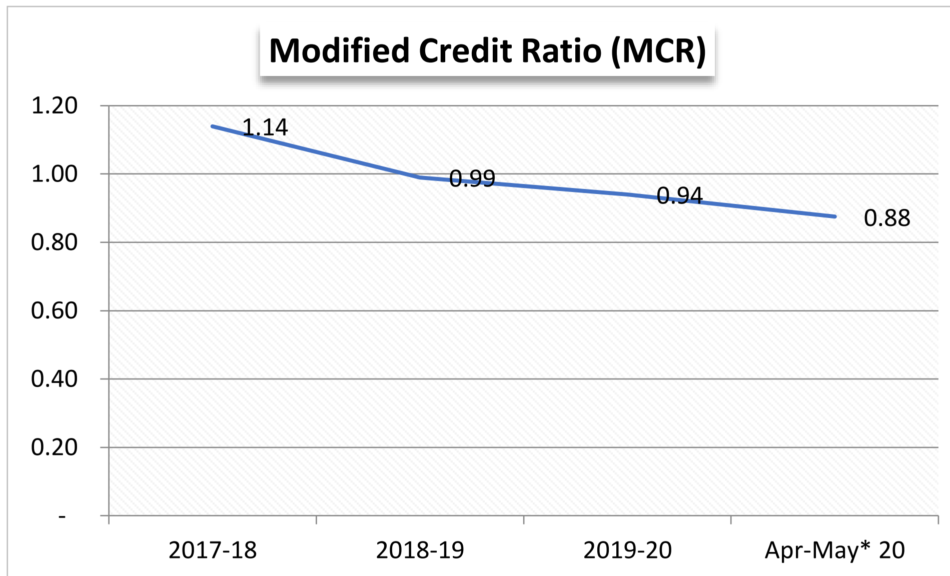
ARR : Avg. Room Rentals; RevPAR : Revenue per available room; ALOS :Avg length of stay

CARE Ratings
Professional Risk Opinion

Pharmaceuticals







No rating action due to COVID-19. The ratings of the pharmaceutical companies have remained stable even after the COVID-19 outbreak. There was no major disruption in operations due to COVID-19, pharmaceuticals being classified as an essential commodity.

Pharmaceuticals- the year that was and COVID impact on ratings

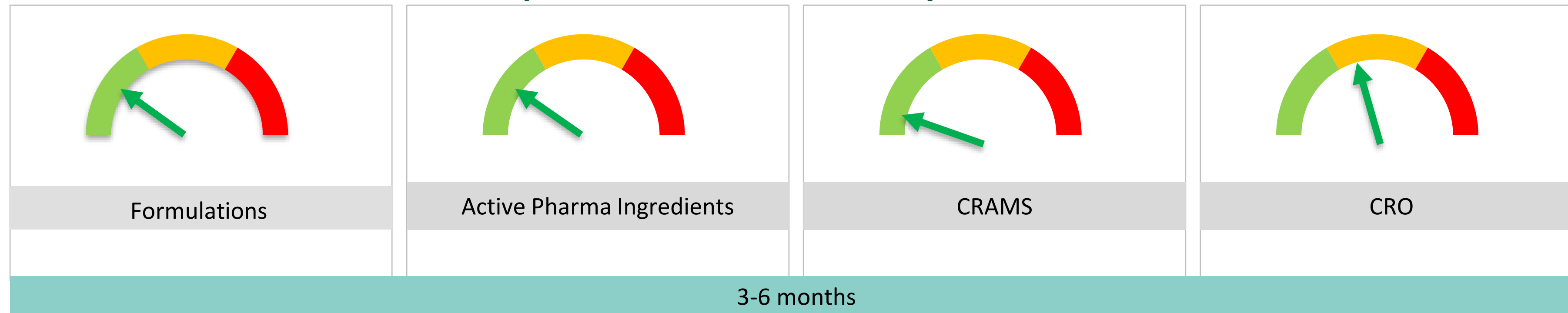
Key Issues

- During initial period of lockdown the industry faced Logistics and packing material related issues.
- The operating capacities were attenuated to certain extent for about 2 weeks due to labour issues.
- Due to same issue industry had faced delay in clearance at port for import-export for about 15 days.
- Drastic dip in foot falls of out patient segment is expected to impact the growth of domestic pharma market by ~200 bps for the current year.
- The companies which have undertaken regular maintenance and/or capacity expansion projects were delayed by a quarter.

Ratings Outlook

- Falling under essential category the disruption in operations of manufacturing units was minimal due to lockdown.
- The Formulators that are engaged in manufacturing of Covid-19 related drugs are expected to fair well in terms of their profitability and cash flows.
- The financial flexibility of other formulators, API and CRAMS to remain stable.
- The govt scheme for setting up of 3 bulk drug parks would benefit the domestic players to go for backward integration.
- CROs engaged in testing over live subjects could take longer time for recovery.
- Overall ratings of the industry are expected to remain stable.

Impact-o-meter and Recovery timeline

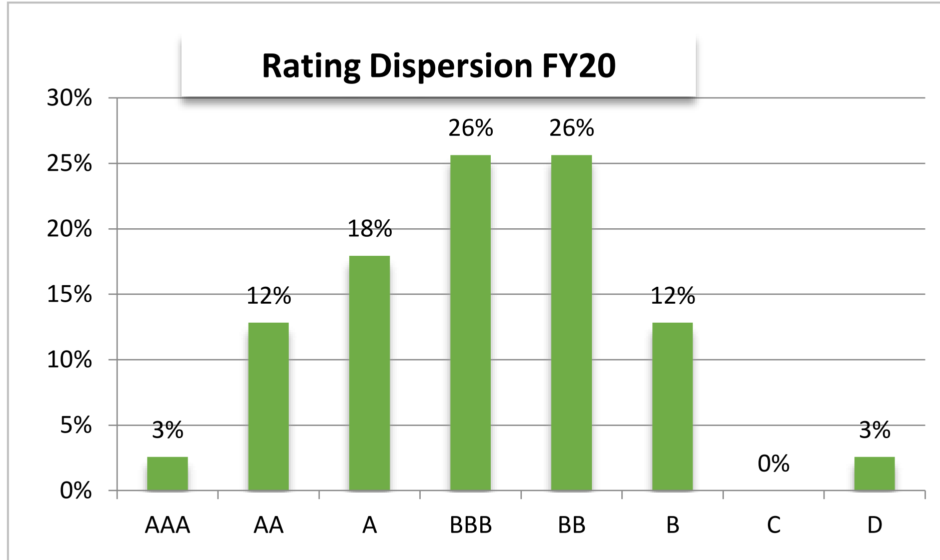


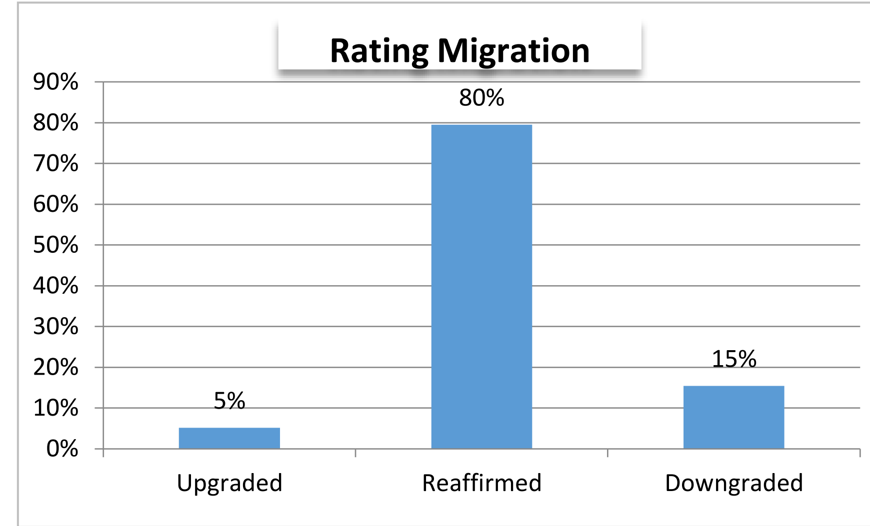
Low Impact Moderate Impact Severe Impact

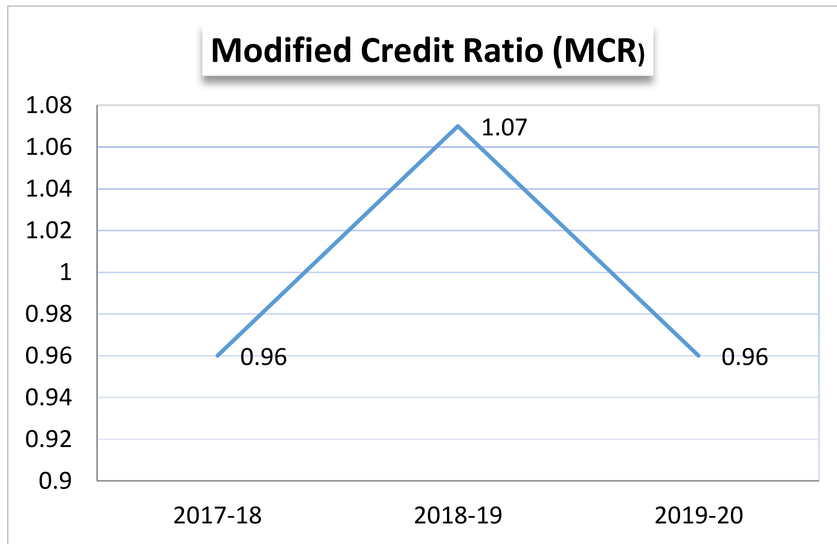
CRAMS – Contract Research & Manufacturing Services; CRO- Contract Research Organisations

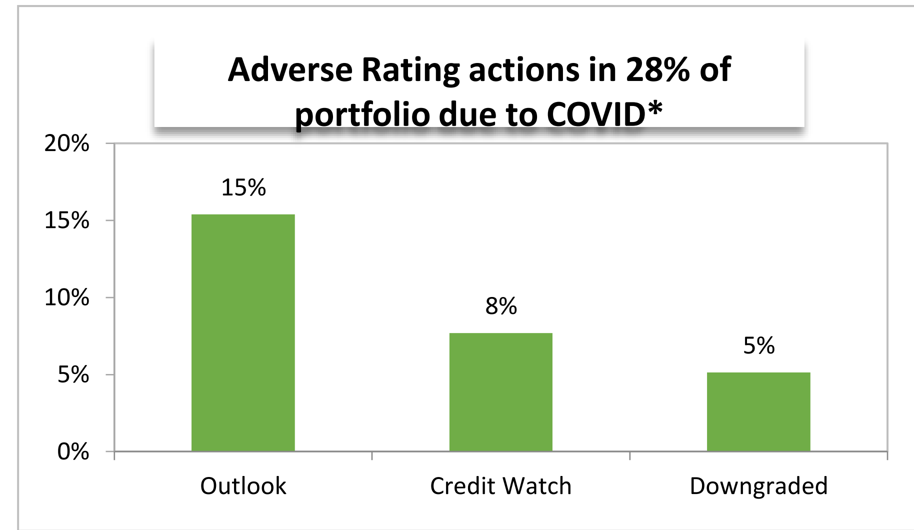
CARE Ratings
Professional Risk Opinion

Retail-the year that was and COVID impact on ratings









*Based on Press Releases published from April 01, 2020 to May 22, 2020.

CARE Ratings
Professional Risk Opinion

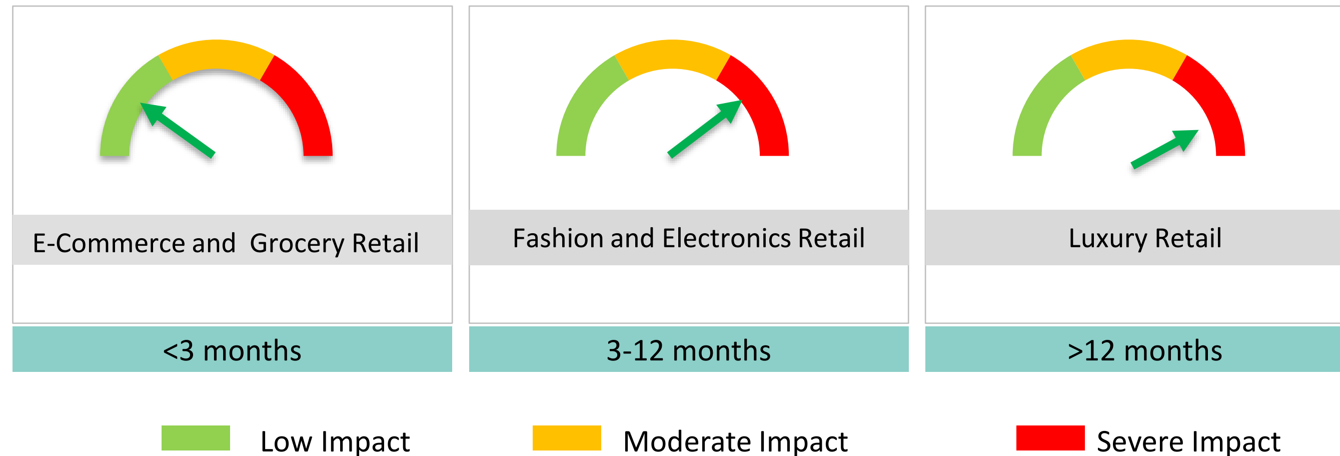
Key Issues

- Impact of social distancing on brick and mortar
- Reduced consumption of non essential items
- Shortage of workers and disrupted supply chain
- Lease rental renegotiation

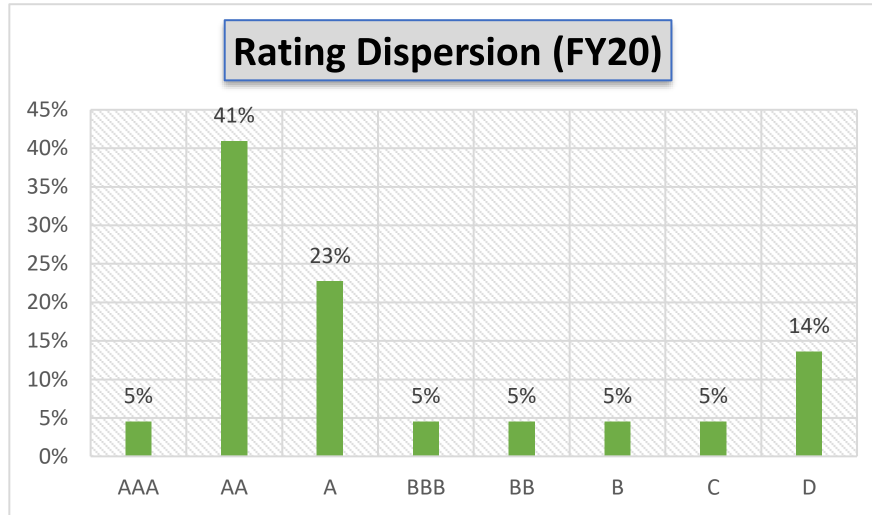
Ratings Outlook

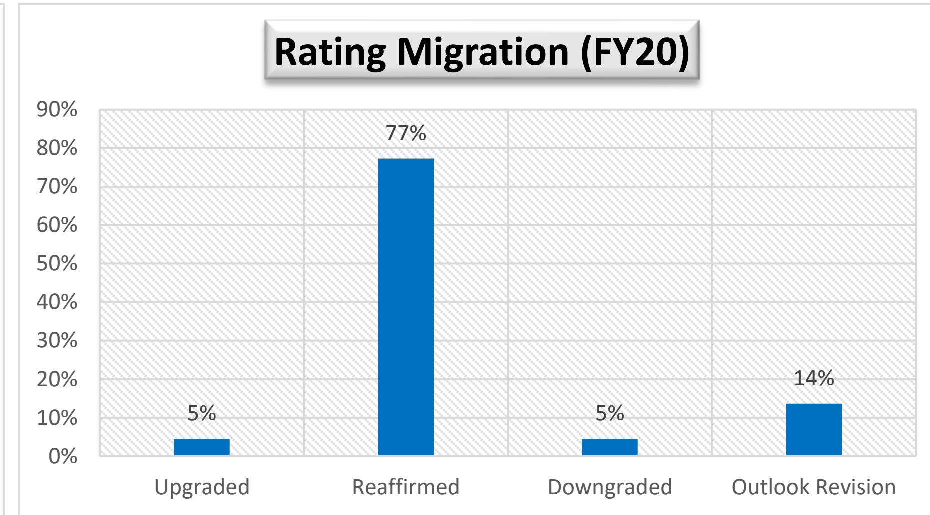
- **Grocery Retail** – Stable: Grocery retail to be least impacted on account of non-discretionary nature of spend
- **Luxury and Fashion Retail** – Negative : Luxury and fashion retail segment will continue to face headwinds on account of discretionary nature.
- E-commerce players to gain market share.
- Retailers will shift towards having omni channel presence.

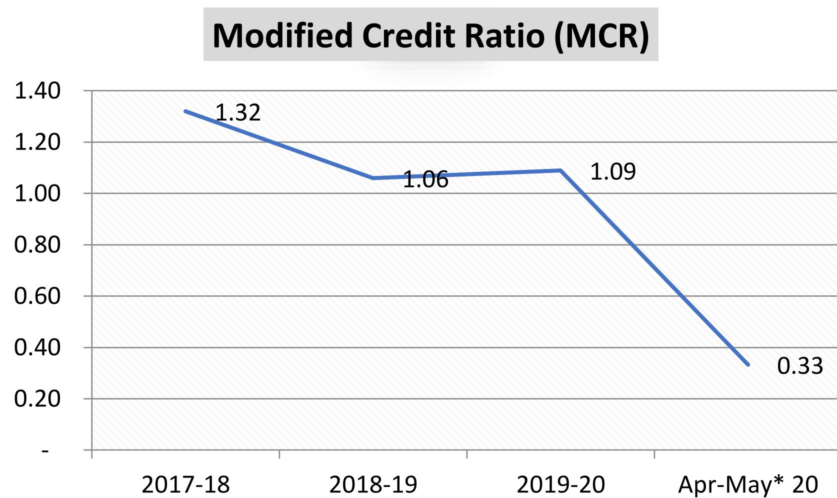
Impact-o-meter and Recovery timeline

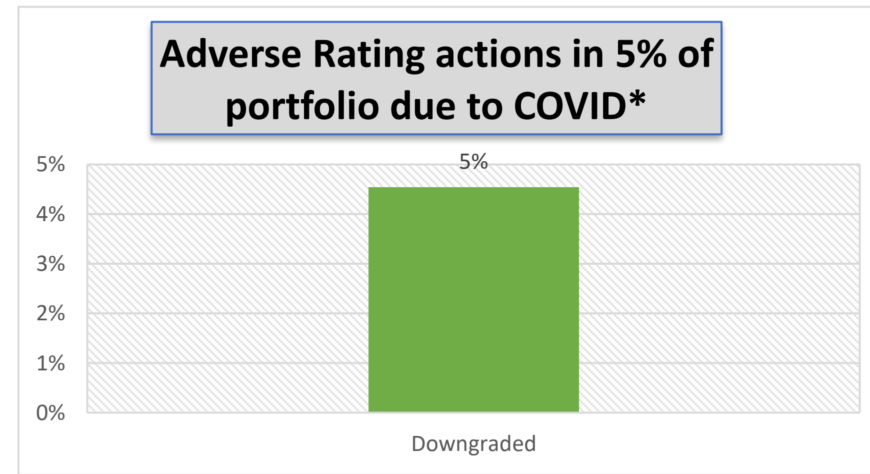


Cement - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Cement

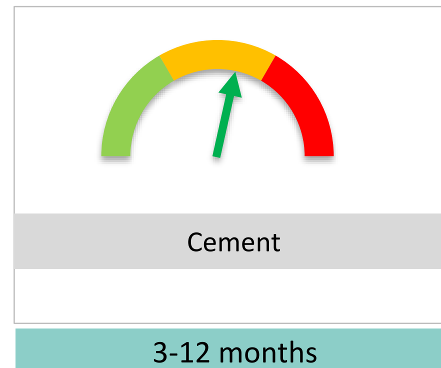
Key Issues

- Shortage of workers and disrupted supply chain
- Logistics and transportation
- Demand for cement from real estate sector and housing segment will continue to remain muted as real estate sector is facing liquidity issues
- Likely cuts in Govt. spending on infrastructure which will slow down the new investments considerably thus affecting the demand for cement.

Ratings Outlook

- Cement was impacted by the general economic slowdown which got intensified due to COVID-19 pandemic.
- Production is expected to fall sharply by 25-30% during FY21. Industry capacity utilisation level to decline and be around 40-45% for FY21
- Players with better cost dynamics and moderate debt profiles to sustain their credit quality
- Ratings for the sector would have negative bias.

Impact-o-meter and Recovery timeline

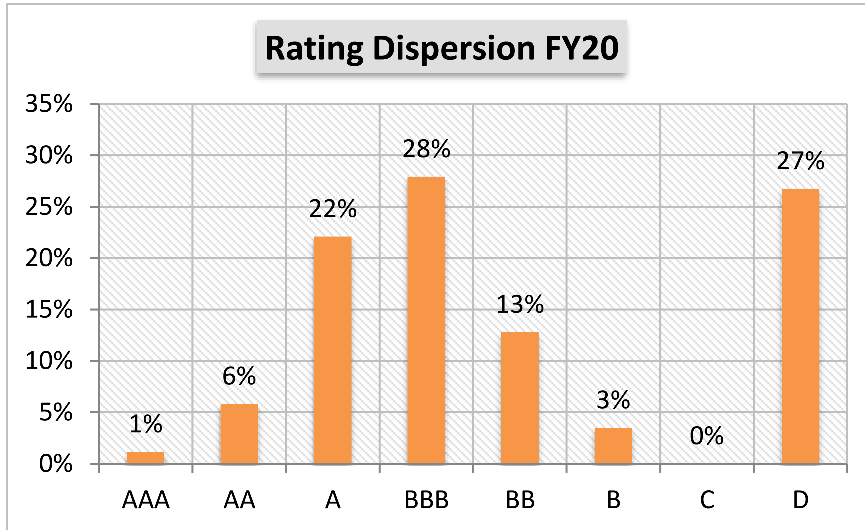


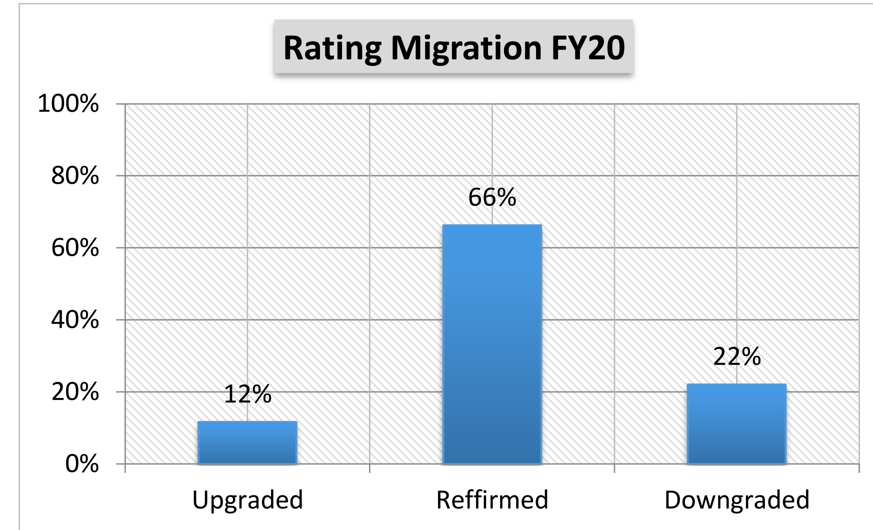
Low Impact Moderate Impact Severe Impact

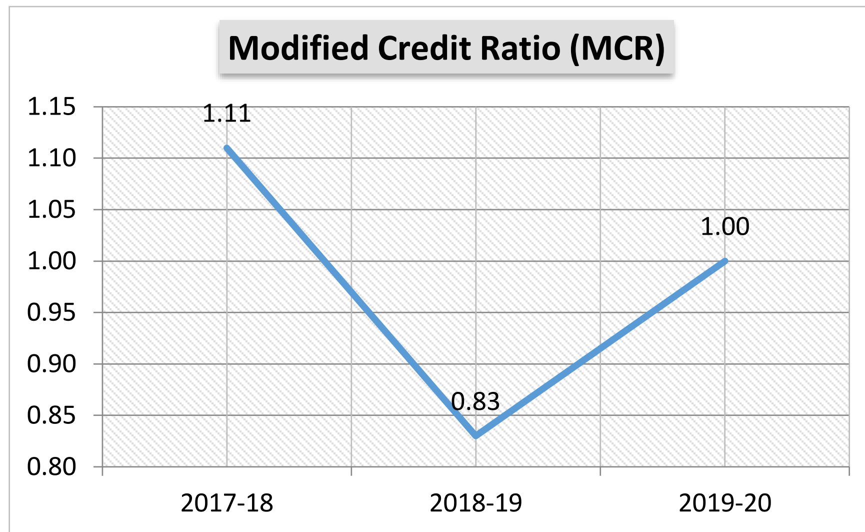
CARE Ratings
Professional Risk Opinion

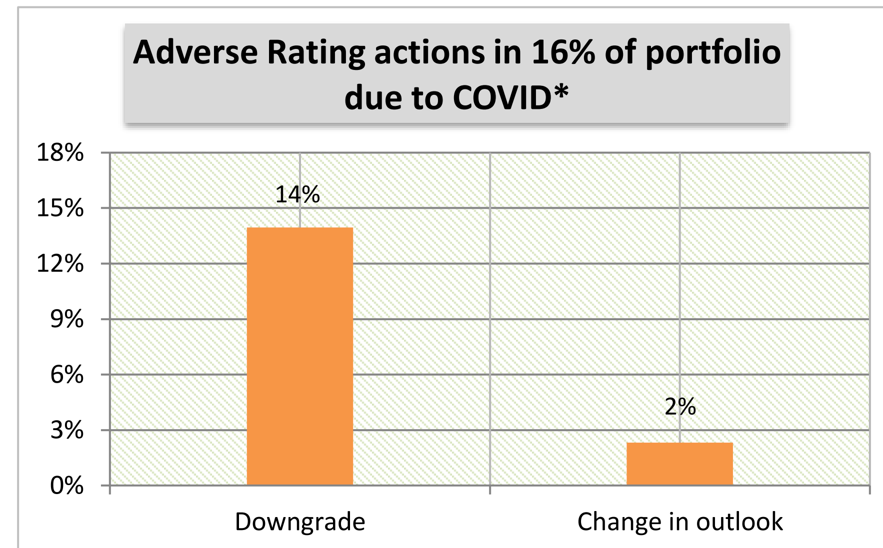
Infrastructure

Operational toll Roads - the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Roads Sector

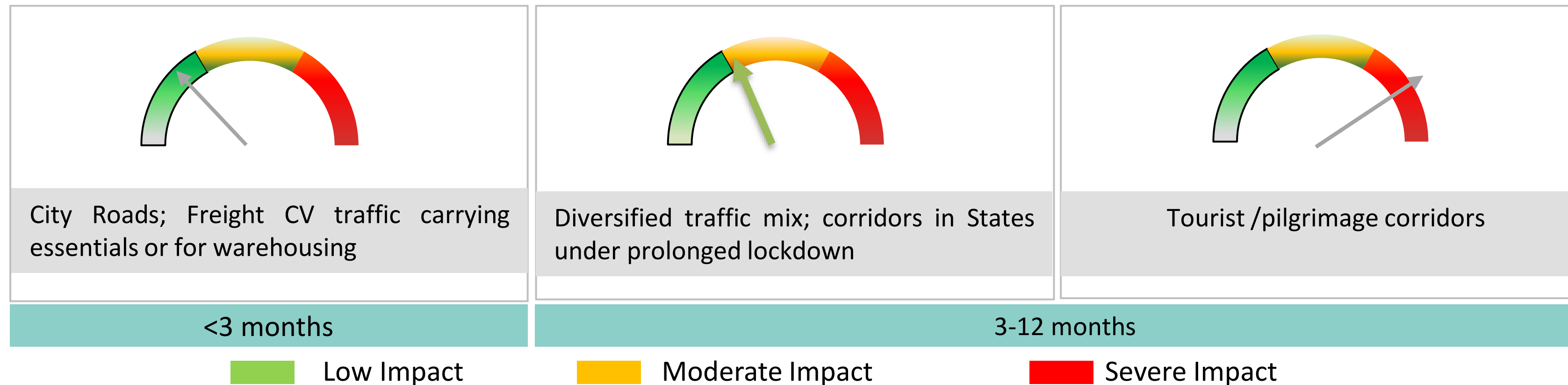
Key Issues

- Toll Suspension for NHs and few SHs
- Decline in traffic volumes due to lockdown
- Shortage of manpower and disrupted supply chain
- Risk aversion among lenders
- Poor Liquidity in case of weak projects
- Increased cost of funding Vs Interest Annuities for HAM projects
- Monsoon onset – to further distance traffic recovery

Ratings Outlook

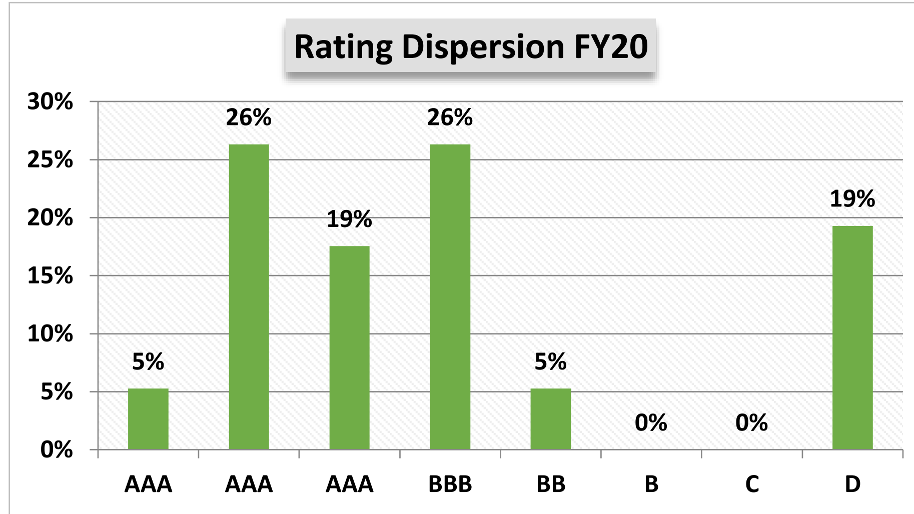
- Developers with superior financial flexibility and liquidity buffer to remain better placed during pandemic
- **Annuity projects Stable** – no disruption in annuity receipts
- Under construction projects to get EOT;
- **Negative outlook for Toll projects** w/o liquidity back-up
- Force Majeure (FM) relief measures (only extension of concession and no monetary compensation) inadequate to address immediate liquidity issues.
- Likely rise in arbitration and disputes on FM measures
- Overall ratings for the sector are stable for annuity and with negative bias for operational toll roads.

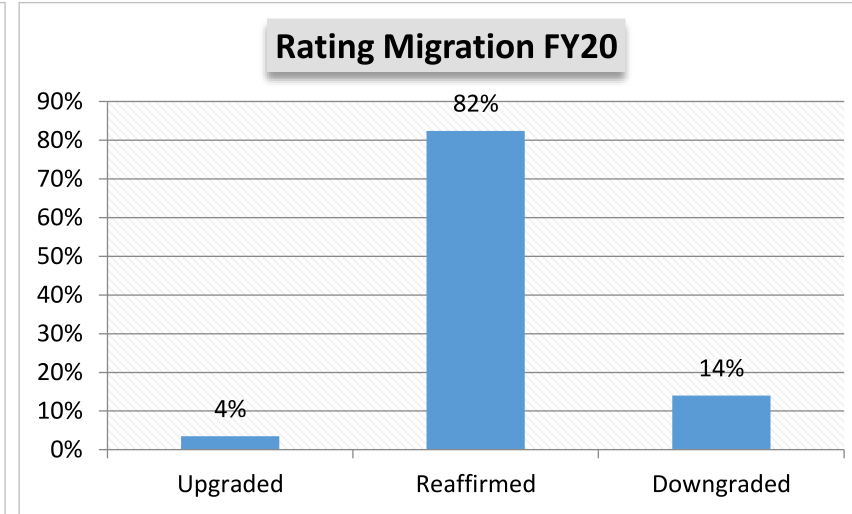
Impact-o-meter and Recovery timeline

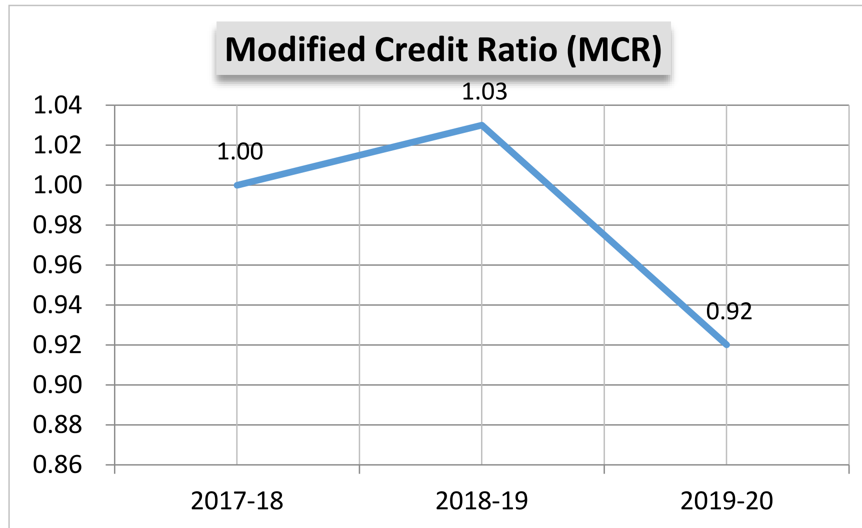


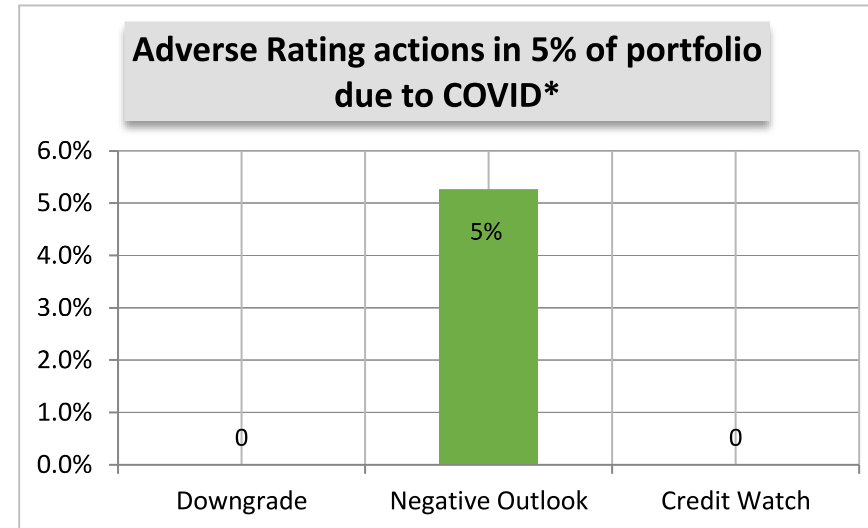
CV- Commercial Traffic ; FM- Force Majeure; NHs- National Highways; SHs- State Highways; EOT- Extension of Time

Thermal Power Generation - the year that was & COVID impact on ratings









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CARE Ratings
Professional Risk Opinion

Thermal Power Generation

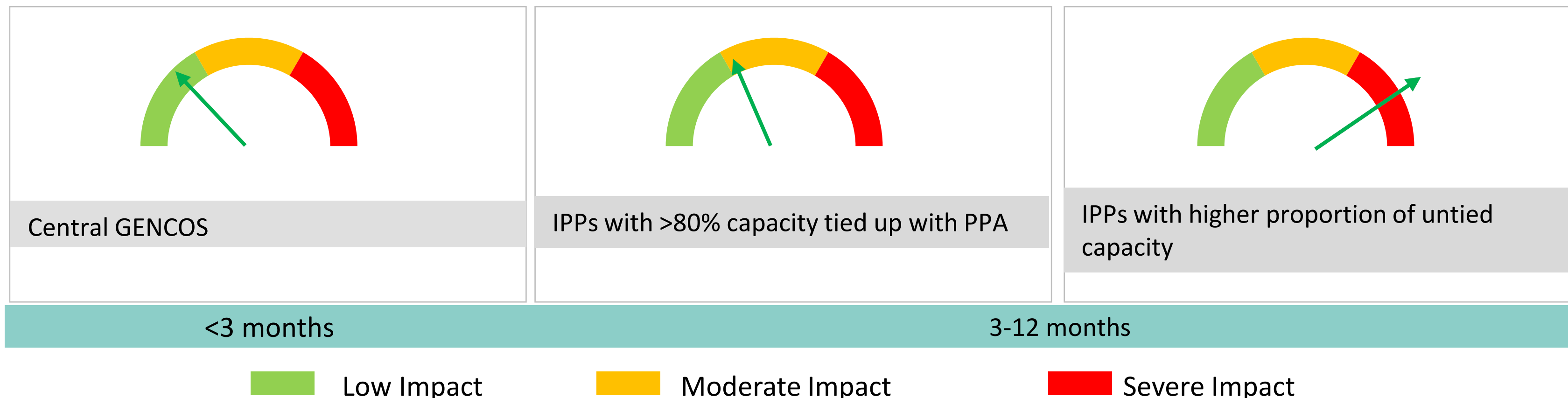
Key Issues

- Reduction in base energy demand from Industrial and Commercial customers, leading to lower Plant Load Factor (PLF)
- Payment for coal purchase continue to be in advance; however, any payment delay from DISCOMs will stretch working capital cycle which is highly likely
- Softening of merchant rate (due to lower demand) will impact cash accrual of plants with untied capacity

Ratings Outlook

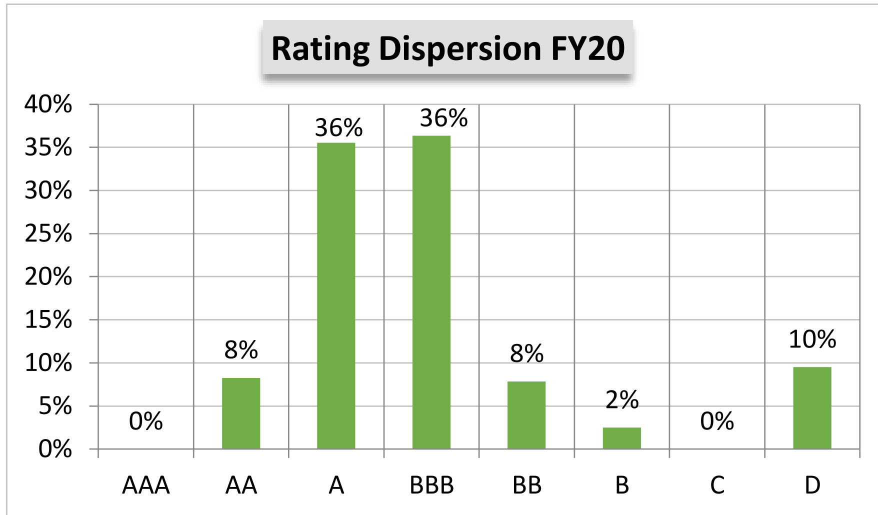
- Projects having lower PPA tie d up are expected to have weaker cash flows (both in short term as well as in medium term) on sustained basis till annual base demand starts exhibiting positive trend.
- Projects having capacity tied up with weaker DISCOMs are expected to experience elevated liquidity issues. Rs 90,000 cr funding from REC/PFC is likely to aid the liquidity of GENCOS in medium term
- Given the lower power demand leading to higher coal availability, projects having two-part tariff are likely to post better recovery of annual capacity charge due to higher PAF.
- Overall Ratings for the sector to have negative bias

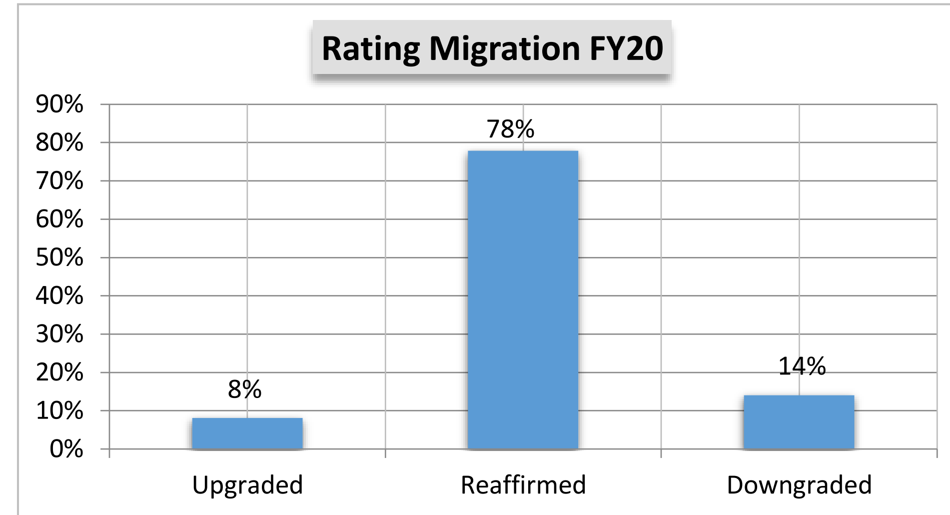
Impact-o-meter and Recovery timeline

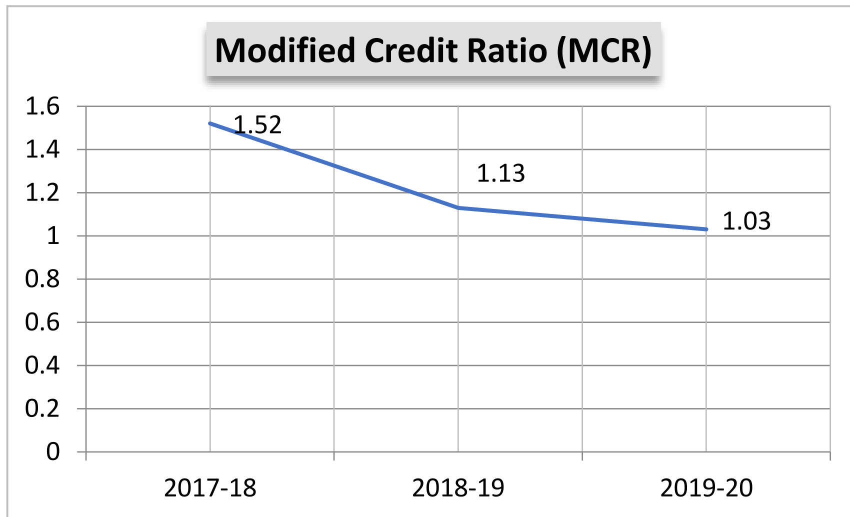


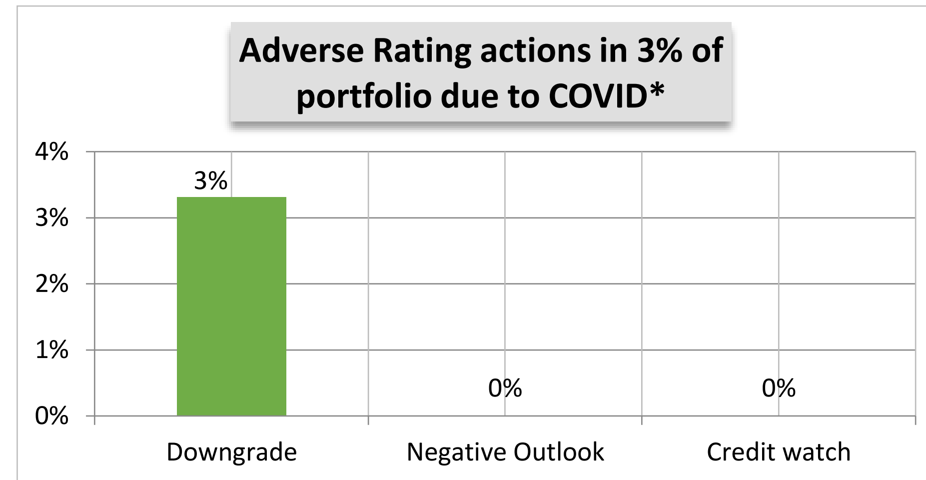
PPA- Power Purchase Agreement ; PAF – Plant Availability Factor; IPPs : Independent Power Producers

Renewables: Solar & Wind- the year that was and COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 22, 2020.*

CARE Ratings
Professional Risk Opinion

Renewables: Solar & Wind

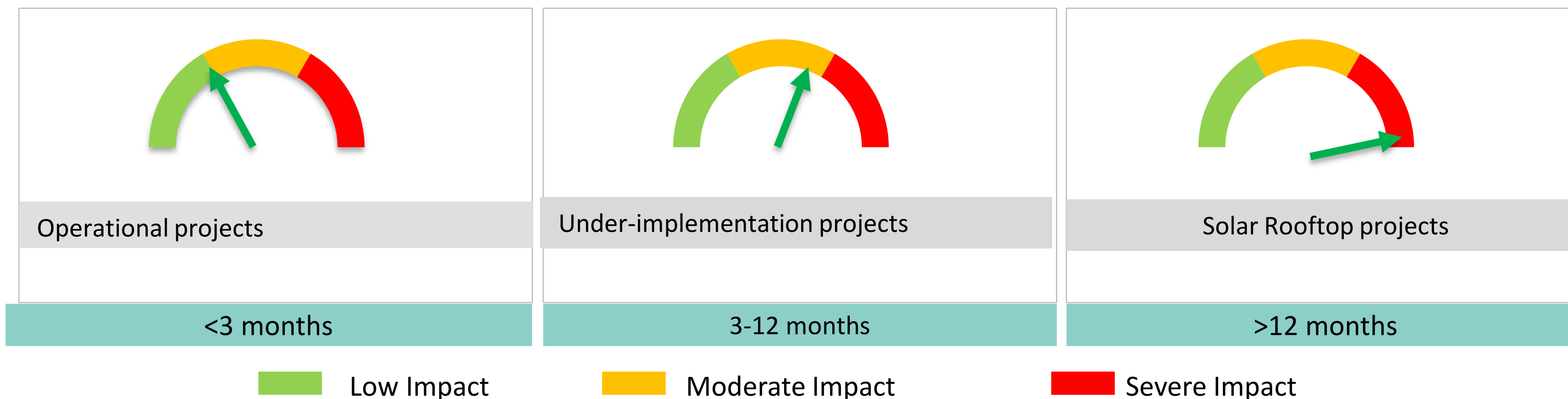
Key Issues

- Supply chain of equipment is disturbed
- Shortage of workers
- Lower demand of power
- Payment delays from DISCOMS
- Reduced interest in the sector due to reneging of contracts

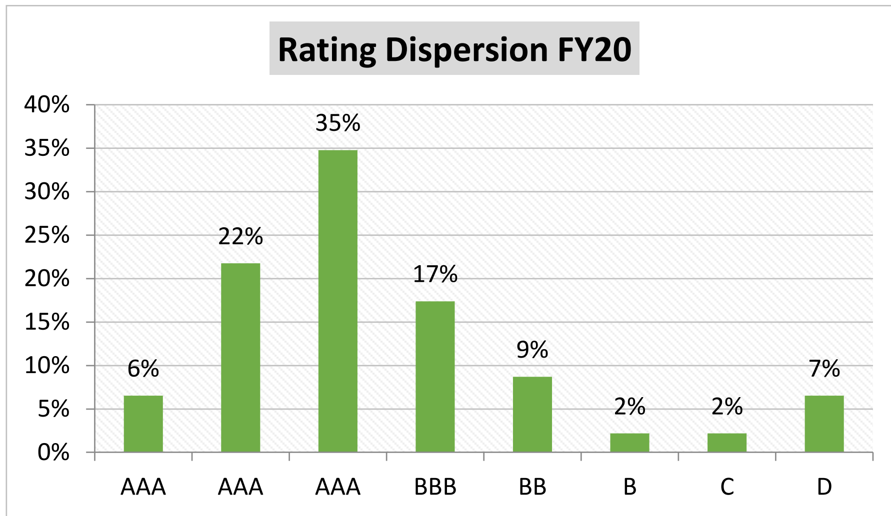
Ratings Outlook

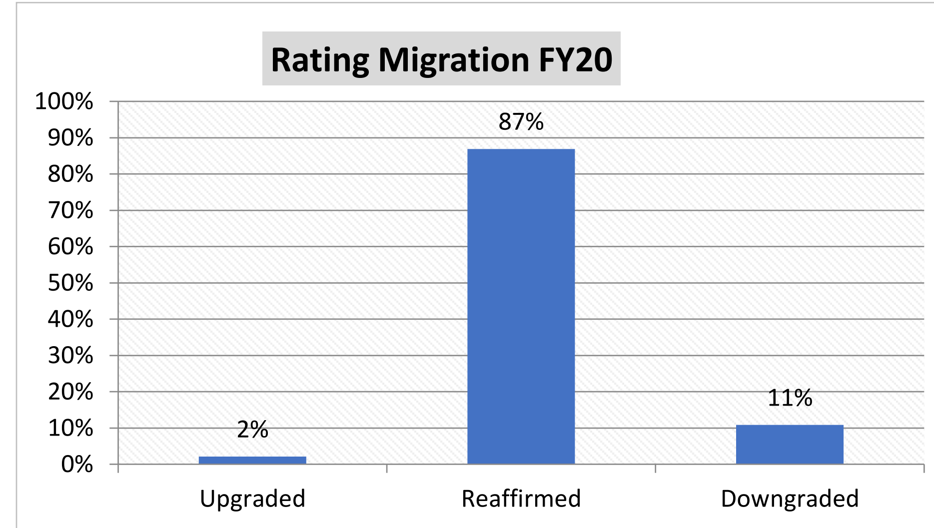
- Power producers with strong parentage and available liquidity buffers to remain better placed
- Ratings of the operational projects with strong counterparty are likely to remain stable
- Operational projects with state DISCOMS as a counter party are facing significant payment delays from majority DISCOMS albeit with Rs.90,000 crore stimulus for DISCOMS, large part of overdue bills should be cleared in near term. However, timeliness and actual quantum to be critical for the ratings.
- As MNRE has already given blanket extension of 70 days to achieve CoD and further extension is likely to be considered on a case to case basis, ratings of under-implementation projects are likely to remain stable
- Companies executing Rooftop solar power projects are likely to remain under pressure as rooftop capacity addition is likely to take a hit due to Covid-19

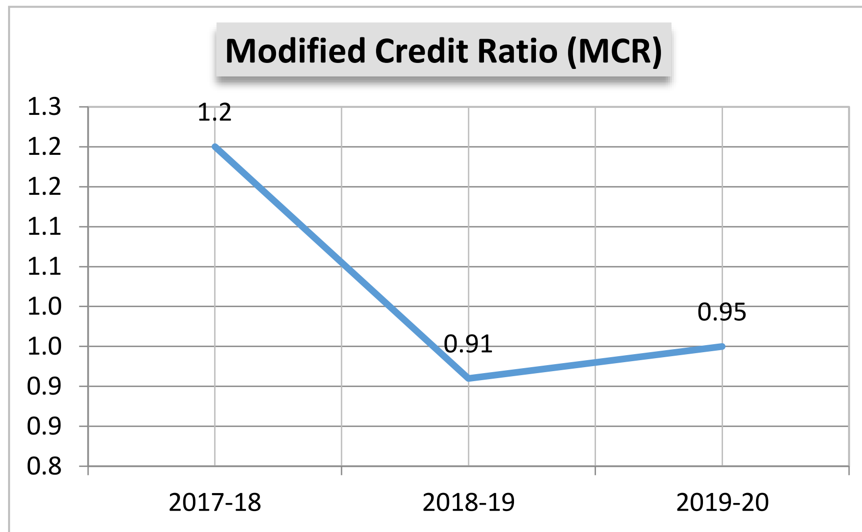
Impact-o-meter and Recovery timeline

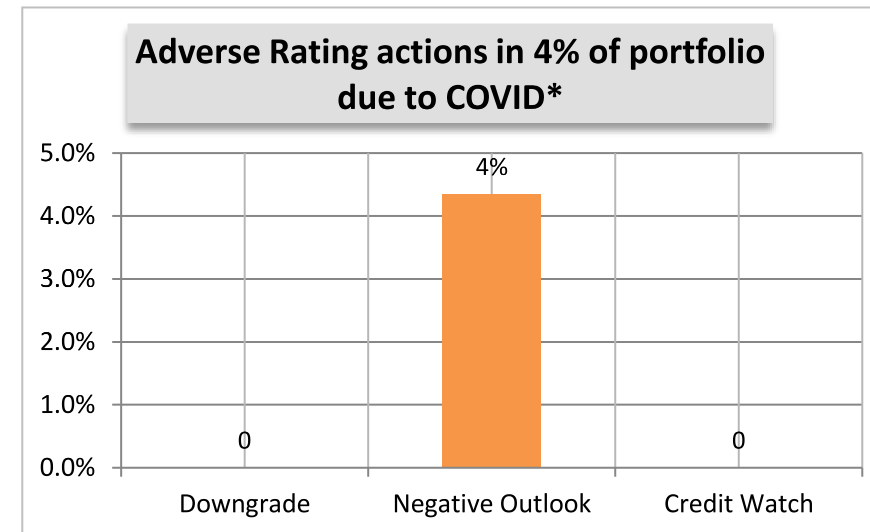


Transmission & Distribution-the year that was & COVID impact on ratings









**Based on Press Releases published from April 01, 2020 to May 27, 2020.*

CARE Ratings
Professional Risk Opinion

Transmission & Distribution

Key Issues

TRANSCOS

- Delayed payment from DISCOMs for intrastate TRANSCOS. Also, lower collection in the pool account has proportionately reduced collection efficiency for ISTS licensees
- Mild pressure on O&M cost

DISCOMS

- Lower consumption in high tariff consuming categories (industrial and commercial), thus requiring higher subsidy support
- Significant decline in collection efficiency
- High fixed cost structure leading to lower cash accrual
- Increasing overdue creditors

Ratings Outlook

TRANSCOS

- Most of the CARE-rated TRANSCOS have comfortable liquidity cushion in the form of unencumbered cash and bank balances and unutilized WC limits to meet the O&M cost and interest

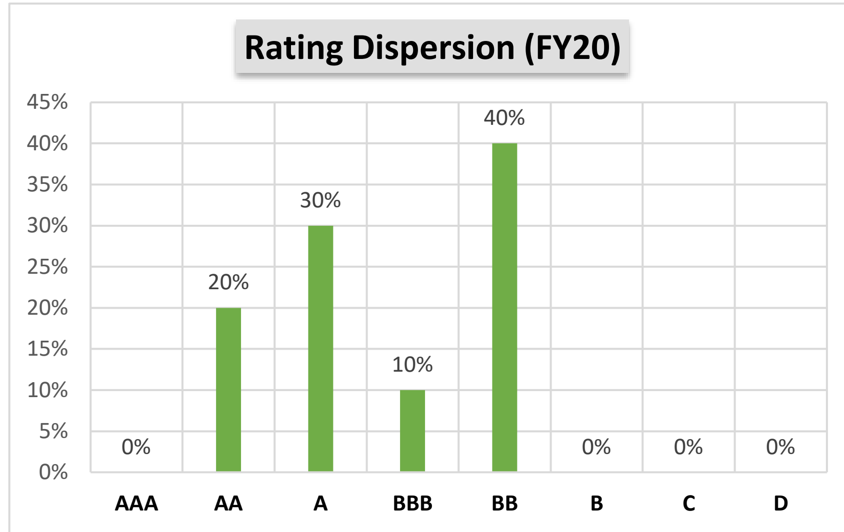
DISCOMS

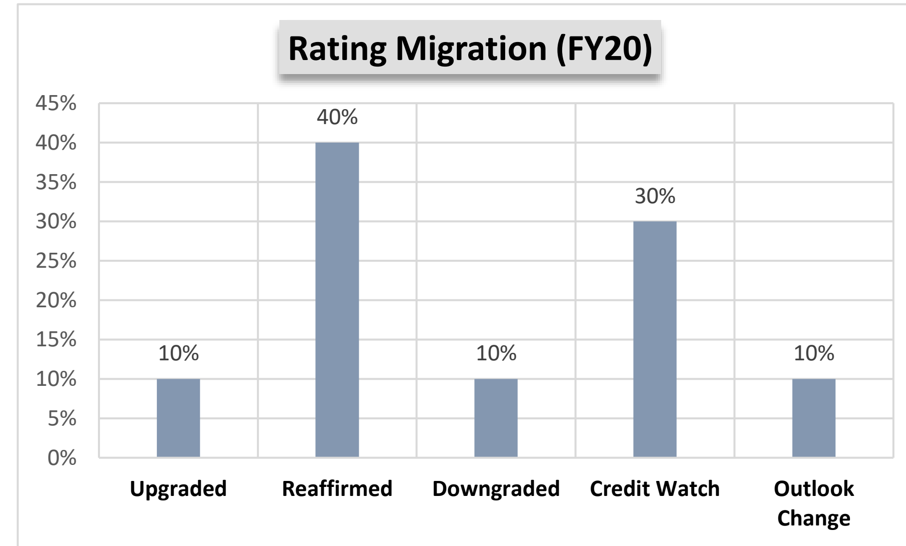
- Cash flows have been impacted due to lower billing and collection. The subdued collection over a longer timeline may adversely impact the credit profile of the weaker DISCOMs. However, DISCOMS with higher proportion of online payments to have better liquidity
- Further the extent and timeliness of Govt./ regulatory support would have a bearing on the credit rating of the DISCOMs.

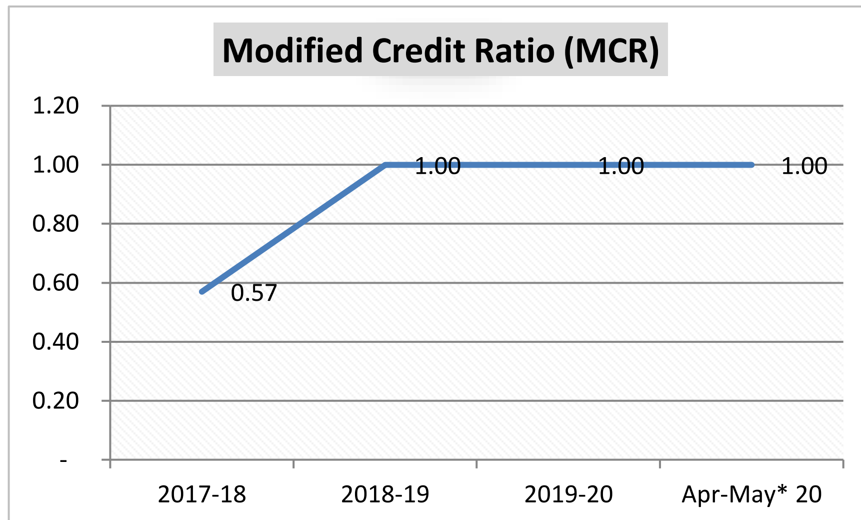
Impact-o-meter and Recovery timeline

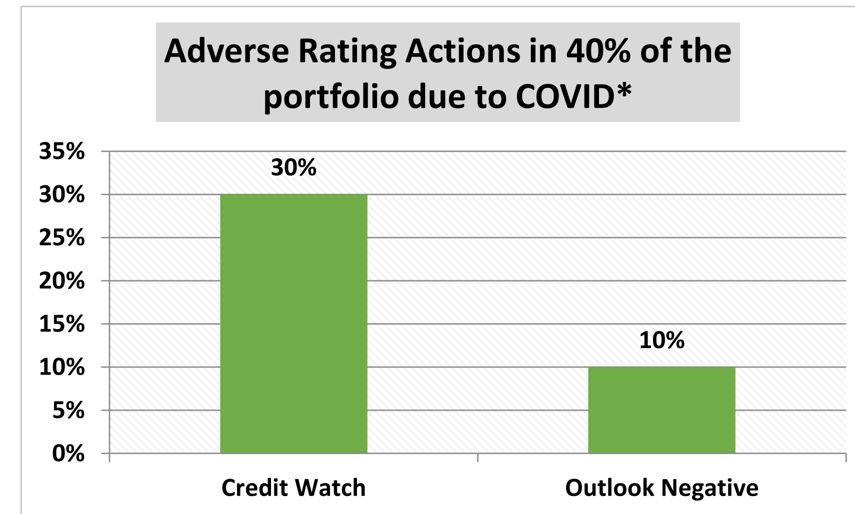
ISTS : Inter State Transmission System

Airport Allied Services - the year that was and COVID impact on ratings









Based on Press Releases published from April 01, 2020 to May 22, 2020.
out of outstanding 10 ratings

CARE Ratings
Professional Risk Opinion

Airport Allied Services

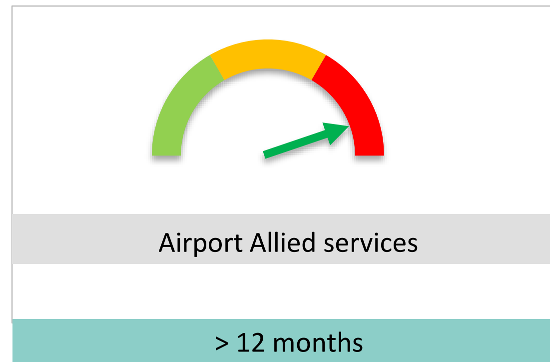
Key Issues

- Significant drop in PAX volume – Travel ban/ restrictions & visa cancellations.
- Airlines have high fixed expenses and exposed to forex risk.
- Increase in ATF price by almost 50% on partial resumption of services with reduced passenger travel, to affect operating margins of airlines
- Airport operators & allied services under liquidity strain due to committed monthly fixed expenses.
- Leveraged capital structure with tightening Liquidity

Ratings Outlook

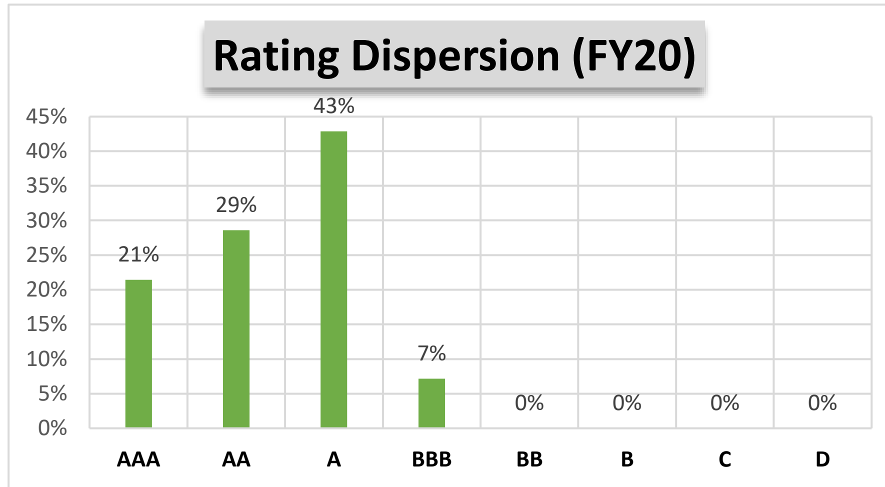
- Domestic PAX to witness a de-growth of 36%-39% for FY2021
- International PAX to witness a de-growth of 60%-70% for FY2021
- Freight operations to support revenue to an extent.
- Financial performance of airports operating under PPP model will suffer and liquidity will be under stress.
- Non aeronautical revenues (allied services) will have significant impact which is highly correlated with PAX volume.
- Financial viability of airports bid at high cost will face hurdles in achieving financial closure
- Full year outlook for the sector remains Negative

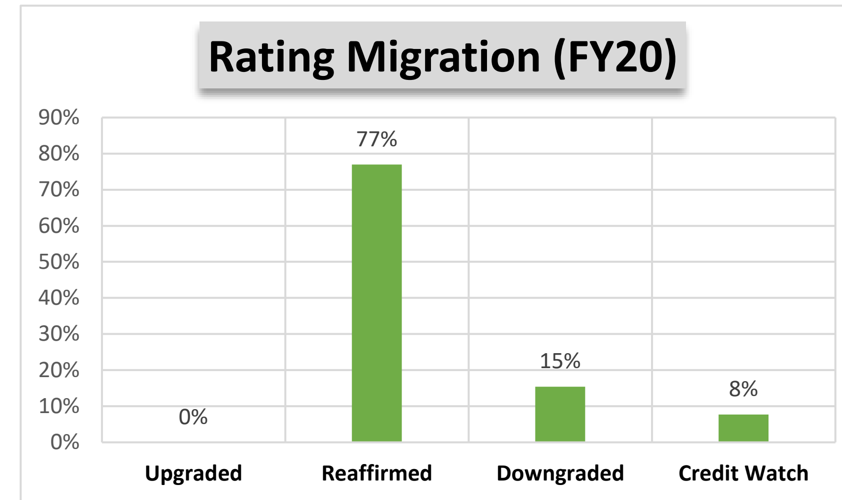
Impact-o-meter and Recovery timeline

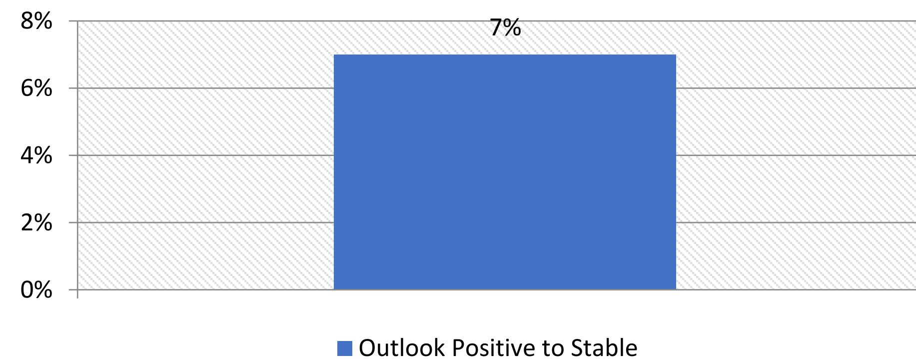


Low Impact   Moderate Impact   Severe Impact

Seaports - the year that was and COVID impact on ratings







*Based on Press Releases published from April 01, 2020 to May 22, 2020.

CARE Ratings
Professional Risk Opinion

Seaports

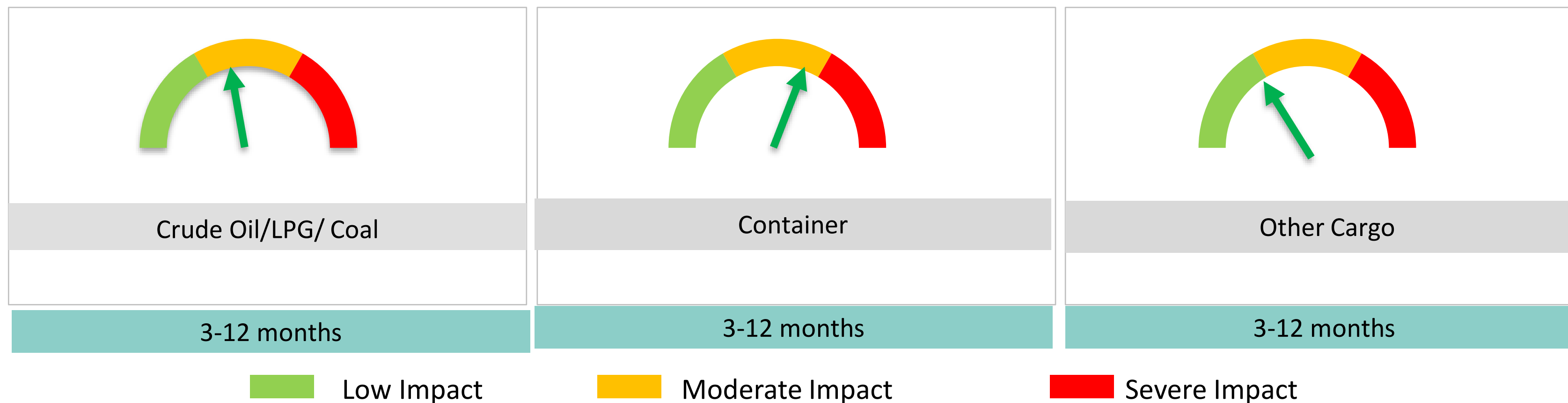
Key Issues

- Significant shrinkage in volume- subdued global trade & domestic industrial activity during lockdown.
- Flight of labor
- Disruption in road logistics & courier services
- Non acceptance of digital documents by banks
- Congestion at ports, ICD, CFS and CTOs.
- Lack of single user interface for all stakeholders of value chain for smooth flow of cargo
- Leveraged capital structure with tightening Liquidity

Ratings Outlook

- Volumes for the full year expected to be muted inline with the estimated contraction in GDP for FY2021.
- Cargo segments (excl. containers) expected to shrink by 6-9% during FY2021.
- Crude Oil, LPG/PNG, Coal traffic are expected to bounce back post ease of lockdown and pick-up in domestic activity.
- Container volume is expected to shrink by 13-16% for FY2021
- Ports performance will be muted due to concession offered by MoS.
- SPVs with stronger sponsors (PPP Terminals) will sustain liquidity crisis.
- Full year outlook for the sector remains Negative

Impact-o-meter and Recovery timeline



THANK YOU