

Today on

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Kill switches, alliances, capital – Alibaba and Tencent's war weaponry in India

Can SADBhav Engineering negotiate the bumps in the road-construction business?

This incubator uses parent Marico's learnings to solve startups' operational problems

BRANDS: CREATING DESIRE >> 5

Inside story

Incentives for ONGC, OIL in the Works

The Centre is planning to incentivise ONGC and Oil India to raise output from fields that were given away without auction to state-run firms in previous years, oil minister Dharmendra Pradhan said on Monday, after launching the second bid round of the open acreage licensing policy. >> 11

Bandhan to Acquire Gruh Finance

Bandhan Bank, a lender to the less affluent, will absorb the financier of largely affordable homes Gruh Finance in a stock-swap deal. If approved, the deal will help the Bandhan promoter reduce its holdings in the lender. >> 13

Deep Dive

Where are the Bankers?

A slew of insurance veterans have taken up the reins at leading private banks, making many wonder if there is a dearth of talent in the industry, reports Shailesh Menon. >> 16

ET INSTA POLL

Is India being unduly apprehensive about China's presence in mega RCEP trade deal?

30% YES

64% NO

6% CAN'T SAY

TODAY'S QUESTION

Do you think economic condition should be the sole basis for reservation?

www.economicstimes.com

CONSIDER FISCAL SPACE BEFORE WRITE-OFF: RBI GOV

Loan Waivers Affect Credit Culture: Das



What the Gov Says

Liquidity: RBI ready to infuse more liquidity if needed; no need seen as of now

NPA's: Situation improving, RBI looking at governance reforms of state-run banks

MSMEs: Suggestions made by stakeholders to be examined

Farm loan waiver: Affects credit culture

NBFCs: Govt to discuss liquidity needs with sector on Tuesday

Interim dividend: If any decision is taken, RBI will announce

Says liquidity infusion should be need-based, idle cash in the system won't be encouraged

Our Bureau

New Delhi: Reserve Bank of India (RBI) governor Shaktikanta Das struck a note of caution on farm loan waivers, saying open-ended forgiveness would affect credit culture and the behaviour of borrowers. He also said the central bank is open to taking more steps to infuse liquidity if the need arises but it doesn't want too much cash sloshing around in the banking system. "Liquidity needs of the economy are regularly monitored and whatever steps are required will be taken," Das said at a press briefing in Delhi. "RBI would not like a situation where liquidity becomes a kind of loose money." Any infusion of liquidity will have to be based on requirements. Das met representatives of micro, small and medium enterprises (MSMEs) in the capital on Monday and will meet executives of nonbanking finance companies (NBFCs) in Mumbai on Tuesday to get a perspective on liquidity needs. He said MSME representatives made suggestions that will be examined internally. North Block has over the past few months sought the easing of lending and capital rules for banks and providing more liquidity to NBFCs following the default by Infrastructure Leasing & Financial Services (IL&FS). "Liquidity issue has been mentioned time and again. I have got several inputs over the last one month. I have had interaction with several stakeholders and we have a sense of the current liquidity situation," he said. "Liquidity Needs Being Met" >> 17

Govt Clears 10% Quota For Low-Income Groups

Likely to introduce Amendment Bill in LS today; quota to be beyond 50% limit set by SC, will apply to all religions; OBC creamy layer criteria to be adopted

Rakesh Mohan, Chaturvedi @timesgroup.com

New Delhi: With an eye on securing upper caste votes ahead of the general elections, the union cabinet cleared a Constitutional Amendment Bill on Monday to give 10% reservation to the economically backward sections of society, over and above the 49.5% quota in place for SC, ST and OBCs. The special cabinet meeting was held in Parliament House to discuss and clear the Bill to amend Articles 15 and 16 of the Constitution to give reservation to the economically backward sections. The other issue on the agenda of the meeting was the Citizenship Amendment Bill, which allows citizenship to Hindus, Christians, Sikhs, Jains, Parsis and Buddhists migrating from Pakistan, Bangladesh and Afghanistan. The Bills are likely to be introduced in Lok Sabha on Tuesday. Rajya Sabha's schedule has been extended to Wednesday to take up the two Bills. The Centre — which has a brute majority in the Lower House of Parliament — is confident of passage of the Bills in the winter session itself. The Bill which deals with 10% quota seeks to add Clause 6 in Articles 15 and 16 of the Constitution to extend reservation in educational institutions and government jobs, respectively. 'Does not Violate SC Judgment' >> 10 MORE REPORTS >> PAGE 2

Eligibility Criteria

Persons whose family has gross annual income below ₹8 lakh

EXCLUSIONS

Those with

1. 5 acres & above of agricultural land

2. Residential flat of 1000 sq ft and above

3. Residential plot of 100 yards & above in notified municipalities

4. Residential plot of 200 yards and above in areas other than notified municipalities

Family includes the person seeking the benefit, his/her parents, siblings below 18 years, spouse, and children below 18 years

Income to be calculated from all sources – salary, agriculture, business, profession, etc.

Income has to be certified by an officer not below the rank of Tehsildar

ACT OF POPULISM WITH LIKELY FEW TAKERS >> SEE EDIT

Over 1M Extra Seats Likely Across Institutes

Over one million additional seats are likely to be created across all higher educational institutes to implement the 10% reservation announced by the Centre, reports Anubhuti Vishnoi. The current intake across all higher education institutes is about 10 million. >> 2

New Data Privacy Rules for FPIs Soon

Current norms in conflict with domestic laws of several countries

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Mumbai: The Securities and Exchange Board of India (Sebi) is working on new data privacy norms for foreign portfolio investors (FPIs). The move comes as the regulations are said to be in conflict with the domestic laws of several countries, especially European nations and Canada, which together account for 40% of total FPI flows into India. The concerns of FPIs relate mostly to the compatibility of Sebi's new know-your-customer (KYC) requirements with data localisation norms applicable in their home countries. Exemptions for publicly pooled funds along with the creation of a high-end encrypted platform for data exchange and storage are some of the key measures under the regulator's consideration, said two people aware of the development. The process assumes significance as Sebi had set a March 2019 deadline for FPIs to submit KYC documentation as per the revised rules. Sebi Panel to Meet This Week >> 10

Change in the Air

Under the new KYC norms of Sebi, personal information of some of the FPI fund managers has to be shared

Sebi proposed creation of a central database to store such information

However, Canada & Europe don't allow sensitive information of their citizens stored overseas

Exemption to publicly pooled funds, creation of data encrypted platform under regulator's consideration

ChrysCapital Raises New \$850-m Fund


ChrysCapital Advisors has raised its latest fund with a corpus of \$850 million, reports Reghu Balakrishnan. The home-grown private equity fund raised the money in four months, one of the fastest fundraising procedures by an Indian PE. >> 13

AXA may Exit MF Venture with Bol

AXA Investment Managers, one of Europe's biggest fund managers, may sell 49% stake in its Indian mutual fund joint venture with Bank of India, report Nishanth Vasudevan & Indulal PM. Avendus Group, controlled by private equity fund KKR, has evinced interest in buying the stake. >> 7

Airlines May be Asked to Halt Neo Induction

Recurring engine problems in Airbus A320neo aircraft fitted with P&W engines may force the government to tell carriers such as IndiGo and GoAir to hold back their aircraft induction plans and even ground those aircraft till problems are sorted out, report Mihir Mishra. >> 5



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