

Bankers divided over linking rates to external benchmark

NIKHAT HETAJKAR
Mumbai, 11 March

Even as public sector banks (PSBs) gear up to follow the State Bank of India's (SBI's) move to link rates to an external benchmark, private banks seem wary of the transition.

"Linking to an external benchmark is good for banks and it is logical that other banks follow SBI. While the Reserve Bank of India (RBI) wants banks to link their asset side (loans) to the external benchmark, banks will need to link the liability (deposits) side to the benchmark as well in order to stabilise their interest margins," said Karthik Srinivasan, group head, Ica.

While the RBI has not mandated banks to switch to external benchmarking, it had proposed that they link all new floating retail loans to an external benchmark from April 1.

"Transmission is a double-edged sword. For lending rates to go down, the deposit costs will also have to come down. Many customers depend on the interest received from fixed deposits. So, the net advantage for



THE LENDING QUESTION

■ The RBI has not mandated banks to switch to external benchmarking, but proposed that banks need to link all new floating retail loans to an external benchmark effective April 1

■ The central bank was supposed to release guidelines by the end of December 2018 but hasn't done so

■ RBI data shows that the country's system credit growth has continued to outpace deposit growth

customers won't be much," said the senior executive of a private lender, adding that linking to external benchmark does not necessarily mean a lower cost to borrowers.

The central bank was supposed to come out with guidelines by the end of December 2018 but hasn't released them yet. In February, the RBI said it plans to introduce a regulatory framework for financial benchmarks to improve the governance of the benchmark processes relating to financial products and markets regulated by the Reserve Bank.

While the RBI has been vocal about the lack of transmission of rate cuts by banks and believes linking lending rates to external benchmarks would bring greater transparency, the banking industry body does not agree.

Last month, an Indian Banks' Association-Ficci survey of bankers flagged concerns on pricing loans and deposits using an external benchmark. It would bring volatility in interest rates because there could be frequent changes in customers' monthly instalments, it said. The survey also stated that banks could keep

spreads higher in the case of high volatility in benchmarks.

The RBI data shows that the country's system credit growth has continued to outpace deposit growth. This has resulted in banks offering higher deposit rates in order to compete with each other. This also restricted the ability of banks to transfer rate cuts to borrowers, without impacting their interest margins.

India Ratings and Research expects deposit competition to intensify in the coming years. "If credit growth continues to outpace deposit growth, then scheduled commercial banks reliance on bulk deposits is likely to increase. This could lead to a higher cost of funds along with increasing volatility in the asset-liability structure of banks," it said.

With banks using deposits as a means to gain market share, it seems unlikely that they will shift to an external benchmark unless mandated, said a banking executive.

It's too early to cheer SBI's new pricing model

P 11

In Silicon Valley, plans for a monument to Silicon Valley

DAVID STREITFELD
San Jose, 11 March

Paris has the Eiffel Tower. St. Louis is inseparable from the Gateway Arch. Seattle boasts the Space Needle. Washington has its Monument.

Silicon Valley wants its own universally recognized landmark, something that symbolizes its power and reach. If the San Jose City Council approves the project this month, an international design competition will be announced this spring. The winning entry could be built on a city park as soon as 2021. Capturing the tech world in one sculpture or structure or art installation will be a difficult job. The devices and platforms that made Silicon Valley famous were created in low-slung office parks of limited architectural distinction by entrepreneurs who risked their investors' capital, not their lives. It's not really an underdog story nor — as many filmmakers have found out — a particularly visual one.

or is this the ideal moment for Silicon Valley to celebrate itself. Even as the tech industry prepares for a long-awaited series of public offerings that will mint yet another round of dupe billionaires, there is widespread alarm that smartphones and social networks are reshaping society for the worse.

The backers of the San Jose Light Tower Corporation, who have raised \$1 million to pursue a landmark and expect to raise tens of millions more before it reaches fruition, are under-terred.

"Optimistically, we're going to receive hundreds of ideas," Jon Ball, the chairman of the Light Tower board, told a skeptical crowd at a community meeting in late February. For the right project, he added, donors would open their wallets very wide. "A great idea at \$150 million is sometimes easier to fund than a frankly uninspiring idea at half the price," he said.

Mr. Ball, a retired construction executive, said the idea for a landmark was born a few years ago when he was driving with his wife, Paula, on a local highway. She remarked that if she didn't know she was in San Jose, she would have no clue. The cityscape lacks any distinction, and the physical setting at the southern edge of San Francisco Bay is less than memorable — especially in contrast to a certain metropolis 50 miles to the northwest.

San Jose has suffered forever from its proximity to San Francisco, which has been heralded since its founding for its charm and beauty. In recent years, the center of tech gravity has shifted north to San Francisco. That has added to the misery of San Jose boosters, who fear the loss of one of the city's few claims to fame.

"Just a song — that's all we have," said Marianne Salas, a longtime San Jose resident who has given \$26,000 to the nonprofit landmark effort. She was referring to Dionne Warwick's 1968 hit, "Do You Know the Way to San Jose?" It's a bittersweet tune, about failing to become a star in Los Angeles and then trying to return home.

"You can really breathe in San Jose/ They've got a lot of space," the lyrics run, which shows how things have changed in 50 years. Space is now at a premium in the city. Google is converting an entire downtown neighborhood into offices. The site selected for the landmark project, a park called Arena Green, is on the edge of this development, squeezed between the sports stadium and the highway that splits the city.

Many of the 50 or so people who came to the community meeting seemed to appreciate the sentiments behind the effort — one man spoke eloquently about how when friends came to visit, they immediately wanted to go to San Francisco — but were not keen on Arena Green as the location.

Among the issues they raised: How would this affect the Guadalupe River and Los Gatos Creek, which merge in the park? Would the project strain San Jose's already strained parks budget? Are there any tax dollars being used here? And wasn't this the usual Silicon Valley trick of taking a public good — a park — and using it for private purposes?

Mr. Ball, with a trace of weariness, provided answers. The project would be given as a gift to the city. No tax money would be involved. He promised accountability, with a seven-member jury selecting three finalists. The Guadalupe River Park Conservancy would monitor for ecological issues. Jodi Starbird, president of the conservancy's board, stood up to say her group would be "the spolice" for the project.

The river splits the park. The project could go on the east side, the west side or conceivably straddle the two. The park is on the flight path to San Jose's airport, which will impose height limits. The location also means that, unlike the iconic landmarks in many cities, this one won't be visible to the passengers as a plane descends. Just the pilot. A few hours before the meeting, on a weekday afternoon, Arena Green was largely empty. There was exactly one person on the east side.

"Our intention is to make this park more accessible and actually improve it," Mr. Ball said. While another Eiffel Tower is literally and probably figuratively out of reach, there is a useful precedent in Chicago's Cloud Gate, a 110-ton stainless steel bean.

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AAR rules out giving input tax credit for gold schemes

INDIVIDUAL DHAMMANA
New Delhi, 11 March

The Authority for Advance Ruling (AAR), Maharashtra, has ruled against input tax credit for the gold schemes, offered by companies to its customers to encourage them to meet the business targets.

AAR rulings are state-specific but these have persuasive value to be taken as a precedent.

Biostad India Ltd, a company engaged in manufacturing and distribution of crop inputs and hybrid seeds, had approached AAR on whether a gold scheme

announced by it would allow it to claim input tax credit.

The company had come out with a 'Kharif Gold Scheme, 2018' under which it offers 10 gm of gold coin to anyone buying a stipulated amount of products from it. Similarly, anyone buying these products worth a minimum sum was offered eight grams of gold coin. Gold attracts a 3 per cent goods and services tax (GST).

AAR ruled that the company cannot claim input tax credit on procurement of gold coins, which are to be distributed to customers.

It treated the scheme as gifts.

"Input tax credit on gifts will not be available when no GST is paid on its disposal," it said.

AAR relied on the Section 17(5)(h) of the Central GST Act, which says, "...input credit shall not be available in respect of goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples."

Abhishek Jain, tax partner, EY India, said, there had been a long-drawn debate on the scope of the term 'gift' and the government should consider issuing an appropriate clarification on the same and credit eligibility on such spending.

PUBLIC NOTICE FOR AUCTION CUM SALE (APPENDIX - IV A) (Rule 8(6))				
Pursuant to taking possession of the secured asset mentioned hereunder by the Authorized Officer of IIFL Home Finance Limited (Formerly known as India Infoline Housing Finance Ltd.) (IIFL/HFL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for the recovery of amount due from borrowers, offers are invited by the undersigned in sealed covers for purchase of immovable property, as described hereunder, which is in the possession, on "AS IS WHERE IS", "AS IS WHAT IS" and "WHATEVER THERE IS" BASIS particulars of which are given below:-				
Borrower(s)/ Guarantor(s)	Demand Notice Date and Amount	Description of the Immovable property	Date of Physical Possession	Reserve Price
1. Mr. Farooqepasha Rasool Choudhary	02-June-2017 Rs. 18, 63, 637/- (Rupees Eighteen Lakh Sixty Three Thousand Six Hundred Thirty Seven Only)	All that Piece and Parcel of Flat No. G-1, addressing 500 Sq. ft., situated at Ground Floor, A-Wing, Building No. 1, Sector No. 5, Dream City, near Dhanani Nagar, Bolar, Palghar	29-Nov-2018	Rs. 16,20,000/- (Rupees Sixteen Lakh Twenty Thousand Only)
2. Mrs. Zebanaz Farooqepasha Choudhary	03-March-2018 Rs. 23,50,571/- (Rupees Twenty Three Lakh Fifty Thousand Five Hundred Seventy One Only)		As on 05-Mar-2019	Earnest Money Deposit (EMD)
3. M/s. Star Inverter and Battery (Prospect No. 769371)				Rs. 1,62,000/- (Rupees One Lakh Sixty Two Thousand Only)
Date of inspection of property		Date for Submission of Offers/EMD Last Date	Date/Time of Auction	
08-April-2019, 1100 hrs - 1400 hrs		10 - April - 2019 till 5 pm	12-April-2019; 1100 hrs - 1300 hrs	
Concerned Branch Address:- IIFL Home Finance Limited, Shop No. 6,7,8, Above Janta Sweet & Dryfruits, Near Big Bazar, Ostwal Empire, Bolar, Maharashtra 401501. (Authorized officer: Mr. Raju Mohite @987459699)				
1. Date of inspection of the immovable property is 08-April-2019 between 1100 hrs - 1400 hrs.				
2. Last date of submission of sealed offers in the prescribed tender forms along with EMD is 10 - April - 2019 till 5 pm at the branch office address.				
3. Date of opening of the offers for the Property is 12-April-2019 at the above mentioned branch office address at 1100 hrs - 1300 hrs the tender will be opened in the presence of the Authorized Officer.				
4. Further interest will be charged as applicable, as per the Loan Agreement on the amount outstanding in the notice and incidental expenses, costs, etc., is due and payable till its realization.				
5. The notice is hereby given to the Borrower and Guarantor, to remain present personally at the time of sale and they can bring the intending buyers/purchasers for purchasing the immovable property as described herein above, as per the particulars of Terms and Conditions of Sale.				
6. The Borrower(s)/Guarantor(s) are hereby given 30 DAYS SALE NOTICE UNDER THE SARFAESI ACT, 2002 to pay the sum mentioned as above before the date of Auction failing which the immovable property will be auctioned and balance, if any, will be recovered with interest and costs. If the Borrower pays the amount due to IIFL Home Finance Limited in full before the date of sale, auction is liable to be stopped.				
7. The EMD shall be payable through DD in favour of "IIFL Home Finance Limited" payable at GURGAON and shall be submitted at the concerned branch/Corporate Office.				
8. The detail terms and conditions of the auction sale are incorporated in the prescribed tender form. Tender forms are available at the above branch office.				
9. The immovable property will be sold to the highest tenderer. However, the undersigned reserves the absolute discretion to allow inter se bidding, if deemed necessary.				
10. Tenders that are not filled up or tenders received beyond last date will be considered as invalid tender and shall accordingly be rejected. No interest shall be paid on the EMD.				
11. Company is not responsible for any liabilities upon the property which is not in the knowledge of the company.				
For further details, contact Mr. Sanjay Jha @ 8657474302, Email-sanjay.jha@iifl.com, Corporate Office: Plot No. 98, Phase-IV, Udyog Vihar, Gurgaon, Haryana-122015. Place: Aurangabad Date: 10-Mar-2019				

MAHAVITARAN
Maharashtra State Electricity Distribution Co. Ltd.
CIN : U40109MH2005SGC153645

Short E-Tender Notice

E-Tenders are invited from reputed & experienced contractors registered with MSEDCL for various DTC/HT/LT line works under DPDC scheme & O&M scheme (E.I. locations) at various locations under Roha Division on Full Turnkey basis by E-Tendering process. The cost of each tender is Rs. 1180/-. The details of the tender are as below.

Tender No.	Nature of Work	Estimated Amount Rs. in Lakhs	Amount of EMD Rs.
EE/ROHA/T/DPDC/2018-19/T-43	Erection of LT & HT lines at Amdoshi Maruti Mandir to Bhairidevi Mandir street light & Nagothane Electrification, Tal. Roha	4.25	4254/-
EE/ROHA/T/DPDC/2018-19/T-44	Erection of LT & HT lines at Wanljoshi & Talegaon, Tal. Tala	1.69	1685/-
EE/ROHA/T/DPDC/2018-19/T-45	Erection of LT & HT lines at Waghjainagar & Madhav Marathe House, Pali, Tal. Sudhagad	2.75	2749/-
EE/ROHA/T/DPDC/2018-19/T-46	Erection of LT & HT lines at Udavadane to Malsai street light, Tal. Roha	4.22	4219/-
EE/ROHA/T/DPDC/2018-19/T-47	Erection of LT & HT lines at Padmavati Mandir to Chalke Well, Surav T Nizampur, Kharavali & Manjarwane, Tal. Mangaon	5.51	5514/-
EE/ROHA/T/DPDC/2018-19/T-48	Erection of LT & HT lines at Morba Grampanchayat, Tal. Mangaon	3.77	3771/-
EE/ROHA/T/DPDC/2018-19/T-49	Erection of LT & HT lines at Dhalghar Lonshi, Tal. Mangaon	8.29	8293/-
EE/ROHA/T/DPDC/2018-19/T-50	Erection of LT & HT lines at various locations as identified by Electrical Inspector, Pen under O&M scheme	6.24	6237/-

TERMS & CONDITIONS : Blank Tender Documents can be downloaded from our website www.etender.mahadiscom.in during from dt -12/03/2019 to 18/03/2019 after payment of tender cost online for tender. Last date of submission is 18/03/2019 upto 14:00 Hrs other terms and conditions as per tender documents. Contact No. 7875765898.

Executive Engineer
Roha Division

Birla Corp slips 14% intraday on NGT's Chittorgarh order

AVISHEK RAKSHIT
Kolkata, 11 March

Shares of Birla Corporation fell by 14 per cent on the BSE in intra-day trade, a sequel to the National Green Tribunal (NGT) directing all mechanical mining operations be suspended in the municipal area of Chittorgarh city in Rajasthan.

The share price finally closed at ₹531.95, down 5.8 per cent. Since 2014, the company had been engaged in mechanical mining of limestone outside a 2 km periphery of the historic Chittorgarh fort. This was to feed its two cement units at Chanderia in the state, where the installed capacity is four million tonnes (mt) a year. The company said the NGT also directed the state's pollution control board, the director of Rajasthan's mining department and the collector of Chittorgarh to stop all mining within 10 km of the Bassi Wildlife Sanctuary or within the latter's eco-sensitive zone when notified.

"While we are studying the implications, we have taken effective steps to ensure no mining takes place in the area that may fall within these limits. We do not anticipate any material impact on current operations, as we have sufficient reserves in areas outside these limits," a company spokesperson said.

Analysts said any ban on mechanical mining would increase Birla Corp's costs. It would then have to send more clinker despatches from its Satna (Madhya Pradesh) unit and procure more limestone to feed the twin plants at Chanderia. Prior to this development, a report from Yes Securities predicted Birla Corp's freight cost would rise from ₹957 a tonne in 2017-18 to ₹985 a tonne by the end of this month, later going to ₹1,015 a tonne.

"If it has to stop all mining operations in the designated area, its freight costs are likely to shoot up much more than projected earlier," said an analyst who tracks the company.

In August 2011, the state's high court had suspended mining operations through blasting at Chanderia. The company challenged this at the Supreme Court, which in 2014 by an interim order allowing mining by using earth moving machinery beyond two km from the Chittorgarh fort. The apex court had also



The company had been engaged in mechanical mining of limestone outside a 2-km periphery of the historic Chittorgarh Fort

directed the Central Building Research Institute (CBRI) to study and give a report on all relevant aspects of full-scale mining and any impact on the fort.

In its 2017-18 annual report, Birla Corp stated this report had concluded that vibration and air pressure induced by the mines of Birla Cement Works (owned by Birla Corp) and adjoining ones were well within the safe limits in national and international standards. And, no damage to the fort from mining. The company had asked for interim relief and the matter is in a final stage of hearing.

Meanwhile, Birla Corp had installed additional equipment at Chanderia and is in the process of installing a 3.6 Mw solar energy unit there. The mining restriction at Chanderia had affected the company till it acquired the assets of Reliance Cement. The report from Yes Securities said operating earnings (Ebitda) per tonne of cement in 2011 was ₹700 a tonne, falling to ₹300-400 by 2014. It attributed this to the problem at Chanderia.

The firm's share price closed at ₹531.95, down 5.8%

PUBLIC NOTICE

Late Mrs. Vimati B. Pabari, a member of the Sunder Baug Co-op Housing Society Ltd, Mathuradas Road, Kandivali W, Mumbai-400 067 and holding share Certificate No.17 and rights to the flat no B-103 on the 01th floor, died on 08/09/2018 without making any nominations.

The society hereby invites claims or objections from the heir or the heirs or other claimants/ objectors or objectors to the transfer of the said shares and interest of the deceased member in the capital / property of the society within a period of Fifteen days from publication of this notice, with copies of such documents and other proofs in support of his / her / their claims /objections for transfer of shares and interest of the deceased member in the capital / property of the society. If no claims / objections are received within the period prescribed above, the society shall be free to deal with the shares and interest of the deceased member in the capital/ property of the society in such manner as provided under the bye-laws of the society. The claims / objections, if any, received by the society for transfer of shares and interest of the deceased member in the capital/ property of the society shall be dealt with in the manner provided under the bye-laws of the society. any claimants/ objectors, may submit claim in the of the society, on any working days, between 8:00pm to 9:30 pm.

Place : Mumbai For and on behalf of
Date : 12.03.2019 Sd/- Hon. Secretary
Sunder Baug Co-op Housing Society Ltd,



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