THUMBNAILS

CAIT plea: Traders' body Confederation of All India Traders on Sunday urged the government to probe Chinese goods imported through *hawala* channels, which is resulting in huge revenue loss to the exchequer. CAIT, in a statement, also claimed that "such *hawala* money might be transferred to Pakistan for conducting terrorist activities". PTI

RBI pre-policy meet: Reserve Bank of India Governor Shaktikanta Das will hold discussions on 26 March with representatives of trade bodies and credit rating agencies on interest rate and steps to boost economic activities, said sources. The meeting, which comes ahead of the next financial year's first MPC meet scheduled for 4 April, is aimed at broadening the consultation process, they added. PTI

Jubilant drug recall: US-based Jubilant Cadista Pharmaceuticals is recalling over 5,700 bottles of Bupropion Hydrochloride extended-release tablets, used to treat major depressive disorder, from the US market. The company is a fully-owned subsidiary of Cadista Holdings Inc, which is a part of the Noida-based Jubilant Life Sciences Company. PTI

Accor Hotels expansion: Global hospitality major Accor Hotels plans to add 20 properties across India in the next three to five years as it adopts an asset-light strategy going forward and mulls bringing new brands to the country. The company currently has 51 hotels across nine brands with around 9,500 rooms in India. PTI

DLF investment: Realty major DLF will invest around Rs 750 crore for construction of a new commercial project in Gurugram as it seeks to encash rising demand of office and retail space from end users as well as institutional investors, according to sources. PTI

Sebi aims to shorten rights issue listing time

The markets regulator is working on simplifying the rights issue process

PRESS TRUST OF INDIA
KOLKATA, 17 MARCH

After reducing time to list shares on the stock exchanges post-closure of initial public offerings (IPOs), markets regulator the Securities and Exchange Board of India is aiming to cut down the time for listing of rights issue shares, an official said.

In September last year, the Securities and Exchange Board of India decided on reducing the time to list shares on the bourses after IPO to three days from the present six days. The Sebi directive is likely to come into effect from July this year. The Sebi had cited mitigating external risks such as market volatility and uncertainty of financial markets as the reason behind the move.

"The Sebi aims to reduce the listing of IPO shares to three days from six days now. It is supposed to be introduced for IPOs from July 2019 onwards. Now, the regulator is working on simplifying the rights issue process," Central Depository Services (India) Ltd (CDSL) vice-president (operations) Nitin Ambure said.

"I hope the number of days for listing the rights issue shares may come down to 8-10 days from about a month now. This may happen in phases, also depending on the regulator's final decision," he said.

Mr Ambure was in the city to participate at a discussion on demat of unlisted shares at the Merchants' Chamber of Commerce here.

The markets regulator has involved stakeholders such as depositories and transaction advisors in the rights issue listing simplification process, just like it engaged exchanges and depositories for IPO shares, he said.

From April onwards, Unified Payments Interface (UPI) will be introduced as an alternative payment option for retail investors and the Sebi has already cleared a proposal in this regard.

National Electronic Funds Transfer (NEFT) is also being tested.

Analysts said the new payment mechanisms will make Applications Supported by Blocked Amount (ASBA) mechanism less attractive to investors.

ASBA was introduced by the regulator so that an investor does not lose out interest component on the application money.

Earlier, the process of normal allotment of shares for IPOs took almost a month.

Mr Ambure said the Sebi had granted relaxation for processing Demat Request Number from the current 15 days to 30 days in the wake of unusual surge in requests for dematerialisation in recent months.

As of now, the transfer of shares in the demat form is mandatory.

LISTING TIME MAY COME DOWN TO 8-10 DAYS

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J&K Bank to sell stake in PNB Metlife for ₹185 crore

NEW DELHI, 17 MARCH

Jammu and Kashmir Bank on Sunday said it proposes to sell its stake in PNB Metlife India to private equity player Oman India Joint Investment Fund II for Rs 185 crore. The bank has executed a share purchase agreement with Oman India Joint Investment Fund II for sale of 4.1 crore shares of PNB MetLife India Insurance Company Ltd, Jammu and Kashmir Bank said in a regulatory filing.

This would be subject to fulfilment of certain conditions precedent, which include requisite prior approval from the Insurance Regulatory and Development Authority of India, it said. Jammu and Kashmir Bank holds five per cent stake in the insurance venture.

PNB MetLife India Insurance is a joint venture between MetLife International Holdings Inc, Punjab National Bank, Jammu and Kashmir Bank, M Pallonji and Company Pvt Ltd and other private investors. PNB holds 26 per cent stake in the venture, while MetLife also has a 26 per cent stake. PTI

RBI not in favour of changing IDBI Bank's name

PRESS TRUST OF INDIA
NEW DELHI, 17 MARCH

The IDBI Bank's proposal for changing its name has not found any favour from the Reserve Bank of India, sources said.

The board of IDBI Bank last month proposed change in the name of the lender to either LIC IDBI Bank or LIC Bank, following its takeover by Life Insurance Corporation. According to the sources, the RBI is not in favour of changing the name of IDBI Bank. The board had proposed LIC IDBI Bank Ltd as the first preference, followed by LIC Bank Ltd.

Besides the RBI, change of name requires clearance from the ministry of corporate affairs, shareholders, stock exchanges, among others. In January, the insurance behemoth LIC completed the acquisition of 51 per cent controlling stake in IDBI Bank, marking the entry of more than 60 years old state-owned insurer into the banking space.

In August last year, the Cabinet approved the acquisition of controlling stake by Life Insurance Corporation (LIC) as a promoter in the bank through a combination of preferential allotment and open offer of equity.

LIC had been looking to enter the banking space by acquiring a majority stake in IDBI Bank, as the deal is expected to provide business synergies despite the lender's stressed balance sheet. For the third quarter ended December 2018, IDBI Bank posted widening of loss by nearly three-fold to Rs 4,185.48 crore as bad loans surged. The bank had reported a net loss of Rs 1,524.31 crore in the corresponding quarter of the previous fiscal.

Total income decreased to Rs 6,190.94 crore for the quarter under review.

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BSNL to approach NCLT this week against RCom

PRESS TRUST OF INDIA
NEW DELHI, 17 MARCH

State-owned telecom firm BSNL will approach the National Company Law Tribunal this week to recover dues of about Rs 700 crore from Reliance Communications, according to official sources.

Earlier, debt-ridden RCom, in its plea before the NCLAT, said that it wants to voluntarily go back into the insolvency process, as it will help selling its assets in a time-bound manner.

It had moved the appellate tribunal, seeking directions to the 37 lenders led by State Bank of India to release Rs 260 crore directly to Ericsson. However, lenders of RCom have opposed the plea, saying that it will lead to outgo of public money for settling payment of a private party.

"BSNL has already invoked bank guarantee of around Rs 100 crore submitted by RCom for default on payments. Decision was taken on 4 January by BSNL chairman and managing director Anupam Shrivastava to start legal proceedings against RCom for recovery of dues of around Rs 700 crore," the sources said.

BSNL has roped in Singh and Kohli law firm for the suit. The case filing got delayed due to collection of invoices from all circle offices. RCom has been struggling to pay Rs 453 crore out of Rs 550 crore to Ericsson under a settlement reached between the two firms before the NCLAT.

The Supreme Court has given time till 19 March to RCom Group to make payment to Ericsson, failing which its chairman Anil Ambani will have to serve three months jail term.

RCom has already paid Rs 118 crore to Ericsson. It approached the NCLAT to direct SBI to release Rs 260 crore which the company has received as income tax refund in trust and retentionship account held at the public sector bank as it will help the company in making payment to Ericsson and purge contempt of court.

The NCLAT on Friday declined to issue any direction to SBI and has asked for update on development with regard to payment of Ericsson due on 19 March. The tribunal will hear the case on 8 April.

CPSE ETF: Fifth tranche to open on 19 March

NEW DELHI, 17 MARCH

The fifth tranche of the CPSE Exchange Traded Fund will open for subscription on 19 March, wherein the government seeks to raise at least Rs 3,500 crore.

The fourth Further Fund Offer (FFO), which would be open from 19 to 22 March, would help the government in mopping up funds towards meeting its disinvestment target of Rs 80,000 crore for the current financial year ending 31 March.

According to Reliance Mutual Fund, which is managing the CPSE ETF, the fifth tranche would open for subscription on 19 March for anchor investors.

Non-anchor investors, including retail investors, can put in their bids from 20 to 22 March. PTI

IL&FS to receive first set of bids today

PRESS TRUST OF INDIA
NEW DELHI, 17 MARCH

Cash-strapped IL&FS Group will receive the first set of bids under asset monetisation process on Monday as part of resolution process, according to sources.

The company's board will later consider bids for Rs 8,000 crore renewable energy business that was put on the block in November 2018, the sources said.

This will be the first set of bids that will be opened under asset monetisation process as part of resolution process by the government-appointed and Uday Kotak-led new board, they added.

The group, which is sitting on the debt pile of about Rs 94,000 crore, had decided to sell assets in various verticals, including roads, education, renewable energy and broking in November last year.

The renewable assets of the group include operating wind power plants with an aggregate capacity of 873.5 MW and under-construction such plants with 104 MW capacity. It also includes the solar power business, under which it has around 300 MW of under-construction projects.

Japan's Orix is the joint venture partner in the wind power business and the completion of sale of this business is expected to reduce IL&FS debt by about Rs 5,000 crore.

When contacted IL&FS spokesperson declined to comment on the same.

According to sources, nearly two dozen firms had participated in the expression of interest sought by the company that ended on 10 December 2018. Several companies, sources said, have completed their due diligence of the underlying assets. However, the completion of entire process and shortlisting of the final bidder will take a few weeks as multiple processes are involved.

LIC is the single largest shareholder with over 25 per cent stake in IL&FS and Orix Corp owns a little over 23 per cent. IL&FS Employees Welfare Trust holds 12 per cent in the company. The Abu Dhabi Investment Authority, HDFC and Central Bank of India hold 12.56 per cent, 9.02 per cent and 7.67 per cent, respectively, in the cash-strapped company.

Nomura sees sub-7% GDP growth in fiscal 2019-20

PRESS TRUST OF INDIA
MUMBAI, 17 MARCH

The likelihood of Indian GDP growth coming at below 7 per cent in 2019-20 is "very high" despite aiding factors like low oil prices and an expansionary Budget, a report has said. Global slowdown, tight financial conditions and political uncertainty in the election year will be the biggest headwinds for growth, the report by Japanese brokerage Nomura has said.

"These headwinds are likely to keep the growth mix skewed towards consumption and away from investment," the report said, adding the elections "worsen the outlook" for fresh investment.

The report seemed to suggest that the brokerage is not "too pessimistic" with its estimate of 6.8 per cent growth in FY20 made public in December as against around 7 per cent in FY19. It can be noted that the Reserve Bank of India has pegged FY20 growth at 7.4 per cent.

It said consumption stimulus in the Budget is likely to add 0.4 percentage points to GDP growth, but the cut in public capital expenditure will shave off 0.2 percentage points.

"Monetary accommodation of fiscal stimulus effectively neuters the crowding out of private investment through the interest rate channel. However, upcoming elections will worsen the outlook for fresh investment," it said.

Elaborating on elections, it said we can expect investment growth to gradually gain some of its lost momentum from October 2019, when short-term political uncertainty ebbs and easier monetary policy starts to have a positive impact.

On oil, it said the crude prices are gaining momentum and pegged the benefit at only 0.1 percentage point.

The jump in credit is due to personal loans and shadow bank financing, it said, adding the NBFCs continue to face a liquidity crunch from risk-averse mutual fund backers.

As this is impacting the real economy, visible in sectors such as commercial real estate and small and medium enterprises, these issues can drag down GDP growth by 0.2-0.3 percentage points, it said.

In 2018, the cyclical recovery was driven by natural tailwinds of remonetisation and escape from GST-related teething issues, it said.

Iron ore imports jump by 157%

MUMBAI, 17 MARCH

Despite being the fourth largest producer of iron ore, India's imports of the mineral rose by a whopping 157 per cent during April-December 2018, mainly due to higher logistics costs of sourcing it domestically and lower import duties, says a report.

Out of the total imports of 11.75 million tons in first nine months of FY19, which was a 157 per cent rise as compared to the year-ago, Australia's share was highest at 57 per cent, which has more than tripled compared with the corresponding period last year, Care Ratings said.

The other countries from where India imports iron ore and its shares are South Africa (19 per cent), Brazil (15 per cent) and Bahrain (5 per cent).

In July 2018 alone, imports peaked at 1.93 million tons, the highest in any month in past five years, the agency said. PTI

Life insurers register 33% jump in new premium

PRESS TRUST OF INDIA
NEW DELHI, 17 MARCH

India's life insurance industry witnessed a rise of 32.7 per cent in its collective new premium income at Rs 18,209.50 crore during February 2019, data from the Irdai showed.

The life insurers had collected first-time premium worth Rs 13,724.96 crore in the same month a year ago.

Insurance behemoth LIC, which has the largest market share of 66.26 per cent, registered a growth of 42.2 per cent in its new premium at Rs 12,055.81 crore during the month, according to the Insurance Regulatory and Development Authority of India (Irdai) data.

The remaining 23 market players in life insurance business (market share 33.74 per cent) collected premium of Rs 6,153.70 crore from new customers, witnessing a rise of 17.25 per cent from a year ago.

Among the private sector insurers, SBI Life's new business premium grew by 49 per cent to Rs 1,055.32 crore during the month, ICICI Prudential Life 33.1 per cent to Rs 1,039.14 crore and Aditya Birla Sun Life 21.6 per cent to Rs 222.26 crore.

Aviva Life's new business premium jumped by 59.3 per cent to Rs 48.26 crore, Max Life 23.7 per cent to Rs 529.77 crore, and Kotak Mahindra Life collected new premium of Rs 403.01 crore, witnessing 15.25 per cent growth from a year ago.

Of the players that registered dip in their new premium income were HDFC Life at Rs 1,184.46 crore, down by 0.54 per cent from a year ago; DHFL Pramerica Life at Rs 65.01 crore, down 51.7 per cent; Bharti AXA Life at Rs 78.62 crore, down 98 per cent; and Bajaj Allianz Life at Rs 328.48 crore, down 11 per cent.

The cumulative new business premium of all the 24 life insurance firms during April-February 2018-19 rose by 7.60 per cent to Rs 1,77,213.57 crore.

Insurance behemoth LIC, which has the largest market share of 66.26 per cent, registered a growth of 42.2 per cent in its new premium at Rs 12,055.81 crore during the month

HDFC Capital, Tribeca launch ₹500-crore housing fund

NEW DELHI, 17 MARCH

HDFC Capital Advisors and realty firm Tribeca have announced a Rs 500-crore fund for development of mid-income housing projects in Mumbai and Delhi-NCR.

The projects will be developed by Tribeca, which is developing two Trump Tower projects in Kolkata and Gurugram.

HDFC Capital Advisors, which is the real estate-focused fund management arm of HDFC Ltd, and Tribeca said the platform will invest Rs 500 crore through a combination of debt and equity.

"This is probably for the first time, HDFC Capital has set up a platform with new age developers like us. We have already identified our first project in Gurugram where around 600 flats would be constructed," Tribeca managing director Kalpesh Mehta said.

The company has already tied up with a local developer who owns the land. This project would be developed at a construction cost of around Rs 300 crore, he said. HDFC Capital has already put in Rs 135 crore as debt in this first project.

This platform will leverage Tribeca's asset light model of acquiring projects from existing developers through joint venture and development management structures.

Housing remains a crucial need in India and the demand for housing is expected to grow substantially with increased urbanisation. HDFC's endeavour is to participate in the huge opportunity of mid-income and affordable housing in the country, HDFC chairman Deepak Parekh said.

HDFC is committed to partner with developers who are aligned with its vision and values, he said. PTI

PSBs may report ₹23K-37K crore profit in FY20

PRESS TRUST OF INDIA
MUMBAI, 17 MARCH

After four years of consecutive losses, the state-run banks are likely to report a profit of Rs 23,000-37,000 crore in the next financial year, with their gross non-performing loans declining to 8.1-8.4 per cent by March 2020, says a report.

In the last four years, with large capital infusion from the government, the state-run banks have been able to recognise and provide for their stressed assets with a steady decline in their gross NPAs (GNPAs) and net NPAs (NNPAs).

It also helped them in improving their capital ratios which also supported the exit of five PSBs from prompt corrective action (PCA) framework of the Reserve Bank of India.

"PSBs are expected to report net profits of Rs 23,000-37,000 crore during FY20, after four consecutive years of losses, even though overall profitability will remain weak with return on net worth (RoNW) of 4-6.3 per cent," rating agency Icra said in a note.

It said the GNPAs and NNPAs of PSBs are likely to decline to 8.1-8.4 per cent and 3.5-3.6 per cent by March 2020, as against 10.3 per cent and 5.3-5.4 per cent, estimated for March 2019 and 10.9 per cent and 6.3 per cent as on 31 December 2018.

The report said with reducing fresh slippages, the credit provisions are expected to decline, and we expect 14 PSBs in base case and 11 PSBs in the stress case to report profits during FY20, as compared to only five PSBs that are likely to report profits in FY19. In the first nine month of FY19, the net losses stood at Rs 42,900 crore and is expected to increase to Rs 65,000 crore during FY19 as compared to Rs 85,400 crore during FY18.

The overall fresh slippages for PSBs are estimated to decline to Rs 2.5 trillion (4.5 per cent) during FY19 and are expected to decline further to Rs 1.3-1.6 trillion (2.1-2.7 per cent) during FY20, the report said. Compared to PSBs, the performance of the private banks (PVBs) remained strong with year-on-year growth of 18.7 per cent in advances as compared to 4.2 per cent for PSBs as on 31 December 2018, and around 64 per cent share in incremental credit growth during the trailing 12 months (TTM).

The report said with improved capital position, PSBs are expected to pursue credit growth and pose challenges to PVBs on both the lending and the deposit side and the market share gains are expected to slow down for PVBs, going forward.

The deposit mobilisation to match high credit growth continues to remain a challenge for private banks.

With PSBs expected to chase credit and deposit growth next year, it may be difficult for banks to cut lending rates as the competition for deposits is expected to heighten, it said.

Meanwhile, the agency revised rating outlook of six PSU banks – IDBI Bank, Bank of India (BOI), Punjab National Bank (PNB), Oriental Bank of Commerce (OBC), Bank of Maharashtra (BoM) and Punjab and Sind Bank (PSB).

It revised BoI, PNB, OBC and BoM's outlook to stable from negative.

It removed IDBI Bank's rating from Rating watch with developing implications and assigned negative outlook due to the pressure on the asset quality and credit provisioning.

14 PSBS LIKELY TO REPORT PROFIT

Public sector banks are expected to report net profits of Rs 23,000-37,000 crore during FY20, after four consecutive years of losses, rating agency Icra said

14 PSBs in base case and 11 PSBs in the stress case to report profits during FY20, as compared to only five PSBs that are likely to report profits in FY19, it said

Gross NPAs and net NPAs of PSBs are likely to decline to 8.1-8.4 per cent and 3.5-3.6 per cent by March 2020, as against 10.3 per cent and 5.3-5.4 per cent, estimated for March 2019

The overall fresh slippages for PSBs are estimated to decline to Rs 1.3-1.6 trillion (2.1-2.7 per cent) during FY20