Economy

MONDAY, MARCH 18, 2019

REMEMBERING PARRIKAR

Chowkidar Narendra Modi
@narendramodi
India will be eternally grateful to Shri Manohar Parrikar for his tenure as our Defence Minister. When he was RM, India witnessed a series of decisions that enhanced India's security capacities...

Quick View

J&K Bank to sell stake in PNB Metlife

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 ₹185 crore. The bank has executed share purchase agreement with Oman India Joint Investment Fund II for sale of 4.1 crore shares of PNB MetLife India Insurance Company, Jammu and Kashmir Bank said in a regulatory filing.

RBI opposes IDBI Bank name change

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.

SUBSCRIPTION OPENS TOMORROW

CPSE-ETF fifth tranche: Govt to raise ₹3,500 cr

PRESS TRUST OF INDIA
New Delhi, March 17

THE FIFTH TRANCHE of the CPSE Exchange Traded Fund will open for subscription on March 19, wherein the government seeks to raise at least ₹3,500 crore.

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

According to Reliance Mutual Fund, which is managing the CPSE ETF, the fifth tranche would open for subscription on March 19, for anchor investors. Non-anchor investors, including retail investors, can put in their bids from March 20-22.

This would be the second CPSE (Central Public Sector Enterprises) ETF FFO in the current fiscal after ₹17,000 crore raised on November 2018. So far, the government has raised a total of ₹28,500 crore from rounds through CPSE ETF, including the first offer in March 2014 that mopped up ₹3,000 crore. "The CPSE ETF is trading at very attractive valuations. As on February 28, the dividend yield of the index was as high as 5.52% compared to 1.25% for the Nifty 50... In addition, the government is also giving a 4% discount to investors," Reliance Mutual Fund head (ETF) Vishal Jain said.

The ETF tracks shares of 11 Central Public Sector Enterprises (CPSEs) – ONGC, NTPC, Coal India, IOC, Rural Electrification Corp, Power Finance Corp, Bharat Electronics, Oil India, NBCC India, NLC India and SJVN.

Through the latest offer, the government aims to raise an initial amount of ₹3,500 crore and the offer size could be raised, as per Reliance Mutual Fund.

After raising ₹3,000 through New Fund Offer (NFO) in March 2014, the government garnered ₹6,000 crore from the first FFO of the CPSE ETF in January 2017. Subsequently, ₹2,500 crore was mopped from the third tranche in March 2017 and ₹17,000 crore from the fourth round in November last year. The government has raised ₹56,473.32 crore through disinvestment till February 28 against the target of ₹80,000 crore for the 2018-19 fiscal.

Govt to start selection process for new PFRDA chairman

PRESS TRUST OF INDIA
New Delhi, March 17

THE GOVERNMENT WILL soon start the selection process for a new chairman of pension fund regulator PFRDA to succeed Hemant G Contractor, whose term is slated to end in April.

"The finance ministry will soon come out with an advertisement to find a successor to head the Pension Fund Regulatory and Development Authority (PFRDA)," sources said.

PFRDA was re-constituted into a statutory body after notification of PFRDA Act in 2014. Contactor is the first chairman to head the regulatory body. He had joined PFRDA on October 7, 2014. As per the Act, the chairman will have a tenure of 5 years or till the age of 65 years, whichever is earlier. Contractor was previously held the post of SBI MD before being appointed as the PFRDA chief. The pension fund regulator has reached a subscriber base of 2.65 crore in its National Pension System and Atal Pension Yojana schemes.

Parrikar dead, Kovind salutes his 'long battle of fortitude'

Death comes amid intense turmoil in Goa, day after Cong staked claim

EXPRESS NEWS SERVICE
Panaji, March 17

GOA CHIEF MINISTER Manohar Parrikar passed away after prolonged illness Sunday evening. The official handle of President Ram Nath Kovind posted on Twitter: "Extremely sorry to hear of the passing of Shri Manohar Parrikar, Chief Minister of Goa, after an illness borne with fortitude and dignity. An epitome of integrity and dedication in public life, his service to the people of Goa and of India will not be forgotten #PresidentKovind"

Parrikar had been ailing for long. His condition had deteriorated sharply on Saturday, after which the Goa BJP had held an "emergency meeting" and acknowledged, for the first time that the "chances of his getting better are slim". They had discussed the "strategy" for the future, senior party leader Michael Lobo had said: "He is quite unwell, very... it's almost... If something happens [to Parrikar] the new CM will be from BJP."

At 7 pm on Sunday evening, an hour before the President's tweet, the official handle of the Goa Chief Minister's Office had posted on Twitter: "Chief Minister @manoharparrikar's health condition is extremely critical. Doctors are trying their best." Relatives of the Chief Minister, senior government officials, and political leaders had started to arrive at his residence in Dona Paula in Panaji.

A couple of hours before the announcement of Parrikar's death, the Goa Congress had reiterated at a press conference that it has the numbers to form the government in the state, and accused Governor Mridula Sinha of behaving like "a BJP office bearer". The Congress had urged Sinha to officially declare the state of Chief Minister Manohar Parrikar's health to the people of Goa.

At Sunday's press conference, Goa Congress chief Girish Chodonkar said: "From the day of elections till date we are the single largest party. We have never been allowed to prove our majority. We have many options. The formation of government is never about a race to Raj Bhavan. Then too we had given a letter on the same day and the Governor never even had the courtesy to acknowledge it. This is because she believes she is still an office bearer of the BJP. Our immediate aim is to bring the Governor to her senses."

Meanwhile, former CM and Congress MLA Digambar Kamat denied reports that he was joining the BJP.

"Since the morning I am being chased. Till today I have not met anybody," Kamat told *Indian Express*. "Today also, I have finished my work in Delhi. I have not met anyone neither in the BJP or in the Congress. But I am with the Congress and I will be attending the CLP (meeting)."

RBI guv to hold pre-policy meet with trade bodies, rating agencies on March 26

PRESS TRUST OF INDIA
New Delhi, March 17

RESERVE BANK OF India (RBI) governor Shaktikanta Das will hold discussions on March 26 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 April 4, is aimed at broadening the consultation process, they added.

The bi-monthly policy, to be finalised by the six-member Monetary Policy Committee (MPC), assumes significance as it would be announced just a week before the commencement of the seven phase general elections beginning April 11.

"The pre-policy consultation meeting" with the governor will take place in Mumbai on March 26, the sources said. Besides trade bodies, including industry chambers and rating agencies, the governor has also called representatives of the All India Bank Depositors' Association.

Das has been meeting industry chambers, non-banking financial companies, bankers, government representatives and rating agencies to elicit their views on different aspects of the economy and the measures they expect from the central bank.

Soon after taking charge as the 25th governor of the RBI in December 2018, he had promised to take all stakeholders, including the government, along on key policy issues to maintain growth while keeping inflation under check.

While the RBI cut the interest rate in its February monetary policy after a gap of 18 months, industry has started clamouring for another rate cut as retail inflation is below the RBI's benchmark of 4% and need for boosting growth is pressing. There have also been complaints that banks do not pass on the entire benefit of policy rate cut to borrowers.

Last month, the governor had held meeting with top officials of public and private sector banks to discuss rate transmission and persuade them to pass on the benefit of lower interest rates to the consumers.

FINANCIAL EXPRESS
Read to Lead

THE FIXED ASSETS THAT ENSURE BUSINESSES KEEP MOVING FORWARD.

FINANCIAL EXPRESS PRESENTS
FE CFO OF THE YEAR AWARDS, 2019.

FE CFO awards

Chief Guest

Deepak Parekh
Chairman, HDFC

Celebrating the heavyweights of the financial world. The individuals with the vision to propel the organization to greater heights. Working steadfastly, they maintain a strong command over business by ensuring that the financial performance stays at its peak. Here's to honouring the finest CFOs in India Inc.

Entry by invitation only

26 MARCH 2019 | 06:00 PM | Mumbai

Associate Partners: Hiranandani; New India Assurance; MIDC
Auto Partner: Volkswagen
Knowledge Partner: Deloitte.
Television Partner: BTVI Business Television India

BSNL to approach NCLT against RCom this week to recover ₹700 crore

PRESS TRUST OF INDIA
New Delhi, March 17

STATE-OWNED TELECOM FIRM BSNL will approach National Company Law Tribunal this week to recover dues of about ₹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 SBI to release ₹260 crore directly to Ericsson. However, the lenders 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 ₹100 crore submitted by RCom for default on payments. Decision was taken on January 4 by BSNL CMD Anupam Shrivastava to start legal proceedings against RCom for recovery of dues of around ₹700 crore," the sources said. BSNL has roped 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 ₹453 crore out of ₹550 crore to Ericsson under a settlement reached between the two firms before NCLAT. The Supreme Court has given time till March 19 to RCom Group to make payment to Ericsson, failing which its chairman Anil Ambani will have to serve three month jail term.

RCom has already paid ₹118 crore to Ericsson. It approached the NCLAT to direct SBI to release ₹260 crore, which the company has received as income tax refund in trust and retentionship account held at the bank as it will help 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 March 19. The tribunal will hear the case of April 8.

FPIs net buyers in March first half; pump in ₹20,400 cr

PRESS TRUST OF INDIA
New Delhi, March 17

OVERSEAS INVESTORS POURED in ₹20,400 crore in the domestic capital market in the first half of March, mainly driven by positive global cues.

The expectation of a positive outcome from the US-China trade agreement along with US Fed's decision to put rate hike on hold, have worked in favour of entire emerging market segment, analysts said. In February as well, foreign portfolio investors (FPIs) were net buyers as they had invested a net amount of ₹11,182 crore in the capital markets both in equity as well as debt segment.

As per the latest data available with depositories, net inflow in the equities stood at ₹17,919 crore, while the debt market saw an infusion of ₹2,499 crore on a net basis, during March 1-15, period. Together, it translates into a net investment of ₹20,418 crore in the country's capital markets for the period under review.

FII inflows, Fed decision to guide stock movement this week, say experts

PRESS TRUST OF INDIA
New Delhi, March 17

IN THE ABSENCE of any immediate key domestic triggers, the equity market is expected to be guided by Fed interest rate decision, foreign fund inflows and crude oil prices in this holiday-shortened week, according to analysts.

Stock markets will remain closed on Thursday for Holi.

"Minor profit-booking is expected given sharp run-up in domestic markets and global factors. However, downside will be capped as emerging markets like India is likely to benefit from strong liquidity and reversal in FII flows. For the week ahead, FED interest rate decision is the key event," said Vinod Nair, head of research, Geojit Financial Services.

Besides, movement of foreign funds, rupee and oil would continue to play their part in market trend, the analysts added.

During the past week, the Sensex surged 1,352.89 points, or 3.68%, to close at 38,024.32 on Friday.

"On the international front one can keep an eye on Fed's interest rate decision on Wednesday. Overhang on Brexit issue and OPEC's supply cut are likely to hit the domestic market in specific segment," said Debabrata Bhattacharjee, Head of Research, CapitalAim. "During past fortnight, Indian markets have enjoyed one of the best stretches in the recent memory. FII inflows have crossed ₹30,000 crore in Feb-March'19 till date resulting in a flood of inflows after 2018 drought."

"Most heartening aspect of the current rally is it is quite broad-based across the sectors. As border tensions appearing to have cooled-off, and global central bankers turned pro-liquidity, Indian markets are in risk-on mood," said Jagannadham Thunuguntla, senior VP and head of research (wealth), Centrum Broking.

CAIT urges govt to probe Chinese goods import via hawala route

PRESS TRUST OF INDIA
New Delhi, March 17

CONFEDERATION OF ALL India Traders (CAIT) 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". "Who are these hawala operators who facilitate transfer of money from our country to China. Are exports to China being under invoiced and difference settled through hawala transactions or there is some other mode through which this money is going. This needs to be checked at the highest level in the interest of security of our country," it said.

"There is no doubt that someone is funding this terrorist activities. It is necessary to understand whether this funding can be linked to under invoicing of import from China. In this way, China is helping fund terrorist," it added.