MARKET WATCH

	30-07-2019	% CHANGE
Sensex	37,397	-0.77
US Dollar	68.85	-0.14
Gold	35,880	0.45
Brent oil	64.14	1.40

NIFTY 50

	PRICE	CHANGE
Adani Ports	373.45	-0.40
Asian Paints	1508.75	-4.50
Axis Bank	707.60	-12.65
Bajaj Auto	2463.85	-23.80
Bajaj Finserv	7078.05	-42.80
Bajaj Finance	3249.95	-2.70
Bharti Airtel	345.75	11.20
BPCL	335.50	-6.70
Britannia Ind	2617.05	-55.25
Cipla	520.00	-2.25
Coal India	199.55	-5.85
Dr. Reddys Lab	2560.00	-93.95
Eicher Motors	16163.55	-224.55
GAIL (India)	129.15	-2.25
Grasim Ind	762.55	-33.10
HCL Tech	1023.60	8.15
HDFC	2127.25	-21.75
HDFC Bank	2252.25	7.95
Hero MotoCorp	2258.80	-145.75
Hindalco	190.10	-3.15
Hind Unilever	1719.90	6.60
Indiabulls HFL	523.90	-35.80
ICICI Bank	425.35	-4.00
IndusInd Bank	1337.30	-95.00
Bharti Infratel	249.55	-6.95
Infosys	792.70	1.25
Indian OilCorp	133.50	-4.75
ITC	268.90	1.15
JSW Steel	230.25	-11.15
Kotak Bank	1498.70	-3.80
L&T	1376.35	4.85
M&M	548.75	-4.40
Maruti Suzuki	5507.15	-54.10
NTPC	127.20	-0.10
ONGC	138.75	-1.60
PowerGrid Corp	208.25	0.35
Reliance Ind	1180.90	-30.05
State Bank	327.55	-16.25
Sun Pharma	410.35	-20.70
Tata Motors	133.45	-4.10
Tata Steel	415.05	-18.40
TCS	2179.15	49.15
Tech Mahindra	640.25	-6.05
Titan	1079.20	0.30
UltraTech Cement	4317.55	-51.40
UPL	573.70	-10.85
Vedanta	150.60	-5.05
Wipro	262.30	-0.10
YES Bank	86.05	-8.70
Zee Entertainment	381.10	-6.05

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on July 30

CURRENCY	TT BUY	TT SELL
US Dollar	68.66	68.98
Euro	76.57	76.93
British Pound	83.58	83.98
Japanese Yen (100)	63.26	63.58
Chinese Yuan	9.98	10.02
Swiss Franc	69.39	69.71
Singapore Dollar	50.10	50.34
Canadian Dollar	52.12	52.37
Malaysian Ringitt	16.63	16.73

Source:Indian Bank

BULLION RATES CHENNAI

July 30 rates in rupees with previous rates in parentheses

Retail Silver (1g)	44.7	(44.5)
22 ct gold (1 g)	3333	(3324)

'Evidence led to action on Coffee Day shares'

Siddhartha admitted to ₹362 cr. unaccounted income: I-T

SPECIAL CORRESPONDENT
BENGALURU

Justifying the provisional attachment of shares of Coffee Day Enterprises Ltd. (CDEL), the Income Tax Department, which has been accused of "harassment" by promoter V.G. Siddhartha, has said that such a step was taken to protect the interests of revenue (to the government), and done based on credible evidence and under the provisions of Income Tax Act.

According to the I-T Department, the provisional attachment procedure was taken up when newspapers reported a possible sale of equity share in Mindtree Ltd. to a tune of 21% held by Mr. Siddhartha and CDEL.

As required under the provisions, no application was filed by the assessees concerned before transferring the assets when the Income Tax proceedings were pending.

As many as 74.90 lakh shares out of 2.29 crore shares held by Mr. Siddharatha and CDEL in Mindtree Ltd. were attached, which is "a normal requirement", the department said.

Harassment charge

In a typed letter dated July 27 – said to be signed by him – to the board of directors and Coffee Day family, Mr. Siddhartha, who is now missing, accused the former director general of Income Tax of "a lot of harassment" in the form of attaching shares on two separate occasions to block the Mindtree deal and then "taking position of Coffee Day shares although the revised returns have been filed." This, he pointed out, was "very unfair" and led to serious liquidity crunch.

The department said the action was based on credible evidence after search on a political leader. ▪BHAGYA PRAKASH K

The attachment arose after investigation of Mr. Siddhartha and Cafe Coffee Day – in 2017 – led to admission of unaccounted income of ₹362.11 crore by Mr. Siddhartha and ₹118.02 crore by CDEL, a release from the I-T Department on Tuesday said.

The search on Mr. Siddhartha was based on "credible evidence" gathered from the search of "a prominent political leader," the department's release said. However, it pointed out, when Mr. Siddhartha filed the return of income, he had disclosed a sum of around ₹35 crore.

Meanwhile, another group company, Coffee Day Global Ltd., had not paid self-assessment tax of ₹14.5 crore and CDEL too did not offer the admitted income on its part.

After the equity shares in Mindtree Ltd. were attached, Mr. Siddhartha, on February 13, 2019, offered the security of shares of CDEL and requested the release of Mindtree shares. "This was accepted with a specific condition that the sale proceeds will be utilised only for repayment of loans availed against the Mindtree shares while the remaining balance will be provided for attachment against the tax liability to arise." Alternatively, 46.01 lakh shares of Mr. Siddhartha and 2.04 crore shares of CDEL were attached on February 13 and February 14, 2019.

After the Mindtree shares were transferred to L&T Infotech Ltd. on April 28, 2019, for which he received around ₹3,200 crore, the department said that the assessee repaid a loan of around ₹3,000 crore, and ₹154 crore towards the expenses related to the transfer of shares.

The balance of ₹46 crore was paid towards the first instalment of advanced tax, estimated at around ₹300 crore in the case of CDEL.

"As against the balance of advanced tax liability of ₹250 crore and tax liability arising on search findings to a tune of approximately ₹400 crore, the provisional attachment made by the department is less than 40% of the likely tax liability," the department justified.

Company's board assures continuity

SPECIAL CORRESPONDENT
CHENNAI

The board of Coffee Day Enterprises Ltd. on Tuesday said that it was confident that the professional management of the company will ensure continuity of all business operations consistent with 'past behaviour'. It added that it was formulating appropriate steps to ensure business operations were unaffected.

Following an emergency meeting, a statement from the board said, "Our promoter and chairman and managing director has not been reachable since yesterday evening. We are shocked by this development and our thoughts and prayers are in support of his family and loved ones."

"The board is confident that the professional management of the company and each of the entities in the Coffee Day Group and their respective leadership teams, will ensure continuity of all business operations consistent with past behaviour. In the interim, the board is evaluating and assessing the situation, formulating appropriate steps to ensure business operations are unaffected, and has resolved to co-operate with authorities."

The statement added that "the board also reviewed a copy of the letter purportedly signed by Mr. Siddhartha dated July 27, 2019 and has shared a copy of the letter with relevant authorities. The board has also sought the assistance of local and State authorities and relevant officers of the company are cooperating with the authorities as requested. In this hour of need we are counting on the support and strength of all our stakeholders."

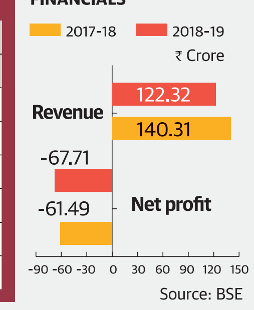
Rendezvous with entrepreneurship

From a management trainee in J.M. Financial to a coffee baron with interests straddling hospitality and IT, V. G. Siddhartha's rise was the stuff of an entrepreneur's dreams

COFFEE DAY ENTERPRISES SHAREHOLDING PATTERN, %

Promoters	53.93
Public	46.07
FPIs	5.57
Nandan Nilekani	2.69
KKR (Mauritius)	6.07
NLS (Mauritius)	10.61
Marina West (Singapore)	4.63
Marina Iii (Singapore)	1.04

COFFEE DAY ENTERPRISES' FINANCIALS



Source: BSE

1993 Coffee Day Global Ltd incorporated, to start café business

1995 Coffee Day retail stores launched

1996 CCD's first outlet in Bangalore opens

2000 Launch of Way2Wealth, offering financial advisory services after acquiring Sivan Securities; Coffee Day invests ₹44 crore for a 6.6% stake in Mindtree

2006 Hospitality firm The Serai launched. Venture runs 3 resorts in Karnataka

2010 PE firm Kohlberg Kravis Roberts, Standard Chartered and NLS invest in Coffee Day Enterprises

2011 Coffee Day picks up another 7.62% in Mindtree

2012 Sequoia exits Siddhartha's Amalgamated Bean Coffee Trading Ltd and takes additional 6.84% stake in Mindtree

2015 CDEPL goes public with listing at $1 bn valuation

2019: Jan Tax Dept attaches Mindtree shares owned by Siddhartha and Coffee Day Enterprises

March L&T signs deal with Siddhartha to buy 20.4% stake in Mindtree for about ₹3,300 crore

June Soft drinks major Coca-Cola begins talks to acquire stake in the coffee chain

Do Siddhartha's assets far outweigh his total debt?

'Cafe business brand can be valued at ₹7,000-8,000 crore'

SPECIAL CORRESPONDENT
BENGALURU

Coffee baron V.G. Siddartha had meticulously listed out all his assets before he went missing mysteriously on Monday.

In a letter he left behind, he says his realty venture Tanglin has 90 acres of land on Mysore Road and a potential ₹250 crore rental expected in the next 12 months.

Properties at Bangaluru and Mangaluru are valued at ₹3,600 crore and ₹4,000 crore, respectively.

Cafe chain Coffee Day Global Ltd. has 1,600 stores, 54,000 vending machines and over 500 express stores, with an expected revenue of ₹2,200 crore in March 2019. "The brand is valued at 3-4 times of its revenue with a potential of ₹7,000-8,000 crore range."

> **The company's annual report says its group debt as of March 31, 2019 was ₹5,049 crore**

Coffee Day exports about 20,000 tonnes of beans. "We are already talking with international players like Coke & ITC for partnership in the business. CCD has got a good procurement network to get 25,000-30,000 tonnes of coffee in local market. New roasting facility which has just started can roast around 15,000 tonnes of coffee and this can act as a great backend business in procuring & roasting with lot of international brands instead of exporting green coffee," he wrote.

He refers to his plantations business worth over ₹2,000 crore, holdings in logistics venture Sical at about ₹1,000 crore, wealth management firm Way2Wealth valued at about ₹400 crore and hospitality brand Serai which should work out to ₹300 crore.

The company's annual report says its group debt as of March 31, 2019 was ₹5,049 crore.

A cold brew on the bourses

Coffee Day has posted losses since IPO

ASHISH RUKHAIYAR
MUMBAI

Shares of Coffee Day Enterprises have been a laggard on the bourses, with current valuation at half of what it was in January 2018, when the share touched its all-time high.

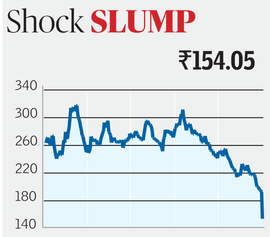
Further, a significant portion of the promoter holding is pledged and the company has been reporting losses in every fiscal since listing in November 2015.

On Tuesday, shares of Coffee Day Enterprises, which manages the Cafe Coffee Day chain of cafes in nearly 250 cities, were locked at their lower circuit of 20% to close at ₹154.05, which was also the all-time low for the stock.

At ₹3,254.33 crore, the current market capitalisation of the company is over 57% lower than its peak valuation of ₹7,609 crore in January 2018 when the shares had touched a record high of ₹360.

"Share price in today's market is irrelevant because there are too many moving parts in this puzzle," said Arun Kejriwal of Kejriwal Research and Investment Services.

Shock SLUMP



"The apparent debt figure does not add up. The letter purported to be written on July 27 does not make sense as the source of the letter is not yet disclosed. To make matters worse, the company, its secretary and compliance officer along with its board of directors seem to be playing hide-and-seek with the issue on hand," he added.

As of June 30, nearly 76% of the promoter stake was pledged as per data available on the BSE website.

The financials of the company also present a lacklustre picture.

For the quarter ended March 31, the company reported a net loss of ₹22.28 crore, higher than the corresponding quarter's loss of ₹16.52 crore.

'It is not easy to do business in India'

Too many government bodies complicate company operations, increase costs, say entrepreneurs

ASHISH RUKHAIYAR
MANOJIT SAHA
MUMBAI

The case of V.G. Siddhartha might not be an isolated one, say entrepreneurs who believe that the presence of multiple stakeholders puts a lot of pressure on the businesses and the founders.

Entrepreneurs, who have dealt with multiple government agencies, also feel that there are too many government bodies that play an active role in the journey of a company and, more often than not, it only complicates the operations of the company while increasing the compliance costs manifold.

"It is not so difficult to relate to [Mr.] Siddhartha. An entrepreneur has to handle various kinds of pressures from multiple stakeholders," said Manish Kumar, co-founder, GREX, a fund-raising platform for start-ups.

"Any company can quickly spiral out of smooth operations if there is no quick convergence of plans and resolutions between various stakeholders and things may never return to normal once they go out of hand. Apart from investors, customers, employees and partners, the government is one big, multi-party stakeholder as well.

Broken dreams: In a letter purportedly written by Siddhartha, he alleged pressure from a private equity entity. ▪GETTY

There are various departments or wings of the government and they do not talk to each other and this complicates matters," added Mr. Kumar.

In the letter purportedly written by Mr. Siddhartha, he has alleged that he was under pressure from a private equity entity and also from the income tax department.

No animosity

However, some private equity players who had dealt with Mr. Siddhartha were quick to clarify that there was no animosity between them and the founder of the coffee chain, who had gone missing.

"We have seen the statement that Coffee Day Enterprises has made to the stock exchanges... We believe in V.G. Siddhartha and had invested in the company about 9 years ago.

" We sold approximately 4.25% (of our total holding of approximately 10.3% in the company) in February, 2018 on the stock exchange and have not sold any shares before or after," said a KKR spokesperson.

> **The problems are many and boil down to increasing unpredictability in the ecosystem for doing business**
> ANIL BHARDWAJ
> Secretary General, FISME

In a similar context, Standard Chartered Private Equity said, "We backed V.G. Siddhartha in early 2010 and have had a great relationship with him throughout.

"We sold approximately 1% equity on the exchange in April 2018. Since then, we haven't sold anything and currently own approximately 5.7% in CDEL."

Experts, who deal with both businesses and the government, say that it is indeed a cumbersome process to deal with the various compliance requirements laid down by the government.

"The problems are many and they all boil down to increasing unpredictability in the ecosystem for doing business," said Anil Bhardwaj, Secretary General, Federation of Indian Micro and Small & Medium Enterprises (FISME).

"Too many compliances mean too many opportunities for harassment and extracting money from SMEs by authorities as they cannot hire a team of lawyers and consultants.

"The government must make the Companies Act simple for small businesses so that it is affordable to comply. There is a need to make distinctions between a 'limited but not listed' company and a 'limited as well as listed' company.

"The regulatory compliance for the former has to be eased substantially," added Mr. Bhardwaj.

If this can happen to Mr. Siddhartha, who was from a well-connected family setup, think of common entrepreneurs like us, said Mr. Kumar.

Standard loans

Meanwhile, RBL Bank has clarified that it has exposures to certain operating entities of the Coffee Day group.

"The credit facilities, that are largely working capital in nature, are secured by primary securities, as well as some collaterals of land and marketable securities.

"All the loan accounts are standard and performing," said a statement from the bank.

'Mindtree deal sealed over a cup of coffee'

PIYUSH PANDEY
MUMBAI

"A lot can happen over coffee," is the tagline of Cafe Coffee Day and its promoter V.G. Siddhartha, who entered into a ₹3,269-crore deal with Larsen and Toubro over a cup of coffee with its MD and CEO S. N. Subrahmanyan to sell 20.4% stake. Mr. Siddhartha, who met Mr. Subrahmanyan through a mutual friend, offered his 20.4% stake in Mindtree to L&T.

"I didn't show much interest then; we had good coffee, I took him around the campus and he went away. But he kept meeting me. It was the fourth or fifth time, when I asked him 'Sir, why are you asking us to do this? We have not shown any interest. Of course, we want to grow our services portfolio so it looks interesting but I don't know," Mr. Subrahmanyan had told *The Hindu* in a recent interview.

Mr. Siddhartha told him, "I invested in this firm 19 years ago, I have been part of its growth; I want to sell my holding. I am not asking you for a big price, [but for] the correct price. I am not going to bargain with you."

His cup brimmed with coffee, shares, hospitality ventures, real estate et al

Siddhartha is regarded as a pioneer in ushering in cafe culture in India with his venture Cafe Coffee Day; today it has more than 1,700 outlets

MINI TEJASWI
BENGALURU

Coffee baron V. G. Siddhartha, who hails from Chikmagaluru district of Karnataka, is one of the country's largest coffee growers, traders and exporters of the commodity.

He owns about 20,000 acres of coffee plantations in Chikmagaluru and Hassan districts and grows over 35,000 tonnes of coffee a year. He is also regarded as a pioneer in the country's coffee retailing. He forayed into cafe business with Cafe Coffee Day in 1996, pegging it as a hangout for youth, entrepreneurs and families. It currently has more than 1,700 outlets.

Cafe culture

"It is Cafe Coffee Day that brought in cafe culture in the country. Until then, coffee was considered a southern beverage," said Harish Bijoor, a domain expert and CEO of Harish Bijoor Consults.

As a 20-something, Mr. Siddhartha joined J. M. Financial Limited in Mumbai as a management trainee specialising in portfolio management and securities trading in the Indian stock market in 1983.

Post that, he returned to Bengaluru and took over Sivan Securities, which was renamed in 2000 as Way2wealth Securities. His venture capital arm Global Technology Ventures (GTV) became a successful investment firm and he had investments in a series of start-ups and other businesses.

> **He had investments in a series of start-ups and other businesses**

In March, Mr. Siddhartha sold 20.4% stake in mid-tier tech firm Mindtree to L&T, which eventually led to a hostile acquisition by the engineering giant. It was in 2000 that he made the investment in the start-up through Coffee Day Enterprises. Most recently, he was in the news again in connection with CCD's talks with carbonated drink major Coca Cola for a possible sell out.

He rapidly expanded his businesses and diversified into logistics, furniture-making, hospitality and real estate, apart from his mainstay business of coffee bean trading and exporting and the newly-entered coffee retail business.

The company's prospects were quite bullish until 2014 with plans to open over 2000 cafes to give a run to its arch rival Starbucks. However, things did not pan out as per expectations. Both debts and borrowings had increased. I-T sleuths also took action against him in respect of certain matters.

As per the company's unaudited results for fiscal 2018-19, CCD had total borrowings of ₹6,547.38 crore as of March 2019, an increase of 64% over the previous year.

As per annual report, it had a gross debt of ₹5,049 crore during 2017-2018. The company is yet to release the audited revenue number for 2018-19.

It was Ashok Soota, an old Wipro loyalist, who roped in Mr. Siddhartha into Mindtree venture in 1999. To start with, Mr. Siddhartha invested ₹44 crore to buy a 6.6% stake in Mindtree and by 2012, he had invested ₹171 crore to buy 20.43% shares.

With 1,752 cafes across India as of March 2019, Café Coffee Day clocked a revenue of ₹1,777 crore and ₹1,814 crore in FY18 and 2019 respectively and is eyeing ₹2,250 crore by March 2020.

IN BRIEF

AI Express net profit at ₹169 crore for FY19

NEW DELHI

Air India's low-cost international arm, Air India Express, on Tuesday reported a net profit for the fourth consecutive year at ₹169 crore for the fiscal 2018-2019. In a year of adverse market conditions and rise in fuel prices, the airline witnessed a a 16.07% increase in its revenue to ₹4,202 crore compared with ₹3,620 crore in the previous fiscal.

Chola Investment Q1 net profit rises 10%

CHENNAI

Cholamandalam Investment and Finance Co. Ltd. (CIFCL), a Murugappa Group company, has reported a 10% growth in its standalone net profit for the first quarter ended June 2019 to ₹314 crore compared with the corresponding year-earlier period, despite tight market conditions. Total income rose to ₹2,030 crore, up 26%, while total disbursements increased by 22% to ₹8,572 crore. Net interest margin grew 16% to ₹943 crore.

Granules India Q1 profit zooms 61%

HYDERABAD

Drugmaker Granules India has posted a ₹83-crore consolidated net profit for the quarter ended June, a 61% increase from the year earlier period. The company has declared an interim dividend of 25 paise per share (face value of ₹1 each). Sustained growth in high volume based molecules business and an unwavering focus on the U.S. market enabled to achieve the growth, CMD Krishna Prasad Chigurupati said on Tuesday.

Axis Bank Q1 net jumps 95%

Lender attributes increase in profit to sharp rise in trading income

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender Axis Bank reported a 95% increase in its net profit to ₹1,370 crore for the April-June quarter mainly due to sharp rise in trading income.

The trading profits for the first quarter stood at ₹832 crore as compared to ₹103 crore in the same period of the previous year.

Trading profit helped non-interest income to grow 32% on year to ₹3,869 crore, while fee income grew 26% to ₹2,663 crore.

The bank's net interest income (NII) grew 13% on year to ₹5,844 crore while net interest margin was at 3.40%.

Asset quality was maintained with gross NPA and net NPA ratio were at 5.25% and 2.04% as on end June, as against 5.26% and 2.06% as on March 31, 2019.

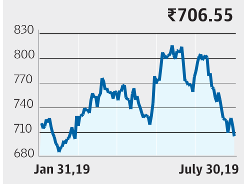
Slippages were higher at ₹4,798 crore during the quarter as compared to ₹3,012 crore in the previous quarter and ₹4,337 crore in the year ago period. The NPA ratios fell for the fifth straight quarter, the bank said. "During quarter one, our operating performance was strong, our growth metrics were healthy, asset quality metrics continue to improve and we have further strengthened our balance sheet by improving provision coverage," Amitabh Chaudhry, MD & CEO, Axis Bank, said in the post-earnings conference call.

Provision coverage, as a proportion of gross NPAs including prudential write-offs, stood at 78%, up from 77% in Q4FY19.

The bank has made an additional provision of ₹2,358 crore towards various risk contingencies, over and above the regular provisioning requirement, which is not counted towards provision coverage ratio calculations.

"We have also laid out a goal to reduce cost-to-asset ratio to 2% in the course of 2022 and this quarter, an important step forward. Our cost to asset fell to 2.08% during the quarter," Mr. Chaudhry said.

Strong show



In Q1, our operating performance was strong, asset quality metrics continue to improve and we have strengthened our balance sheet by improving provision coverage

AMITABH CHAUDHRY, MD & CEO, AXIS BANK

Metrics	Q1 FY20	Q1 FY19	Growth (%)
Net interest income (₹cr.)	5,844.0	5,172.0	13.0
Net profit (₹cr.)	1,370.0	701.0	95.0
Earnings per share (₹)	5.3	2.7	
Gross NPA (%)	5.2	5.2	

'Have given info on related party issues to authorities'

IndiGo's Gangwal says Bhatia hiding behind 'veil of sources'

LALATENDU MISHRA
MUMBAI

Rakesh Gangwal, co-founder and shareholder in InterGlobe Aviation Ltd., which owns and operates IndiGo, has lashed out at Rahul Bhatia, the other promoter, and his IGE Group, urging him not to 'plant' stories in the media under the garb of sources.

Mr. Gangwal who stays in the U.S., said in a statement: "Many misleading news articles keep getting planted from so-called sources and I largely ignore most of them. However, a news article published on July 29, 2019 caught my attention, where the reporting went on to say: The IGE Group has also said there is not a shred of evidence to substantiate allegations on related-party transactions between the airline and IGE because there are no whistleblowers as claimed by Gangwal. The person added that regulators had been seeking similar information for the past 10 days and none has been forthcoming."

Rakesh Gangwal

Mr. Gangwal added, "To address this canard, please note that that I have provided this information to the relevant authorities. I wish people had the conviction to be quoted and not hide behind the veil of so called unnamed 'sources' to spread a false narrative in the media."

A text message to a senior executive of InterGlobe Enterprises remained unanswered till the time of going to press. A person close to Mr. Gangwal said "a lot of people are mounting a misinformation and character assassination campaign to demean Mr. Gangwal in the eyes of the public."

United Bank reports ₹104.9 crore Q1 profit

Says it will come out of PCA by Sept.

SPECIAL CORRESPONDENT
KOLKATA

Kolkata-based United Bank of India (UBI) closed the first quarter of fiscal 2020 with a ₹104.9 crore net profit as against ₹388.7 crore loss a year ago. Total business grew by around 3% during this period.

"The worst is behind us and we will come out of the RBI's prompt and corrective action (PCA) framework by the second quarter," UBI managing director and chief executive officer Ashok Kumar Pradhan said at a press meet.

He attributed the improved performance to a 2.8% increase in net interest margin and an improvement in cost-to-income ration at 49.7%, among other parameters.

During this quarter, UBI's provisions for non-performing assets stood at ₹414.6 crore against ₹697.8 crore a year ago. "Stressed assets position has shown continuous improvement with a decline in the GNPA and NNPA ratio," the bank said in a release.

Mr. Pradhan said that a recovery target of ₹4,000 crore had been set for this fiscal, of which ₹820 crore had been achieved.

He also said that the bank would take a call on deposit rate (reduction) at an appropriate time, but added that rate transmission may not happen automatically due to 'a number of constraints'.

DHFL defaults on ₹25 cr. NCD interest due

PRESS TRUST OF INDIA
MUMBAI

Mortgage lender DHFL has again defaulted on an interest repayment worth ₹25.06 crore on non-convertible debentures (NCDs).

A total of six investors are impacted due to the default, which happened on Monday, the company informed the exchanges on Tuesday.

The gross principal amount on which the default has taken place is ₹274 crore, it added. This is the fourth default by the company since early June.

The secured NCDs carry a coupon of 9.32% and were issued for five years. The date of issue of the NCDs was not disclosed.

End-use norms for external commercial borrowings eased

Relaxation for working capital, general corporate purposes

SPECIAL CORRESPONDENT
MUMBAI

The RBI has decided to relax norms for end-use of funds raised via the external commercial borrowing (ECB) route by companies and non-banking finance companies, following feedback from various stakeholders.

The central bank said the relaxation was for working capital requirements, general corporate purposes and repayment of rupee loans.

Eligible borrowers will now be allowed to raise ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes.

"Borrowing for on-lending by NBFCs for the above maturity and end-uses is also permitted," RBI said.

RBI also said that ECBs with a minimum average maturity period of seven years can be availed by eligible borrowers for repayment of rupee loans, availed domestically for capital expenditure, as also by NBFCs for on-lending for the same purpose.

For repayment of rupee loans availed domestically for purposes other than capital expenditure and for on-lending by NBFCs, the minimum average maturity period of the ECB is required to be 10 years.

RBI has also decided to allow corporate borrowers to raise ECBs for repayment of rupee loans availed domestically for capex in manufacturing and infrastructure, if classified as SMA-2 (special mention account) or NPA, under any one-time settlement (OTS) with lenders.

Hexaware's Nishar unveils start-up 'Azent'

PIYUSH PANDEY
MUMBAI

Hexaware founder Atul Nishar has launched an education technology start-up Azent Overseas Education Limited with daughter Priyanka Nishar, aimed at disrupting overseas education advisory industry with the use of innovative technology.

Mr. Nishar plans to invest ₹250 crore in his new venture.

Mr. Nishar's first venture was the educational institution Aptech, which he exited in 2003.

When asked for comments, Mr. Nishar told *The Hindu*, I am combining both, my experiences of education and technology in Azent."