

US, China Agree to Restart Trade Talks Next Month

AROUND THE WORLD >>> 17

India Readies List of Items as RCEP Meet Nears

ECONOMY: MACRO, MICRO & MORE >>> 13

Smith Hits 3rd Double Century Vs England

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Why India's moon landing matters

Small traders embrace system trading

Don't blame dams alone for Kerala floods

Indian IT crowd sources ideas from workforce

BRANDS & COMPANIES >>> 15

Chandrayaan-2's Date With History

India's second unmanned mission to moon, Chandrayaan-2, is nearing its final destination and is set to land on the lunar surface early Saturday morning. Landing softly on the moon is a complex task. Hari Pulakkat gives a snapshot of what to expect in the final moments. >>> 6

TAX TECHNOLOGY SUMMIT

SEE FULL COVERAGE INSIDE

Advent, Birlas to Pump ₹1kcr Each into Aditya Birla Capital

PremjiInvest to put in ₹100 cr; fundraise to help refinance debt, provide growth equity

Capital Gains

Who Invests How Much

Advent	Grasim Industries	Other Birla promoter entities
₹1,000 crore	₹770 crore	₹230 crore

PremjiInvest: ₹100 crore

ABCL Shareholding After Transaction

Promoter and promoter group entities: 70.54%

Advent: 4.15%; PE to become largest non-promoter shareholder

PremjiInvest: 4.11%

Advent International

Investing in India since 2007; opened Mumbai office in 2009

Deployed \$1 b in India across sectors

Invested more than \$9 b in over 75 cos in BFSI sector worldwide in past 28 years

Our Bureau

Mumbai: Two years after its listing, Aditya Birla Capital Limited (ABCL) raised ₹1,000 crore from private equity fund Advent International as part of a larger ₹2,100 crore capitalisation exercise that will also see an equal contribution from promoter entities. Existing investor PremjiInvest will put in ₹100 crore.

The board approved the fundraise through a preferential allotment at ₹100 per share at a 10.62% premium to ABCL's closing price of ₹90.40 on September 4, the company said in a statement. ET was the first to report on September 4 that Advent was in advanced negotiations with Kumar Mangalam Birla to invest in his listed financial services holding company for a minority stake.

Advent International will invest

₹1,000 crore via its affiliate Jomei Investment and PremjiInvest's ₹100 crore will come in through affiliate PI Opportunities Fund.

Additionally, Grasim Industries will invest ₹770 crore along with other Birla promoter entities who will, all told, contribute another ₹230 crore to ABCL as "confidence capital".

After the transaction, the promoter and promoter group entities will hold about 70.54% of ABCL.

Upon completion of the transaction, Advent, a US-based buyout fund with over \$36 billion AUM, will own about 4.15% of ABCL's equity, making it the largest non-promoter shareholder.

Focus Area for Advent >>> 12

Indians Lead the World as FB Big Bug Hunters

Indian experts receive the biggest bounty in Facebook reward scheme for reporting breaches

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New Delhi: The country that hosts Facebook's largest user base, India, is also the country whose cybersecurity researchers receive the biggest quantum of payouts from the social media behemoth for discovering data breaches and vulnerabilities.

As per Facebook, in 2018, the company awarded over \$1.1 million to security researchers from more than 100 countries, bringing the total payout till date to over \$7.5 million. The payout programme, known as a bug bounty scheme, was started by Facebook in 2011. The top three countries based on the sum of payouts were India, the US and Croatia.

It was an Indian security expert who played a crucial role in the latest incident of a data breach at the social media company though he didn't report his discovery under the bug bounty programme.

American online publisher Tech Crunch reported on Wednesday the discovery of hundreds of millions of phone numbers linked to Facebook accounts through an exposed server that contained more than 419 million records over several databases on users across markets. Tech Crunch was tipped off by Sanyam Jain, an Indian security researcher from Udaipur and a member of the Hague-based non-profit, GDI Foundation.

Dan Gurfinkel, the security engineering manager for Facebook, said since the company started its bug bounty programme — where

Face-savers

Last month, Indian security researcher Lakshmiyiah from Chennai received **\$30,000** from Facebook for showing how multiple Instagram accounts could be hacked

Another Indian, **Sanyam Jain from Udaipur**, discovered the latest data risk associated with Facebook accounts

In 2018, FB awarded over **\$1.1 million** to researchers from more than 100 countries, bringing its total payout till date to over **\$7.5 million**

Top three countries based on payouts under FB's bug bounty programme last year were **India, US and Croatia**



It collaborates with security researchers from around the world — India has been among the top contributing countries based on the bounty payouts and quality of bug reports. "We greatly value our bug bounty community from India that continuously engages with us to help keep people using our platforms safe," he added.

Gautam Kumawat, who trains state police departments on social media and cybercrime and has been an awardee in Facebook's programme, said the bug bounty community from India has grown in keeping with the popularity of the platform here.

Vulnerable Data Set Old: FB >>> 11

KKR Buys EuroKids from Gaja Capital

KKR has acquired majority stake in EuroKids from the existing investor consortium led by Gaja Capital for an undisclosed sum. ET was the first to report about the likely deal. >>> 14

NCLT OKs JSW Bid for Bhushan Power

The National Company Law Tribunal has approved JSW Steel's ₹19,700-crore bid for debt-ridden steelmaker Bhushan Power and Steel Ltd, reports Karunjit Singh >>> 5

RATES MAY RISE IN SHORT TERM OR STAY WHERE THEY ARE: EXPERTS

External Benchmarks may not Bring Down Loan Rates

NPA-laden banks may increase spreads over benchmark rates to protect profitability

Joel Rebelló & Saikat Das

Mumbai: Home, auto and personal loan rates may not fall sharply as expected after the RBI's directive on Wednesday as bad-debt-laden banks strive to protect profitability with higher spreads over benchmark rates.

Banking experts and analysts cautioned about pressure on banks' net interest margin after the RBI ordered lenders to ditch

Banks may Plan to...

Increase spreads over benchmark rates (Spreads may be up to 500 bps)

Raise administrative fees

Why?

To protect margins, since deposit rates are not linked to market

Banks fear migration of deposits to small savings schemes if their lower rates

Volatility for Borrowers

With RBI asking for rates to be reset every 3 months, there could be fluctuations in EMIs, leading to uncertainty for borrowers

Banks may begin to charge a higher risk premium to cover the cost of deposits, which do not move in tandem with any of the RBI-suggested external benchmark interest rates — such as repo rate or treasury bills.

Implications for Bank Margins >>> 12

Gadkari: Will Urge FM to Cut GST on Vehicles

Auto stocks gain after transport minister assures all possible support amid slump

Our Bureau

New Delhi: Road transport minister Nitin Gadkari said he would urge finance minister Nirmala Sitharaman to cut goods and services tax (GST) rates on automobiles temporarily in order to help revive the industry following a sustained clamour from companies for such a reduction.

"I will request the FM to look at a temporary reduction of GST. The sector needs support, which will help in improving sales," Gadkari said at 59th convention of Society of Indian Automobile Manufacturers (SIAM). "It is your demand that there should be reduction in tax of petrol and diesel vehicles. Your suggestions are good. I will take your mes-

age to the FM... The sector needs help right now to increase vehicle sales."

Carmakers sought greater reassurance on this front as well as clarity on a time frame as consumers may delay purchases on rate cut hopes.

'Govt Concerned Too' >>> 12

NHAI to Raise Over ₹85,000 Cr >>> 13

Auto Cos Bank on Bharat to Drive Sales

Carmakers are organising rural festivals and offering attractive financing schemes to boost sales, reports Sharmistha Mukherjee >>> 15



Social Media Cos may Get Relief on Content Monitoring

The Ministry of Electronics and Information Technology is considering dropping a contentious clause from the draft intermediary rules that required companies to develop automated tools to 'actively' monitor content on Twitter, WhatsApp, Facebook and other platforms, reports Anandita Singh Mankotia. "The final rules could ask social media platforms to develop mechanisms using AI to find out accounts transmitting illegal or inflammatory content which could pose threat to national security, and then take them down," a government official told ET >>> 15

Market Tracker

	LAST	% CHANGE
Nifty	10,847.90	0.03
Sensex	36,644.42	-0.22
Re/US \$	71.85	0.39
Gold Std*	38,500.00	0
Silver (₹/kg)	50,700.00	0
Brent (\$)	61.16	0.77

*₹/10gm

Compiled by ETG Database

PET Peeve: Beverages Fear Pain over Plastic Surgery

Companies seeking clarity on whether possible ban on single-use plastics will extend to PET bottles

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New Delhi: Beverage companies are worried about a possible ban on single-use plastic that could be imposed in a matter of weeks and are seeking

clarity on whether this will have any impact on the polyethylene terephthalate (PET) bottles that they use. Prime Minister Narendra Modi, who is leading efforts to scrap such plastics by 2022, is expected to announce the launch of a campaign on October

2, three officials said. In his Independence Day speech on August 15, Modi had urged Indians and government agencies to "take the first big step" on Gandhi Jayanti toward eliminating single-use plastic.

Bisleri International chairman Ra-

mesh Chauhan said existing laws only allow the use of PET and glass for packaging water.

"Almost all PET is recycled in India, so where is the problem? Instead, the authorities need to step up incentives for recycling," Chauhan said. Bisleri International, the country's largest packaged water maker, uses only PET bottles. "Where are the laws that we look for a substitute for PET bottles?" he asked.

For soft-drink makers Coca-Cola and PepsiCo, fast-moving pack sizes such as 250 ml, 400 ml and 600 ml PET bottles constitute about 50% of annual sales.

MESSAGE IN A BOTTLE

PM Modi may announce launch of campaign on Oct 2 to eliminate single-use plastic

Ban may include straws, small bottles, plastic bags, sachets

Status of PET bottles unclear

PRESSURE MOUNTING

Coke, Pepsi using less plastic, trying out hybrid packs

Switching to glass or cans entirely would involve steep costs

India recycles 90% PET waste — ahead of Japan, Europe, US

In the US, Coke & Pepsi selling water in cans

250ml, 400ml, 600ml bottles constitute about 50% of annual sales for soft drink cos

Illustration: ANIRBAN BORA

National Blueprint >>> 11

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