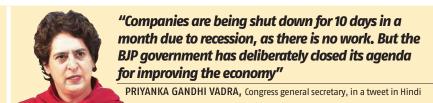


"The Opposition practices destructive politics on the Ayodhya issue. The centuries-old controversy on Ram temple must end now"

YOGI ADITYANATH, Uttar Pradesh chief minister





"We will continue to stand by our Kashmiri brethren, no matter what. The Pakistani nation and Pakistan Army will fight till the last drop of their blood"

PERVEZ MUSHARRAF, Former Pakistan president

MOST REGIONAL PARTIES GREW RICHER, SP TOPS THE LIST

In an analysis released on Monday, the Association for Democratic Reforms (ADR) has looked at assets and liabilities declared by 39 regional parties in 2016-17 and 41 regional parties in 2017-18. Total assets declared by the 39 parties were ₹1267.81 crore, which increased to ₹1,320 crore the next year.



Assets of top 10 parties

SAMAJWADI PARTY			571.72
SAMAJWADI PAKTI			583.29
O MK			183.36
			191.64
AIADMK			187.72
			189.54
TELUGU DESAM PARTY		114.0 131.	_
SHIV SENA	52.50 51.92		
TELANGANA RASHTRA SAMITI	14.49		■ FY17 ■ FY18
	29.04		(figures₹cr)
BIJU JANATA DAL	16.42		
	25.17		
RJD	19.93		
	21.06		
) DS	7.61		
	15.44		
DIDU	3.46		
	13.78		
	_	S	ource: ADR report

IN BRIEF

It's time to massively increase depositor insurance: Report

The Punjab & Maharashtra Cooperative Bank (PMC) scam points to the urgent need to massively increase the depositor insurance cover from the present ₹1 lakh, says a report. The Deposit Insurance & Credit Guarantee Corporation (DICGC) insures each depositor in a bank up to a maximum of ₹1 lakh for both principal and interest as on the date of liquidation/cancellation of the affected bank's licence or from the date of amalgamation/merger

Last month, the Reserve Bank had imposed a slew of restrictions on the urban cooperative bank PMC for six months, after finding serious irregularities, including hiding of bad loans to bankrupt real estate developer HDIL. The curbs included withdrawal limit at ₹1,000, which was later increased to ₹25,000 per depositor, ban on lending and accepting fresh deposits. The PMC crisis has brought to the fore the need to increase the deposit insurance coverage provided by the DICGC.

It can be noted that there has been repeated call from the industry to do away with the law protecting the depositors and the present government had tried twice in the past five years to whittle it down but abandoned the plan due to resistance from the Opposition benches.

'India's development cooperation based on freedom of choice'

tion with partner countries is based on equality, mutual respect for sovereignty as well as freedom of choice, and not on competition, conditionalities or prescriptions, External Affairs Minister S Jaishankar said on Monday.

Thermal coal import likely to cross 200 mt this year, says ICRA

Country's overall thermal coal import is likely to cross the 200-million tonnes (mt) mark in the current financial year, according to ICRA. "Thermal coal imports expected to cross 200 mt in FY20," ICRA said on Monday.

IL&FS arm defaults on redemption of preference shares

IL&FS Engineering and Construction Company on Monday said it has defaulted on redemption of preference shares worth ₹39.5 crore in favour of Vistra ITCL (India). The due date of redemption was September 30. "The company is unable to redeem the preference shares on the due date," it said in a filing. PTI«

out one district each on a pilot basis to expand digital payments ecosystem.

down at 71.02

Rupee settles 14 p

RBI asks bankers

to expand digital

payments ecosystem

Monday directed all state level

bankers' committees to find

Reserve Bank of India on



depreciated by 14 paise to close at 71 02 against the US dollaron

Monday as profit booking in domestic equities and unabated foreign fund outflows kept investors edgy. Forex traders said market sentiment remained fragile ahead of the US-China trade meeting.

B'desh allows Indian cargo through two ports, says minister

India can now use two crucial Bangladesh ports -Chattogram and Mongla - for shipment of its cargo, which will cut time and cost significantly, Union Minister Mansukh Lal Mandavia said on Monday.

High-level panel set up to check money laundering

The government on Monday set up a high-level inter-ministerial committee, chaired by the revenue secretary, for better coordination among various departments and law enforcement agencies to prevent money laundering activities. The 19-member Inter-Ministerial Co-ordination Committee (IMCC) has five secretaries, including ministries of finance and external affairs, and chiefs of various regulatory authorities, as well as probe agencies, according to a notification. The committee would also work on development and implementing policies on anti-money laundering and countering the financing of terrorism.



New Delhi/Berne, 7 October

India has got first tranche of swiss bank account details of its nationals under a new Exchange Information (AEOI), a major milestone in the government's fight against black money stashed abroad.

India is among 75 countries with which Switzerland's Federal Tax Administration (FTA) has exchanged information on financial accounts within the framework of global standards on AEOI, an FTA spokesperson told PTI.

take place in September 2020, the spokesperson added. This is the first time that

India has received details from Swiss authorities under the AEOI framework, which pro-

vides for exchange of information on financial accounts, currently active as well as those accounts that were closed during 2018, the year in which the framework agreement became effective. However, the information exchange is governed by strict confidentiality clauses. and the FTA officials refused to disclose specific details on the number of accounts or about the quantum of financial assets associated with the Indian clients of Swiss banks.

However, the AEOI only relates to accounts that are officially in the name of Indians and they might include those The next exchange would used for business and other genuine purposes.

Overall, the FTA has sent information on around 3.1 million financial accounts to the partner states and received information on around 2.4 mil-



The information exchange is governed by strict confidentiality clauses, and Switzerland's Federal Tax Administration officials refused to disclose specific details on the number of accounts or about the quantum of financial assets

lion from them.

The exchanged details include identification, account and financial information. These include name, address,

tification number, as well information concerning the financial institution, account balance and capital income.

Separately, the Swiss government said in a statement with which the AEOI has taken place this year is 75, out of which there was reciprocity with 63 countries.

In the case of 12 countries, Switzerland received information but did not provide any, either because those countries do not yet meet the international requirements on confidentiality and data security (Belize, Bulgaria, Costa Rica, Curaçao, Montserrat, Romania, Saint Vincent and the Grenadines, Cyprus) because they chose not to receive data (Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands).

The data was collected by the FTA from around 7,500 institutions including banks. trusts and insurers

"The largest exchange was with Germany, as was the case

that the number of countries in the previous year. The FTA cannot provide any information on the amount of financial assets," the statement added.

Asked about specific details relating to India, the FTA spokesperson said, "the communication of statistical data is subject to the confidentiality clauses as well." To another query on the next exchange of information with India, the spokesperson said,"according to the international agreement in place, the exchanges have to take place within nine months after the end of the respective calendar year. This means the exchange takes place in September, except for corrections." The Swiss government said Switzerland has committed itself to adopting the global standard for the international automatic exchange of infor-

Wadhawans' Alibaug property on EC radar

The bungalow is spread across 2.5 acres; valuation being assessed SHRIMI CHOUDHARY

New Delhi, 7 October

urthering its money laundering probe into the ₹4,355crore Punjab & Maharashtra Co-operative (PMC) Bank loan case, the Enforcement Directorate (ED) is all set to attach a 2.5-acre plush property of the Wadhawans located at Alibaug, a coastal town in Maharashtra. The probe agency is still examining the market value of the property.

The ED on Friday had launched a search operation on six locations of Housing Development and Infrastructure (HDIL) and the close associates of the Wadhawans, along with former brass of PMC Bank. So, far the federal agency has attached a private jet and luxury cars of the Wadhawans, along with heirloom jewellery valued at ₹60 crore.

Apart from the Alibaug bungalow, the agency is also zeroing in on a couple of yachts and one more aircraft of the Wadhawans.

Giving details of the plush bungalow at Alibaug, a source said it is nothing short of a five-star resort, sprawled across 2.5 acres in a village called Awaas. It is a lush green property with 24 rooms; it has an enormous guest house as annexe. The bungalow has all the mod cons - from a clubhouse to restaurants. There are eight ATV quad bikes and some golf carts, along with a few luxury cars parked on the premises.

"We are examining the value of each item found during the search operation. Accordingly, we will seek court permission to do the provisional attachment of the property," said an ED source in the know. The provisional order of attachment has the outside validity of a maximum 180 days and the authority concerned must take the matter to the adjudicating authority for confirmation.

Meanwhile, the probe agency has sent out a request to its foreign counterparts in the Maldives to gather details of some more yachts owned by the Wadhawans.

The ED has also come across some political links in the case





where the Wadhawans have gifted

some properties in prominent

locations in Mumbai and the sub-

HDIL has been organising

urbs to politicians.

Rukh Khan.

aircraft of the Wadhawans Sarang. Both father and son were arrested by the Economic Offences Wing (EOW) of Mumbai Police last week due to non-coop-

resort. It has all the mod cons

couple of yachts and one more

from a clubhouse to restaurants.

The agency is also zeroing in on a

eration. HDIL and its group companies have taken huge loans from PMC Bank and in exchange, the bank had, in connivance with the real estate firm, created 20,000-plus fictitious accounts to hide the loans disbursed to them.

Further, the 44 borrower accounts allegedly linked to HDIL were masked by tampering with bank software. It was alleged that PMC Bank's former managing director (MD) Joy Thomas played a key role in hiding the borrowers' accounts.

The ED case is based on a first information report filed by the EOW of Mumbai Police.

The ED search also covers some fashion events and is also the head office of HDIL in the sponsor of the Kolkata Knight Riders — an Indian Premier Bandra (East) and the residence League team owned by actor Shah of Rakesh Wadhawan, which is known as the Wadhawan The ED is currently probing the House in Bandra (West). The role of promoters and certain agency also searched the premisdirectors of HDIL, including es of Waryam Singh and former Rakesh Wadhawan and his son PMC Bank MD Thomas.

Banks to face legal hurdle in recovering HDIL dues

The public sector banks (PSBs) that had given loans to HDIL will face prolonged litigation in recovering their dues as several properties mortgaged by the real estate developer and its promoters to the banks have been seized by the investigating agencies.

Besides, the one-time settlements (OTS) the PSBs had signed with HDIL in the past few years may face litigation if the OTS money was paid by taking fresh loans from Punjab and Maharashtra Cooperative (PMC) Bank. These loans from PMC Bank would be considered "proceeds of crime" by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act (PMLA), and face legal action, say lawyers.

HDIL, which is facing insolvency proceedings in the Mumbai branch of the National Company Law Tribunal (NCLT), had received sanction for OTS proposals from several lenders, including Bank of India, Jammu & Kashmir (J&K) Bank, and Andhra Bank.

According to a plan submitted to the National Company Law Appellate Tribunal (NCLAT), HDIL paid part of Bank of India dues by way of a pay order issued by PMC Bank in the last week of August.

But within weeks, PMC bank collapsed following reports that the cooperative bank fraudulently gave ₹4,500 crore of loans to HDIL. All the loans given by the PSU banks were guaranteed by Rakesh Wadhawan and Sarang Wadhawan, the company's promoters who are now in police custody.

The ED is in the process of attaching the properties of HDIL and as several of these are already mortgaged with the PSU banks, the lenders will have to move courts to take control of the properties (see chart), lawvers said.

"It is going to be a legal quagmire. The PSBs, which lent ₹2,000 crore to the company, will have to classify HDIL as a fraud account and if they had accepted any OTS money in the past then it will have to be returned," said a lawyer.

Citing an example, the lawyer said in the case of Sterling Biotech, the ED had taken a stand that any OTS money to be paid by its promoters — the Sandesaras will be considered as proceeds of crime and would be seized. The NCLT Mumbai did not clear the Sterling Biotech OTS offered by the promoters and sent the company for liquidation.

The NCLAT, however, said the promoters of Sterling Biotech can apply for the OTS with the banks provided they give "clean money" to repay the bank



mation in tax matters.

THE DUD COLLATERAL

Central Bank of India: Secured by registered mortgage of immovable properties at Premier Road, Kurla,

J&K Bank: Term loans secured by first charge on the cash flows, receivables and project agreements/project escrow accounts in few projects

mortgage over Nahur, Mumbai, property and further secured by Chandansar, Maljipada in Thane, Mulund and Palghar properties

Allahabad Bank: Loans secured by

Syndicate Bank: Secured by charge over escrow of cash flows from Whispering Tower and immovable properties in Doliv, Koshimbe, Thane

YES Bank: Secured by exclusive charge on Metropolis, Galaxy and Majestic towers in Mumbai

IL&FS: Loans secured by mortgage of immovable properties at Sasunavghar, Doliv. Dahisar and Kasarali

LIC: Term loan is secured by mortgage of immovable properties situated at Doliv and Khardi and further secured by mortgage of six floors of HDIL Towers, Bandra (East), Mumbai

YES Bank (Suraksha Asset

Reconstruction Company): The bank has assigned its loan to Suraksha ARC. The loan is secured by exclusive charge on Metropolis, Galaxy and Majestic Tower projects

debt. The matter is pending.

In the case of HDIL, the NCLAT has stayed the formation of a committee of creditors of the company following an appeal by Rakesh Wadhawan challenging an NCLT Mumbai order to initiate bankruptcy proceedings against the firm. The NCLAT will hear the case again on

Here's how low rates can go after 5 cuts in a row

The MPC can cut rates by another 40–65 bps, which will take the benchmark repurchase rate below the level seen during global crisis

ANIRBAN NAG

Mumbai, 7 October

How much lower can India's central bank drive interest rates after delivering five back-to-back cuts? By as much as 65 basis points, say some

The Monetary Policy Committee can possibly cut rates by another 40-65 basis points, which will take the benchmark repurchase rate below the 4.75 per cent level seen during the global financial crisis, according to economists, including Anand Rathi Financial Services's Sujan Hajra. So entrenched is India's growth slowdown that it may require the rate to be cut to as low as 4.5 per

than 5 per cent, the repo rate in this cycle would bottom out at 4.5 per cent," said Hajra, chief economist at Anand Rathi and an ex-central banker himself.

Friday slashed the full-year growth forecast to 6.1 per cent which would be a seven-year low - from 6.9 per cent previously. Governor Shaktikanta Das, echoing Mario Draghi, vowed to keep the policy stance dovish for "as long as it is necessary to revive growth."

Das was less forthcoming on how low rates can drop, after having cut

cent for any meaningful impact. "We now expect that rather The Reserve Bank of India on

rates by a cumulative 135 basis points



so far this year. "On a potential policy rate lower bound we have not said anything,"

he told reporters on Friday. "This is a kind of forward guidance that as long as growth momentum remains as it is and till growth is revived, the RBI will remain in an accommodative mode.'

Rahul Bajoria, senior India economist with Barclays Bank Plc, said Das's guidance was "unambiguously dovish." He expects the RBI to reduce the repo rate by

another 25 basis points in December and by a further 15 basis points in February. That will "bring the terminal rate to 4.75 per cent." At 4.75per cent,

India will still offer positive rates of return to investors seeking high yields, with inflation at 3.2 per cent and well below the RBI's medium-term target

of 4 per cent.



Taliban frees 3

Indians in swap

Three Indian engineers held

by the Taliban in Afghanistan

for 11 militants

key meetings between US Special Representative for Afghanistan Reconciliation Zalmay Khalilzad and Taliban representatives led by Mullah Abdul Ghani Baradar in Islamabad during the weekend. Two Taliban officials told Radio Free Europe/Radio Liberty on Sunday that the swap took place earlier in the day, but they did not disclose the location.