#### How markets performed last week

	Index on Dec 20, '19	*0ne- week	% crig over Dec 51, 16	
			Local currency	in US \$
Sensex	41,682	1.6	15.6	13.4
Nifty	12,272	1.5	13.0	10.8
Dow Jones	28,455	1.1	22.0	22.0
Nasdaq	8,925	2.2	34.5	34.5
Hang Seng	27,871	0.7	7.8	8.3
Nikkei	23,817	-0.9	19.0	19.3
FTSE	7,582	3.1	12.7	14.9
DAX	13,319	0.3	26.1	21.9
*Change (%) over previous week			Source: Bloomberg	

## **IL&FS GETS GO-AHEAD TO SELL MANGALORE SEZ STAKE AT FAIR VALUE**

The IL&FS Group will now find it easier to unlock its investment in the Mangalore Special Economic Zone (SEZ) joint venture (JV) at fair value. In a recent order, Oil and Natural Gas Corporation's (ONGC's) claim, which sought to buy the stake at a discounted value, was termed unwarranted, paving the way for the stake sale plan of IL&FS. IL&FS holds a 49 per cent stake in the Mangalore SEZ JV, while ONGC holds 26 per cent. AMRITHA PILLAY reports 6

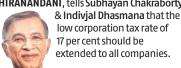
#### **COMPANIES P3**

### Uber looks to India to scale up global tech

hub outside its San Francisco headquarters, a move that may attract more investment in the country. Several core technology functions, such as maps, intelligence and algorithms to match riders and drivers — used at scale across the globe — are being developed at locations in Bengaluru and Hyderabad. **YUVRAJ MALIK** writes

#### 'NBFCs need incentives to become banks'

Assocham's new President and Managing Director of Hiranandani Group, NIRANJAN HIRANANDANI, tells Subhayan Chakraborty



# Railways in talks with

Jio on tower use

Indian Railways is in talks with Reliance Jio Infocomm to allow the Mukesh Ambani-led telecom major's use of its towers. The aim is seamless mobile and internet connectivity for passengers along the 67,368-km of tracks. **SHINE JACOB** writes



MONDAY

#### **BANKER'S TRUST:** Where have all the women

bankers gone? Flexi hours and crèches for children can

help retain them, but a bigger problem at the moment is women bankers don't have too many role models to look up to. TAMAL BANDYOPADHYAY writes

#### **POLITICS & PUBLIC AFFAIRS:** Popular anger



Protests across India are not only against the citizenship law, but also a display of pent-up emotions over economic slowdown. ADITI PHADNIS writes

#### **PERSONAL FINANCE:** Move money from

large-caps, gold

With these segments outperforming in the past year, rebalance your portfolio to reduce risk. SANJAY KUMAR SINGH writes

#### THE SMART INVESTOR: Be selective on mid-sized private banks

RBL, Federal, and City Union appear better-placed to handle the potential SME loansrelated woes; investors should be cautious on DCB and Karur Vysya. **HAMSINI** 

**STATSGURU:** The great GST scare

**KARTHIK** writes

**BUSINESS LAW:** 

10 laws that have changed the way India does business

**STRATEGY:** On the fast track



Accor Hotels' growth comes on the back of a bottom-up push. **PAVAN LALL** writes

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UP SCRUTINY OF AIRBUS ENGINES SURGERY SPACE IN INDIA

INDIGO WOES RISE AS GOVT STEPS MNCs EYE GROWING ROBOTIC

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# \$80-bn IT sector contracts up for renewal in 2020

Large Indian information technology firms may steal a march over global peers to clinch deals

DEBASIS MOHAPATRA

Bengaluru, 22 December

ndian information technology (IT) companies are likely to have an edge over their global counterparts when some of the biggest outsourcing contracts come up for renewal in 2020. This, experts said, is because of the pricing power that Indian IT companies have.

among said Indian firms, Infosys, Consultancy Services (TCS), and HCL Technologies are better placed to clinch some of the deals from the incumbent service providers. According to global IT outsourcing consultancy firm Ovum Research, around 1,680 deals worth over \$80 billion will be renewed next year.

This is about 6 per cent lower than that in 2019, when deals worth close to

\$85 billion came up for renewal.
"Geographically, the US will see the maximum number of renewal of deals, with a 22 per cent share, followed by the UK at 12 per cent. France is likely to have 8 per cent of the renewal pie, while Spain is another European nation with around 5 per cent," said Hansa Iyengar, senior analyst at London-based Ovum Research.

According to Peter Bendor-Samuel, founder and chief executive officer of outsourcing advisory firm Everest Group, the deal sizes in 2020 are expected to be bigger, as clients are moving from experimenting with digital projects

to full-scale implementation. "Among Indian vendors, Infosys, TCS, and HCL Technologies are better placed to see a higher growth rate in 2020," said Bendor-Samuel.

The Ovum Research report states that \$2.5 billion worth of IT contracts will go for rebid in India as more Indian enterprises increase their spend on new technology areas. This includes Bharti Airtel's \$1.5-billion application and infrastructure

management contract. Contracts from government next year.



## THE DOTTED LINE

Large contracts for rebid in 2020

\$2.90 bn

**Zurich Insurance Group** 

**\$2.50 bn** 

**National Aeronautics and Space Administration** 

\$1.60 bn California Department of Health Care Services

\$1.50 bn **Bharti Airtel** \$1.30 bn **Dexia Group** 

\$1.14 bn **UK Department for Transport** 

\$970 mn National

**Employment Savings Trust**  \$870 mn British Broadcasting Corporation

Source: Ovum Research

agencies constitute the biggest share of the deals that will come up for rollover. This is followed by the services sector. Worldwide, an aggregate of \$26.5 billion of such contracts are likely to be floated by various government agencies Turn to Page 6

## IN A FIRST, FCI MAY SELL BROKEN RICE FOR BIODIESEL

The government may direct Food Corporation of India (FCI) to dispose of around 1.5 million tonnes (mt) of broken rice unfit for human consumption as feedstock for grain-based biofuel units. The measure will compensate for the projected drop in sugarcane production due to drought and excessive rain and will prove to be a milestone in the country's food-for-fuel policy. Sources said the step would have a twofold impact. First, it will address the concerns of approximately 750 million litres of grain-based distillery capacities lying idle due to lack of feedstock. Second, this will absorb some of the surplus rice lying with FCI, which is estimated to be three times the required quantity of 21.27 mt as of December 2019. The total capacity of grain-based distilleries in the country is around 2 billion litres, of which around 38 per cent (750 million litres) is lying unused due to lack of feedstock availability. **SANJEEB MUKHERJEE & SHINE JACOB** write

## **'UNITY IN DIVERSITY IS INDIA'S SPECIALITY'**



CAA & NRC NOTHING TO DO WITH INDIAN MUSLIMS, SAYS MODI

## Mall developers, investors look to double retail spaces

RAGHAVENDRA KAMATH Mumbai, 22 December

developers are adding properties in a big way despite lower discretionary income in the hands of consumers and competition from e-commerce firms.

Almost all the big mall developers/investors - such as Rahejaowned Inorbit Malls, Xander-APG joint venture Virtuous Retail South Asia (VRSA), property developer Prestige Estates Projects, and Blackstone-owned Nexus Malls are looking to double their space in a

The country is expected to see a mall space addition of more than 65 million square feet (sq. ft) by the end of 2022. Of that, nearly 72 per cent will be in the top seven cities. About 15 million sq. ft will be

deployed by the end of 2020, said Anuj Kejriwal, managing director and chief executive officer (CEO), Anarock Retail, a retail-focused property consultancy. This new supply is also being driven by institutional investors, includ-

ing private equity (PE) players, who invested almost \$2.1 billion in Indian retail between 2015 and the third quarter of 2019, Kejriwal said. Early this week, VRSA, owned by

PE fund Xander and Dutch pension fund manager APG, bought two malls from Tata Realty and Infrastructure, one each in Amritsar and Nagpur.

It also bought a piece of land from textile company Raymond to take



15 million sq. ft Total area of 25 malls by Prestige Estates by 2023

4 million sq. ft Seven malls by Prestige Estates as plans to expand retail presence. It also aims to build malls in Bengaluru, Chennai, Kochi, and Kakkanad in Kerala

4-5 million sq. ft Inorbit's proposed portfolio growth, from current 2.5 million sq. ft

1 million sq. ft-plus Proposed mall next year in Mumbai by Inorbit

13 million sq. ft Portfolio size of Virtuous Retail South Asia, from 7 million sq. ft

the portfolio to 7 million sq. ft. It is developing another 5 million sq. ft in shopping malls in Delhi and Mumbai, and opening a mall in Bengaluru soon. Turn to Page 6

## **RIL tears into govt** affidavit, says no final arbitration award pending PRESS TRUST OF INDIA

New Delhi, 22 December

Reliance Industries (RIL) has mounted a strong counter to the government petition in the Delhi High Court (HC) seeking to block its \$15-billion deal with Saudi Aramco, saying the petition is an abuse of process as no arbitration award has fixed any final liability of dues on the company.

In a counter affidavit, RIL said it was a 'falsehood' that the arbitration tribunal had passed an award requiring the company and its partners to pay \$3.5 billion to the government. It said the petition was an abuse of process as "it portrays that a sum of money is due and payable under the final award and purports to compute the money payable on a basis neither found in the arbitration award nor disclosed in the petition."

The government, it said, has calculated on its own volition the revised figure of its share of profit from oil and gas production, allegedly due by extrapolating the purported finds. The affidavit came in response to the

government moving the Delhi HC, seeking to block RIL selling a 20 per cent stake in its oil-and-chemicals business to Saudi Aramco for \$15 billion, in view of dues of \$3.5 billion in the Panna-Mukta and Tapti oil and gas fields.

An international arbitration tribunal issued a partial award in October 2016 in the dispute between the Government of India (GoI), BG Exploration & Production India (BG), and RIL regarding the Panna-Mukta and Tapti production sharing contracts (PSCs). The tribunal in its 2016 award determined certain issues of principle. Turn to Page 6

# Starting a business gets just a little bit easier

Corporate affairs ministry to provide bank account number immediately after incorporation

RUCHIKA CHITRAVANSHI New Delhi, 22 December

Registering a company? Soon there will be one fewer thing to worry about, with the Ministry of Corporate Affairs (MCA) planning to give a bank account number to each company as soon as it is incorporated.

The move is part of the government's push to better India's ranking on the World Bank's ease of doing business index, especially on the criterion of starting a business, a senior government official told Business Standard.

In giving ranking on ease of doing business, the World Bank has 10 parameters, of which starting a business is one.

While India's ranking in the World Bank's Doing Business Report 2019 rose 14 places to 63, the parameter of

starting a business has been dragging its performance down. Among 190 countries, India was ranked 136 - an improvement of one rank in ease of starting a business.

Already four banks, including three private ones, have come on board. The government has written to all public sector banks to be part of the new scheme. Once it is registered, the

government allots a company a director identification number, name, incorporation certificate, permanent account number, TAN (Tax Deduction and Collection Account Number), goods and services tax registration number. among other things.

Adding a bank account to this list is directed at giving a head start to companies and saving them precious time in dealing with the formalities



of opening a bank account.

"It would be a great step. It takes at least four to five days to open a bank account and do a lot of paperwork. It does not make it any easier that documentation is not standardised across banks," said Ankit Singhi,

partner, Corporate Professionals. This also means as soon as the bank account is opened, the company will be able to transfer its share capital and file the papers of 'commencement of business' with the Registrar of Companies.

likely to give an option to companies to not use the bank account allotted to them after registration. Experts suggested the MCA give

The government is, however,

access to the data and documents filed by companies to banks. "This will ease the compliance with Know Your Customer norms," Singhi added. "Our processes are similar to those

of a country like New Zealand. But the volume of companies they do on a yearly basis is what we do monthly.

"However, we are trying to improve the processes," the senior official added. India registers over 1.2 million companies and limited liability partnerships in a year.

The MCA had introduced a simplified online format for incorporating a company and its memorandum and articles of association, but since the ranking is competitive, other countries have done much more on this.