



COMPANIES P2

ONEPLUS MAY LAUNCH PAYMENTS SERVICE IN INDIA FIRST

THE SMART INVESTOR P10

ROUGH DIAMOND IMPORTS LOSE SPARK

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LAST MIG-27 FIGHTERS RETIRE TOMORROW



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## CENTRE TO RETAIN OVER-SUBSCRIPTION IN BHARAT BOND ETF

The government has decided to exercise the green-shoe option and retain the excess subscription received in both the three-year and 10-year series of Bharat Bond ETF. The three-year category received applications for units worth ₹6,982 crore, an over-subscription of 2.3 times against the issue size of ₹3,000 crore. The 10-year category received ₹5,413 crore, or 1.4 times the issue size of ₹4,000 crore. With approximately 55,000 applications received, the new fund offering saw robust retail participation.

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COMPANIES P3

## Size may be biggest hurdle for McLeod Russel in NCLT

Three financial creditors – YES Bank, Techno Electric & Engineering, and IL&FS Infrastructure Debt Fund – have moved the National Company Law Tribunal (NCLT) against McLeod Russel India. They have approached the tribunal under Section 7 of the IBC, which allows a financial creditor to initiate corporate insolvency resolution process of a corporate debtor in the event of a default. If the firm is admitted and a process for change of control under the IBC is initiated, there are unlikely to be many takers for a company its size. **AVISHEK RAKSHIT & ISHITA AYAN DUTT** report

**BS** ON THURSDAY  
SPECIALS

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That shrinking feeling

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MFs add ₹4 trillion to asset base

### PERSONAL FINANCE: Use ATMs smartly to avoid hassles

Know your rights, follow good practices and use simple strategies to reduce charges, writes **BINDISHA SARANG**

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How GE Transportation, now a Wabtec company, uses virtual reality to cross-collaborate with a global team to design Indian locomotives, **BIBHU RANJAN MISHRA** finds out

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ECONOMY & PUBLIC AFFAIRS P4

## Govt reviews demands for drug price policy

The government is reviewing a long-pending industry demand from drugmakers to implement any change in the ceiling prices of drugs from the next batch, effective the date the change is made. The National Pharmaceutical Pricing Authority is reviewing the proposal and will decide if any amendment needs to be brought in the Drug Price Control Order, 2013.



COMPANIES P2

## Godrej Properties bets on prime land parcels

The Godrej group's real estate arm, Godrej Properties, is looking to buy land parcels in prime locations, invest its own capital in development contracts, and complete record launches during the remainder of the year. In June this year, it raised ₹2,100 crore through qualified institutional placement, only the second real estate developer to do so in 2019. Early this month, the company announced a joint venture with a local developer for a housing project in Navi Mumbai.

### TO OUR READERS

The one-page commercial feature on 3rd Sustainable Development Goals (SDGs) Summit, being carried on page 5, is equivalent to a paid-for advertisement. No *Business Standard* journalist was involved in producing it. Readers are advised to treat it as an advertisement.

# Real returns across asset classes slip to just over 2%

JOYDEEP GHOSH

New Delhi, 25 December

The Bombay Stock Exchange Sensitive Index, or Sensex, might be at an all-time high of 41,000-plus points, but nominal returns from equities in the past decade, at 9 per cent compound annual growth rate (CAGR), are nothing to write home about. Returns from the mid- and small-cap indices have been lower than those of the Sensex during the period.

A Balasubramanian, CEO, Birla SunLife Mutual Fund, said: "Equity returns are broadly linked to the nominal gross domestic product and broad earnings growth of companies. These factors were high in the early 1990s and during the previous decade. They have moderated quite substantially. As a result, the returns on equity investments

have also moderated." According to him, sustained low inflation should have kept interest rates low. However, it happened with a lot of delays and not to the full extent, thereby impacting earnings potential growth substantially, and moderating the equity returns.

Returns from other savings and investment instruments too have taken a knock. For example, interest on one-year State Bank of India fixed deposit stands at 6.25 per cent. Though the rates were higher in the first five years of the decade, hitting as high as 9.3 per cent in 2011 and 9 per cent in 2013, rates declined significantly since 2015 as inflation also fell.

Mahendra Jajoo, head, fixed income, Mirae Asset Management, said: "India is integrating more with the global markets, in terms of foreign investor participation

THE DECADE THAT WAS



# Cyrus Mistry may appoint nominees on Tata boards

Mistry and his team are reviewing the legal situation

SHRIMI CHOUDHARY

Mumbai, 25 December

Even as the National Company Law Appellate Tribunal (NCLAT) reinstated Cyrus Mistry as chairman of Tata Sons and three other group companies last week, he is unlikely to take up a board position at any of these companies. Sources in the know said he might appoint nominee directors who would ensure best practices of corporate governance at Tata group companies.

Sources said Mistry wanted to keep an effective oversight without being the part of operations at the Tata group. Mistry has only five months left of his tenure as chairman and that's one of the reasons why he is not keen to return to the board. He had joined the Tata Sons board as a director in 2006, though he was initially not too keen to take up the chairmanship, said sources close to Mistry.

It is learnt that Mistry and his team are reviewing the legal situation, considering that he may have to fight a battle in the Supreme Court as Tata Sons is expected to challenge the appellate tribunal's order.

Sources close to the development, however, ruled out the possibility of Mistry joining the board as executive chairman or even taking up any directorship position even if the apex court upheld the appellate order.

The NCLAT directed Tata Sons to reinstate Mistry as chairman and director of the holding company and three listed group companies -- Tata Consultancy Services (TCS), Tata Motors, and Tata Steel. However, the tribunal suspended its implementation for four weeks in a bid to provide the Tatas time to appeal.

In his petition to the National Company Law Tribunal (NCLT) and the NCLAT, Mistry had alleged the breakdown of corporate governance and the failure of board of directors. Mistry through his nominees would ensure corrective action and focus more on the growth strategy for the future of Tata companies.

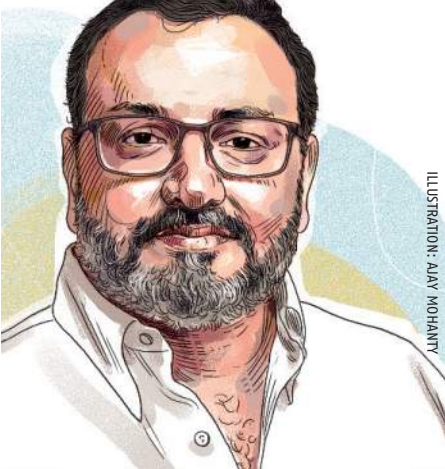


ILLUSTRATION: ANV MOHAMMAD

## THE STORY SO FAR

**Oct 24, 2016** Tata Sons board sacks Cyrus Mistry as chairman; patriarch Ratan Tata takes over as interim chairman. Mistry blames predecessor Tata for group's dismal financial performance

**Feb 20, 2017** TCS CEO N Chandrasekaran takes over as Tata group chairman

**Sep 15, 2017** Tata Sons seeks shareholders' consent to convert itself to private company; Mistry opposes the move

**Jul 9, 2018** NCLT Mumbai dismisses Cyrus Mistry's petition and rules in favour of Tata Sons. Mistry accuses Tata Sons of mismanagement and oppression of minority shareholders' rights

**Dec 18, 2019** NCLAT declares the resolution by Tata Sons board removing Mistry as illegal; reinstates Mistry as chairman

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# Safran considers \$150-mn aircraft MRO unit in India

ANEESH PHADNIS

Mumbai, 25 December

France-based Safran Group is considering a \$150-million investment in a new aircraft engine maintenance, repair and overhaul (MRO) unit in India to cater for its airline customers, according to the company.

Safran and GE Aviation own a 50 per cent stake each in the US-based CFM International, which manufactures engines for the Airbus A320 and Boeing 737 types of aircraft. Currently, around 220 Airbus and Boeing planes in India are fitted with CFM engines. Additionally, there are 485 planes on order from IndiGo, SpiceJet, and Vistara, which will be equipped with these engines and are expected to be delivered over the next five years.

CFM International, which competes with engine manufacturer Pratt & Whitney, won a \$20-billion

## WINGS OF OPPORTUNITY

**\$1-1.2 bn:**

Size of Indian maintenance, repair and overhaul (MRO) market

**1,000:**

CFM engines likely to be in service in India in the next five years

**40-45%:**

Share of an airline's maintenance expense related to engines



■ Air India carries out in-house maintenance of aircraft engines. All other airlines send engines overseas for overhaul

order from IndiGo to supply engines for 280 Airbus A320neo in June. Plans to set up an MRO unit in India are being evaluated following the big order win.

To a query from *Business*

*Standard* about its plans, Safran said, "As a long-standing partner of the Indian aerospace industry, Safran is committed to supporting growth in the Indian market."

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# New mechanism on GST grievances

INDIVIAL DHASMANA

New Delhi, 25 December

The finance ministry has instructed that grievance redressal committees on the goods and services tax (GST) be established at state and zonal levels.

Comprising officials, consultants and trade bodies, these panels are to take the feedback and send on suggestions to the GST Council and the information technology (IT) backbone for the system, the GST Network (GSTN). These include policy changes, say the directions.

The proposal in this regard was approved last week by the GST Council. Each committee will be co-chaired by the chief commissioner of central tax and the zonal or state chief. Each will have up to 12 members from trade bodies.

Besides, it will have up to four members from chartered accountants, tax consultants and practitioners, according to the ministry.

Committees are to 'examine and resolve' all grievances, including procedural difficulties and IT-related issues. They may refer any issue requiring a change in the GST Acts, rules, notifications, forms or circulars to the GST

Council Secretariat and the Central Board of Indirect Taxes and Customs (CBIC). And, any IT-related issue to GSTN.

The policy wing of the CBIC will examine any such referral and decide if this should be sent to the

GST Council. GSTN will develop a portal to record such grievances, including their scanned images,

for time-bound handling. The co-chairs are to ensure timely entry and updating of the status of disposal on the portal. Details of action taken will be displayed on the portal.

The committees will be set up in each state wherever there is more than one state in

a zone. Similarly, in each zone wherever there are more than one in each state. A panel will be constituted for two years. Any member absent from three meetings in a row without giving a reason will be deemed to have resigned.

Comprising officials, consultants and trade bodies, committees are to take feedback and send suggestions to the GST Council

# Govt to filter its approach to water supply

RUCHIKA CHITRAVANSHI

New Delhi, 25 December

The government wants to bring about structural changes to the provisions for drinking water supply services with a "utility-based" approach, according to the operational guidelines for the Jal Jeevan Mission released by Prime Minister Narendra Modi on Wednesday. The move will enable institutions to focus on services and recover water tariffs from all kinds of consumers.

The project cost of providing 146 million functional household tap connections is estimated to be ₹3.60 trillion, of which the Centre's share will be ₹2.08 trillion.

According to the government data, of the 179 million rural households in the country, 81.67 per cent are yet to have water tap connections.

States will have a definite operations and maintenance policy, especially to meet the requirements such as monthly energy cost of the piped water supply scheme, by ensuring cost recovery from user groups and thereby avoiding any unwanted burden on public exchequer, according to the guidelines.

The Centre will make available extra budgetary resources for the Mission, which will

## IN MISSION MODE

- National Jal Jeevan Mission at central level
- State Water and Sanitation Mission at state level
- District Water and Sanitation Mission at district level
- Gram Panchayat and/or its sub-committees at village level

**₹3.6 trillion**

Cost of providing water tap connections to 146 mn rural households

be allocated along with gross budgetary support to the states. The government will incentivise good performance of states out of the fund not utilised by other states towards the end of the financial year, the guidelines said.

On the lines of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), funds released by the Centre will be deposited in a single nodal account, which will be maintained by the State Water and Sanitation Mission (SWSM), to be transferred within 15 days of release. The Public Finance Management

System (PFMS) will be used for tracking the funds. "The SWSM will decide rate contracts and empanel reputed construction agencies/vendors through centralised tendering and also to prepare design templates for expeditious implementation."

No expenditure towards operation and maintenance cost of the schemes such as electricity charges, salary of regular staff, and purchase of land, etc, will be allowed from the central share.

In order to prevent the creation of parallel water supply infrastructure deviating from the approved plan, "It has been proposed to assess and pool the fund available for drinking water supply from various sources, be it the government such as MPLADS, MLALADS, DMDF or donations whether at state level or village level", the guidelines said.

Gram panchayats will play a crucial role in planning, designing, execution, operations and maintenance of the in-village infrastructure under the Jal Jeevan Mission. State governments will identify and empanel self-help groups, NGOs among others to provide handholding facilities, and encourage community participation.

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Prime Minister Narendra Modi pays tribute to former Prime Minister Atal Bihari Vajpayee at his newly unveiled statue, in Lucknow on Wednesday. Earlier in the day, he launched the Atal Bhujal Yojana

PHOTO: PTI