THURSDAY, 2 JANUARY 2020
16 pages in 1 section
MUMBAI (CITY)
₹9.00
VOLUME XXIV NUMBER 100

www.business-standard.com

Business Standard

THE MARKETS ON WEDNESDAY		Chg#
Sensex	41,306.0▲	52.3
Nifty	12,182.5▲	14.0
Nifty futures*	12,243.8▲	61.3
Dollar	₹71.2	₹71.4**
Euro	₹79.9	₹80.1**
Brent crude ($/bbl)##	66.3##	66.4**
Gold (10 gm)###	₹38,962.0▼	₹121.0

*(Jan.) Premium on Nifty Spot; **Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBJA

STRATEGY P15
CONSUMER BEHAVIOUR IN THE 2020s

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CHANDRAYAAN-3 NEXT YEAR, 4 CHOSEN FOR GAGANYAAN

PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

CABLE TV TO COST LESS AS TRAI AMENDS TARIFF STRUCTURE

The Telecom Regulatory Authority of India has released amendments to the New Tariff Order, in which it has directed cable operators to provide 200 channels for ₹153. The regulator has also set January 15 as the deadline for broadcasters to announce their new pricing structure. At present, direct-to-home or cable TV operators provide only 100 channels for a network capacity fee of ₹153 (₹130 excluding taxes). 3▶

ECONOMY P5

FDI rises 15% during Apr-Sept to $26 bn

Inbound foreign direct equity investments rose 15 per cent in the April-September period of the current fiscal year, according to the data released by the Department for Promotion of Industry and Internal Trade. The figures showed that in the first half of FY20, equity inflows amounted to $26.09 billion, up from the $22.66 billion received in the corresponding period of the previous year.

ECONOMY & PUBLIC AFFAIRS P4

Iran crude oil imports slow to a trickle

Imports of crude oil from Iran dipped to 1.7 million tonnes (mt) in the current financial year (2019-20, or FY20), down from 23.9 mt in 2018-19, after India stopped purchases from the West Asian country in May. In FY19, Iran was the third-largest crude exporter to India. Assuming the United States' sanctions are not lifted, crude oil imports from Iran will be the lowest in at least 12 years, shows the available data compiled by *Business Standard*.

COMPANIES P3

Apollo, Varde pull out of race for Altico

Apollo Global Management and Varde Partners are no longer considering bidding for Altico Capital India, according to people familiar with the matter, narrowing the number of suitors for the troubled shadow lender. The firms pulled out because they were unwilling to meet creditor demands to inject as much as ₹20 billion ($280 million) of fresh equity into Altico, two people said, asking not to be identified as the information is private.

COMPANIES P2

Panel to facilitate sale of BSNL realty assets

The Centre has started the process for sale of Bharat Sanchar Nigam's (BSNL's) assets. It has set up of an inter-ministerial group that would shortlist and prioritise selling real estate assets of the cash-strapped company. BSNL is yet to pay salaries to its staff for November. The company has identified 40 land parcels worth about ₹10,000 crore to be disposed of and will help in deleveraging its balance sheet.

THE SMART INVESTOR P10

Benchmark indices begin new year on a flat note

The benchmark indices started the New Year on a positive note with the Sensex gaining 52.28 points, or 0.13 per cent, to close at 41,306.02 on Wednesday as financials, IT, FMCG and power stocks advanced. The broader Nifty closed 14.05 points, or 0.12 per cent, higher at 12,182.50 with 23 of its constituents ending in the green.

PERSONAL FINANCE: Choose the right financial advisor 14▶
You are spoilt for choice, but understand every aspect of the model before investing, writes **BINDISHA SARANG**

WORLD P6

How Carlos Ghosn pulled off a Houdini

In one speculative account, which cited no sources, Lebanese television station MTV reported that the former head of Nissan Motor and Renault SA Carlos Ghosn smuggled himself out of Japan in a large musical instrument box after a Christmas band visited his residence in Tokyo. He was then shipped out of the country and later entered Lebanon from Turkey on a private plane.

New projects surge in December qtr

37% y-o-y increase despite a fall in capacity utilisation

SACHIN P MAMPATTA & AMRITHA PILLAY
Mumbai, 1 January

Investment in new projects increased by more than ₹1 trillion during October-December 2019 over the same period in the previous year.

There was ₹3.1 trillion in new projects in December 2018. This has risen by 37.4 per cent on a year-on-year basis to ₹4.26 trillion in December last year, showed the data from project-tracker Centre for Monitoring Indian Economy (CMIE).

The body releases capex data at the end of every quarter.

It also showed the proportion of "stalled projects" is down 81.8 per cent to ₹58,000 crore. Completed projects remain at the same level. The number for December 2018 shows ₹1.37 trillion. It is ₹1.36 trillion in December 2019.

The rise in new projects is despite a fall in capacity utilisation. It was at 68.9 per cent in the September quarter, noted the Reserve Bank of India in its December 19 Monetary Policy Committee meeting minutes.

It was at 73.6 per cent previously. A similar decline is seen on a seasonally adjusted basis as well.

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EDIT: PUSH FOR INFRASTRUCTURE

"Seasonally adjusted CU (Capacity Utilisation) also fell to 69.8 per cent from 74.6 per cent during the same period," it said. This means that companies are increasingly unable to use their existing production capacity, which gives them limited incentives to invest in adding capacity. This has weighed on capital goods companies.

Marquee firms such ABB India and Siemens are seeing lower demand, noted brokerage firm Motilal Oswal Financial Services. Growth in order flow fell to 5 per cent for ABB, according to the recent quarterly data. Siemens' order flow fell 14 per cent. This, in turn, is said to be because of a slowdown in other markets such as auto, and food and beverages, said the 6th December Sector Update report, authored by research analysts Nilesh Bhaiya and Pratik Singh.

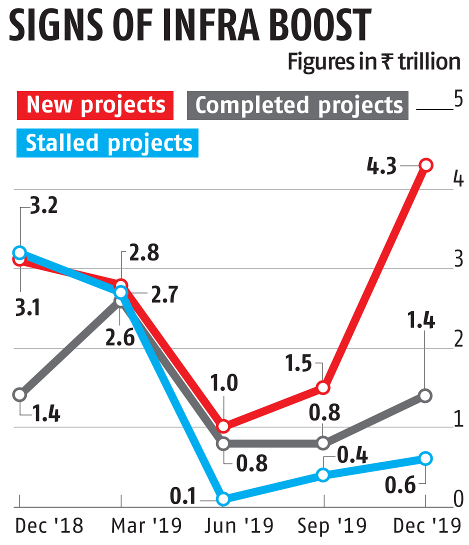
A public sector undertaking (PSU) push could be driving some of the gains.

"This should be coming from public sector units. What they are borrowing from the market they are using for capital investment. If you look at the banks' lending data for industries, it is negative, so banks are not lending for capital formation. Capital investment is then coming from PSUs borrowing from the bond market," said Madan Sabnavis, chief economist, CARE Ratings.

M S Unnikrishnan, managing director and chief executive officer (CEO), Thermax, said: "There were a couple of refinery projects awarded in the December quarter from the public sector. Awarding for road projects continued. There are also awards in the railways and metro projects segment."

The government has also sought to push other investment. Turn to Page 13▶

SIGNS OF INFRA BOOST



Note: December 2018 numbers are based on data retrieved earlier; figures rounded off
Source: CMIE

GST collection crosses ₹1 trn, but misses target

DILASHA SETH
New Delhi, 1 January

Goods and services tax (GST) collection crossed the ₹1 trillion mark for the second straight month in December, but fell short of the ₹1.1 trillion target set for the last four months of 2019-20. The latest numbers, however, indicated the stabilisation of revenue collection owing to anti-evasion measures introduced by the government.

The mop-up stood at ₹1.031 trillion in December, slightly lower than the seven-month high of ₹1.034 trillion collected in November. On a year-on-year basis, the GST receipts in December 2019 posted a growth rate of 8.9 per cent, the data released by the finance ministry showed on Wednesday.

These figures are for GST on the transactions done in November and collected in the month of December.

Although the December figures come as a breather for the government, which is facing intense revenue stress, these are lower than the numbers needed to meet the steep target for 2019-20.

Revenue Secretary A B Pandey has pressed for a monthly GST collection target of around ₹1.1 trillion between December 2019 and March 2020. Of these four months, ₹1.25 trillion collection has to be achieved in at least one month, he had told tax officials.

GST collection on domestic transactions witnessed 16 per cent growth, the highest during the year. GST collection on imports continued to witness a contraction of 10 per cent, as against a fall of 13 per cent in November, indicating persistent weakness in domestic demand and production.

The ministry also released state-wise GST collection figures from domestic transactions. Arunachal Pradesh witnessed the highest growth rate at 124 per cent to ₹58 crore in December 2019 year-on-year.

MOP-UP TREND

Figures in ₹cr

	2018	2019
Apr	1,03,459	1,13,865
May	94,016	1,00,289
Jun	95,610	99,939
Jul	96,483	1,02,083
Aug	93,960	98,202
Sep	94,442	91,916
Oct	1,00,710	95,380
Nov	97,637	1,03,492
Dec	95,726	1,03,184

Source: Finance Ministry

P2 LAST YEAR'S SALES WORST IN A DECADE FOR MARUTI | YEAR-END FAILS TO CHEER CAR FIRMS

I-T vets foreign contribution sought by Tata trust

SHRIMI CHOUDHARY
New Delhi, 1 January

The income-tax (I-T) department is examining the foreign contributions sought by the Navajbai Ratan Tata Trust (NRTT) as a non-profitable entity in December 2015, even after the Trust offered to surrender its charitable trust status earlier that year. The NRTT is among the six Tata Trusts that had their registrations cancelled by the I-T department in October.

The Trust had made an application on December 10, 2015, under Section 11 (1) of the Foreign Contribution Regulation Act (FCRA), for acceptancing foreign contributions by an association having a definite cultural, economic, educational, religious or social programme. This requisition was made after it had given up Trust status in February 2015.

In the FCRA application, the Trust had mentioned the detailed activities of the NRTT and said that it was established in 1974 by Ratan Naval Tata, in the memory of his grandmother Lady Navajbai Ratan Tata. It further said that the Trust was registered with the office of the charity commissioner, Mumbai, and is registered under Section 12A of the Income-tax Act, 1961.

The requisition was made after the Navajbai Ratan Tata Trust had given up Trust status in February 2015

Section 12A of the I-T Act enables a few types of organisations to get exemption from income tax. When a trust or non-profit organisation gets registered under Section 12A, it is further eligible to get exemption from income tax. Trusts and non-government organisations which don't make profits from their financial transactions are eligible to register for 12A. If any non-profitable trust or NGO has not registered for 12A, its financial receipts or transactions would be considered taxable.

Apart from the activities, the Trust had also submitted the trust deed along with an audited statement of accounts for the past three financial years (FY13, FY14 and FY15).

In an emailed response to this newspaper, the Tata Trusts spokesperson said, "Since the Trust was registered under 12A of the I-T Act, for those financial years, by way of information it was so mentioned. It was an inadvertent omission not to have mentioned that the Trust had surrendered its 12A registration in February 2015." Turn to Page 13▶

ELECTRICAL EQUIPMENT INDUSTRY STARES AT DUES WORTH ₹800 CR

The electrical equipment industry is staring at dues of more than ₹800 crore, payable for a period of over three years. These are mostly from states and central government-owned companies, including BHEL and Power Grid. Some of the biggest defaulters are the power departments of Uttar Pradesh, Rajasthan, Tamil Nadu and Andhra Pradesh. The industry, in its latest exercise of collating dues, said around 25 per cent of the companies did not disclose figures. So, on an average estimate, the dues could go up to more than ₹1,500 crore, said the Indian Electrical and Electronics Manufacturers Association. **SHREYA JAI** writes 4▶

'We've seen healthy growth in term loans'

Amid the slowing economy, muted credit growth, and the Reserve Bank of India's (RBI's) warning that non-performing assets may rise, **RAJNISH KUMAR**, chairman, State Bank of India (SBI), tells **Subrata Panda**, **Abhijit Lele** and **Dev Chatterjee** in an interview that the economy has bottomed out and there is a need to revive the capital expenditure cycle. He also emphasises the success of the Insolvency and Bankruptcy Code and says that lenders need at least nine to 10 months to resolve stressed accounts under the RBI's June 7 circular. Edited excerpts:

Q&A

How do you assess the economic situation now?
I think the economy has bottomed out, and we should see an upward trend from now. The third quarter of FY20 has been good. There are global headwinds and all the major economies are under pressure, apart from the US. So, this is impacting our exports. But, on the domestic front, a revival of the capex cycle of the private sector is the most important thing. And, that can happen with infrastructure upgrade.

How is your corporate lending segment doing?
Working capital utilisation is still subdued, and is less than what it was in March. On the other hand, we have had healthy growth in the term loans segment. As of December, SBI has seen term loans grow 16 per cent year-on-year to ₹1.72 trillion. Last year, it was an exceptional situation for us because we had very large credit disbursements in the second half. This year, it is more in line with what used to happen in the previous years. In our domestic market, our advances are lagging by ₹40,000 crore from what they were last year. However, we have seen good growth in the international banking group. So, in terms of overall advances, we are more or less at the March 2019 level. Turn to Page 13▶

IT IS DIFFICULT TO RESOLVE A COMPANY UNDER THE JUNE 7 CIRCULAR WITHIN SIX-SEVEN MONTHS. SO, FOR THE ICA TO FUNCTION PROPERLY, AT LEAST NINE TO 10 MONTHS SHOULD BE GIVEN

PHOTO: KAMLESH D PEDNEKAR

Pharma industry gets 'green' signal in New Year

Drug makers allowed to tweak product mix or quantity without fresh environment clearance until effluent load is same

BOOSTER DOSE

₹10,000 crore: Expected additional investment annually owing to the decision

70%: Share of active pharmaceutical ingredients (API) that India imports from China

- **According to the approved proposal, drug companies will have to only obtain a 'no increase** in pollution load' certificate from state pollution control board for any expansion
- **Increase in production capacity should not be more than 50%** of what was permitted in the earlier environmental clearance

ILLUSTRATION: AJAY MOHANTY

SHINE JACOB & SOHINI DAS
New Delhi/Mumbai, 1 January

In what can be a game changer for the Indian pharmaceutical industry, the Ministry of Environment and Forests (MoEF) has cleared a proposal to allow drug manufacturers to tweak their product mix or raw materials used without a fresh environmental clearance as long as their pollution load remains constant. The move is expected to bring much sought-after relief for bulk drug makers, and the industry feels it can trigger fresh investments worth ₹10,000 crore every year for the next few years.

According to government sources, a notification is expected soon. "Earlier, clearance was required for any change in raw materials or product mix or change in quantities within products or number of products in the same category for which approval had been granted. Now, this has been given a waiver, provided there is no increase in pollution load and the increase in production capacity is not more than 50 per cent of the production capacity permitted in the earlier environmental clearance," said a source.

Such clearances used to take four to eight months, according to the industry estimates. Following the latest decision, drug companies will only have to obtain a 'no increase in pollution load' certificate from the state pollution control board concerned for any expansion, the official added. This would mean ease of doing business and companies will be able to respond to market opportunities faster.

The Department of Pharmaceuticals (DoP) has been pursuing the issue with the environment ministry for some time. "It is a significant step in the right direction and will help the local drug industry. We are very happy that the MoEF considered the industry's request," P D Vaghela, secretary, DoP, said.

Last year, the Indian Drug Manufacturers' Association (IDMA) had approached the government for an exemption for bulk drug manufacturers from fresh clearances in the case of a change in product mix at existing manufacturing facilities. Following this, the matter was taken up by the Central Pollution Control Board (CPCB) and a final clearance was given by the MoEF. Turn to Page 13▶