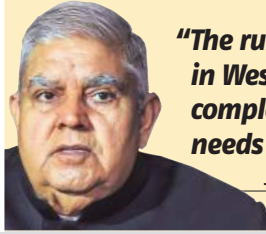


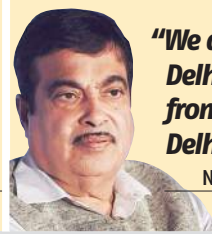
“The ideology is same. Nathuram Godse and Narendra Modi, they believe in the same ideology. There is no difference except that Modi does not have the guts to say he believes in the ideology of Godse”

RAHUL GANDHI
Congress leader



“The rule of law has completely broken down in West Bengal. Law and order situation has completely collapsed. The state government needs to do some serious soul searching”

JAGDEEP DHANKHAR
West Bengal governor




“We are building a highway worth ₹1.03 trillion between Delhi and Mumbai. I assure you that within three years from now, you will be able to drive to Mumbai from Delhi in your car and reach there within 12 hours”

NITIN GADKARI
Minister for road transport & highways and MSMEs

IN BRIEF

Bank employee unions reject 15% wage hike offer



Bank employee unions on Thursday rejected the Indian Banks' Association's (IBA's) offer of a 15 per cent hike in wages, and decided to go ahead with the two-day strike from Friday. The IBA's offer of a 15 per cent hike came after a revision of the previous offer of 12.5 per cent, at a meeting of bank and trade union representatives, to avert an agitation by bank employees. CH Venkatachalam, general secretary, All India Bank Employees' Association, said the banks have declined to consider the demand for a five-day week and the merger of special allowance. "Banks, under the aegis of the IBA, have an improved offer (15 per cent). But it not acceptable and the United Forum of Bank Unions has decided to go ahead with the proposed two-day strike (January 31 and February 1)," he said. During discussions, IBA representatives explained the conditions of business, paying capacity of banks, and consistent efforts at providing various types of benefits to employees. Unions, however, are pressing for some other demands that are not possible to accept, the IBA said.


NAMRATA ACHARYA & ABHIJIT LELE

Ind-Ra: Agri, small biz, retail loans to be a concern for banks

After a prolonged period of troubles with big-ticket exposures, it will be the loans to agriculture, small businesses and unsecured retail debt which will become a concern for banks in 2020-21, India Ratings (Ind-Ra) said on Thursday.

PTI

Govt plans to sell imported onion at ₹22-23/kg



The Centre could soon offload imported onions at a highly subsidised rate of ₹22-23/kg, down around 60 per cent from the current offered rate, as it apprehends rotting of the perishable kitchen item at ports, sources said.

PTI

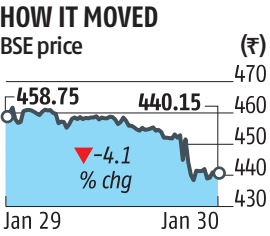
Shriram City Union to raise upto \$2 bn through GMTN

Shriram City Union Finance (SCUF) is planning to raise around \$2 billion through establishment of a \$ Global Medium Term Notes Programme by way of issuance of foreign currency debt securities or rupee denominated bonds to foreign investors.

PTI

LIC Housing Finance Q3 PBT down 13% to ₹745 crore

HOW IT MOVED
BSE price



LIC Housing Finance's profit before tax (PBT) fell 13 per cent to ₹745.32 crore in the third quarter ended December 2019 (Q3FY20) on sharp rise in provisions for stressed loans. It had posted a PBT of ₹859.59 crore in Q3FY19. Its stock closed 4.05 per cent lower at ₹440.15 per share on the BSE. Net profit for the reporting quarter was almost flat at ₹597.53 crore compared to ₹596.31 crore in Q3FY19. The provisions for expected credit loss stood at ₹2,584.72 crore as on December 31, 2019, as against ₹1,555.33 crore as on December 31, 2018. It set aside ₹390.68 crore for impairment of financial instruments in Q3FY20 as against reversal of provisions of ₹3.14 crore in Q3FY19.

ABHIJIT LELE & SUBRATA PANDA

Religare Finvest unveils debt resolution plan

Religare Finvest has proposed a resolution plan for its ₹5,852 crore of debt. The aim is to restructure the dues to enable the lenders to keep the account classified as a standard one.

If approved, this would be the first such recast plan for a non-banking financial company under the RBI's Prudential Framework for Resolution of Stressed Assets of June 2019, said Sanjay Palve, chief executive at Religare Finvest.

According to the plan, of the ₹5,852 crore, around ₹2,700 crore is sustainable debt and will be serviced by the SME portfolio. For the unsustainable debt (both components are secured), the firm would issue non-convertible debentures worth ₹1,800-1,900 crore to the

lenders of 5-10 year duration. There would be a capital component — the lenders get equity capital of ₹450 crore. They would also get bonds of ₹740 crore with a 10-year duration, at a coupon of 0.01 per cent. The lenders referred the plan to the Indian Banks' Association; the panel has sent its recommendations and the firm is getting the needed approvals, Palve said.

As part of the resolution plan, The Chatterjee Group will invest around ₹500 crore as new equity capital and buy out ₹300 crore worth of secondary purchases. The management is also seeking ₹3,000 crore from the lenders for a revival, which they hope to restart early in FY21.

ABHIJIT LELE & SUBRATA PANDA

IEPF clears 6,000 refunds in 10 months

Govt also sends notices to companies

RUCHIKA CHITRAVANSHI
New Delhi, 30 January

The government, in the past 10 months, has approved over 6,000 investor claims such as matured company deposits and unpaid dividends through the Investor Education Protection Fund (IEPF) Authority, according to sources. The IEPF Authority, set up in 2016, had cleared only 800 claims till March last year.

The Ministry of Corporate Affairs has also issued notices to companies to submit the verification report of investor claims and also to transfer the unclaimed dividend and

shares to the Fund. These monies are supposed to be moved to the IEPF if not claimed within seven years.

The IEPF Authority has found that many companies are sitting on such amounts and not transferring them to the Fund even after the time limit lapses.

While the total amount claimed by investors is not known, according to industry estimates, the IEPF has more than ₹4,000 crore in its corpus.

More than 6,000 claims are still waiting government approval which can be given only after the company verifies these dues. Between September 2016 and March 2019, the IEPF

SOURCE OF FUNDS FOR IEPF

UNCLAIMED:

- Debentures
- Dividends
- Matured deposits
- Share applications
- Interest



Authority had cleared only 800 claims of investors. The activity has picked up after a series of awareness programmes were taken up to sensitise public about its investor education,

FPIs await RBI regulations for investments in InvTs, REITs

AMRITHA PILLAY
Mumbai, 30 January

Ahead of Finance Minister Nirmala Sitharaman's Budget announcements on Saturday, Indian companies flag some of the promises made in the last Budget that remain unfulfilled. Foreign Portfolio Investors (FPIs), for instance, still await guidelines by the Reserve Bank of India (RBI) for investments in debt securities issued by infrastructure investment trusts (InvTs) and Real Estate Investment Trusts (REITs).

"Last Budget, the finance ministry announced that FPIs would be allowed to invest in debt securities issued by InvTs and REITs, but the guidelines of the same has not yet been issued," said Harsh Shah, chief executive for India Grid Trust (INDIGRID), an InvIT holding power transmission assets.

The norms for FPI investments in InvTs were relaxed in the July 2019 Budget session. Earlier, while markets regulator Securities and Exchange Board of India (Sebi) had operationalised issue of debt securities under InvIT and REIT regulations, raising financing from FPIs had hit a roadblock due to restrictions under the FPI regulations as only corporate debentures were permitted.

"We are at the next Budget now, and the regulations are not yet out from the RBI... the efficacy then gets questioned," Shah from INDIGRID said.

India has an ambitious plan to invest ₹102 trillion worth of investment in infrastructure projects over the next five years. The multi-trillion investment is to be met through a combination of public and private investments. InvTs as a model was introduced in 2016 to help infrastructure companies monetise assets and churn capital for new projects. Attracting foreign investments into India's infrastructure segment will be crucial to meet the target.

"There are a lot of offshore bond investments already happening. Direct investments will definitely help," said Shubham Jain, senior vice-president and group head - corporate ratings for ICRA. He said there was interest from FPIs for investing in debt securities issued by InvTs and REITs.

REGULATORY TIMELINE

- 2014:** InvIT regulations introduced for the first time
- 2017:** India's first InvIT launched
- 2019:** Budget announcement to allow FPI investment in InvIT debt securities
- 2020:** FPIs await RBI guidelines for such investments

Food ministry seeks ₹2 trillion in Budget for food subsidies

REUTERS
New Delhi, 30 January

The food ministry has sought more than ₹2 trillion (\$28.1 billion) to run the world's biggest food welfare programme

in the fiscal year beginning April 1 (FY21), three government sources said. But the government is likely to earmark only around ₹1.9 trillion, they added.

"The finance ministry may not be able to allocate more than ₹1.9 trillion in the Budget," an official said. Details on the level of subsidy will be made public when Finance Minister Nirmala Sitharaman presents the 2020/21 budget on Saturday.

An inadequate allocation could force the state-run Food Corp of India, the main grain procurement agency, to borrow up to \$2 billion outside of the budget, said the same official. A spokesman for the finance ministry was not immediately available for comment. In fiscal year 2018-19, the government earmarked ₹1.71 trillion for food subsidies but eventually

allocated only ₹1.02 trillion. As a result, Food Corp had to borrow from the market, pushing its overall external borrowings to ₹2.19 trillion (\$30.81 billion) as of October 31, 2019, according to disclosures made in Parliament.

Despite an allocation of ₹1.84 trillion for the current fiscal year, a resource crunch could again force the government to cut the payout to Food Corp, said the three officials, who asked not to be named due to the sensitivity of the matter.

India is likely to fund roughly \$28 billion of its expenditure outlay in the upcoming Budget for 2020/21 via off-budget borrowings, as it seeks to revive a sagging economy while keeping its fiscal deficit in

check. Under the National Food Security Act, Food Corp buys rice and wheat from farmers at a guaranteed price and sells the staples to 67 per cent of the 1.3 billion people at about one-tenth of the market price. Since coming to power in 2014, Prime Minister Narendra Modi has more than doubled food subsidies, making it the government's biggest line item after defence.

rights, Ponzi schemes, etc.

The IEPF has been set up under Section 205C of the Companies Act as a pool of refund of application money, unclaimed dividend, matured debentures, grants and donations by the government, companies or any other institutions, among others. Until 2016, there was no provision for investors to get their claim.

In April last year, Peerless General Finance and Investment Company had deposited over ₹1,500 crore into the Fund which it had owed its investors for more than 15 years.

"This is for the first time that government decided to return the money and allow investors to seek a refund on

their unclaimed rewards. Till now this fund was just sitting in the Investor Protection fund," a senior official said.

However, experts say the IEPF Authority needs to plug a lot of technical issues and ease the process of claiming the funds. In many cases companies, too, have complained that they have not received or are unable to access the verification forms.

"While the process requires adequate documentation, it is very lengthy with a lot of back and forth between companies, investors and government... Some steps such as standardised forms will help," said Ankit Singh, partner, Corporate Professionals.

Need alternative measures, not fiscal stimulus, says Rajiv Kumar



The government should focus on alternative measures to stimulate the economy as it is not possible to give fiscal stimulus, NITI Aayog Vice-Chairman Rajiv Kumar (pictured) said ahead of the Budget. He attributed the slowdown to low investment, muted consumption expenditure and lagging exports.

"Growth-enhancing measures are the need of the hour to achieve India's potential growth rate of 7-8 per cent per annum. However, the government's ability to finance a large stimulus is

admittedly constrained. Therefore, attention will have to be on alternate measures to stimulate a recovery," Kumar said.

He noted that some green shoots of recovery are now visible with the Purchasing Managers' Index for both manufacturing and services showing a smart rise to above 52, which signifies expansion. He also said there have already been plenty of measures taken by the government in the recent past, including the decision to lower corporate tax rates in September 2019.

PTI

No Budget Day exit for MF investors

Mutual fund investors will not be able to make fresh investments or redeem investments on the Budget day, when equity markets are expected to see sharp swings. However, with equity markets open for trading on Saturday, fund managers will be able to buy and sell stocks in their respective schemes. According to industry players, if MF investors fear negative impact on their corpus from Budget day volatility, they will have to act before the 3 pm cut-off time on Friday.

JASH KRIPLANI

BUDGET: DEFICIT A MAJOR CONCERN

Finance Minister Nirmala Sitharaman will present her second Budget on Saturday at a time when the economic growth for FY20 is officially projected to be at a decade low, pulled down by a sharp decline in investment expansion. The Budget should have something for sectors such as agriculture and manufacturing, besides ways to push up demand. However, constraints such as bringing down fiscal deficit to 3 per cent of GDP in the next financial year in line with the papers laid under the Fiscal Responsibility and Budget Management Act come in the way. It is almost clear that the deficit will not be reduced to such an extent, or else the economy will struggle to recover

INDIVJAL DHASMANA

PAIN POINTS TO BE LOOKED AT


(Growth in % YoY)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
GDP growth	7.1	8.2	7.1	7.2	6.8	5.0*
Agriculture GVA	-0.2	0.6	6.2	4.9	2.9	2.8*
Manufacturing GVA	7.9	13.0	7.9	5.9	6.9	2.0*
Private final consumption(demand)	6.4	7.9	8.2	7.4	8.1	5.8*
Gross fixed capital formation (investment)	2.6	6.5	8.3	9.3	9.9	0.9*
Fiscal deficit (in % of GDP)	4.0	3.9	3.5	3.5	3.4	3.3**

Note: * advance estimates, ** budget estimates, actual figure crossed BE by 14.8% till November

“LOOKING AT THE ECONOMY IN A DISCERNING VIEW, YOU SEE THAT GROWTH MAY HAVE COME DOWN BUT IT IS NOT RECESSION YET; IT WON'T BE RECESSION EVER.”

NIRMALA SITHARAMAN, FINANCE MINISTER



Modi urges MPs to ‘give direction’ to economy

At an all-party meet, Opposition speaks of CAA, slowdown, and lack of jobs



Prime Minister Narendra Modi at an all-party meet in New Delhi

ARCHIS MOHAN
New Delhi, 30 January

At the all-party meeting on the eve of the Budget session of Parliament on Friday, Prime Minister Narendra Modi welcomed suggestions by political parties about the "need to discuss economic issues" during the session.

"In this Budget session, and in the beginning of the New Year, if we can give a proper direction to the country's economy it would be in the best interest of the country," the PM told the MPs at the customary meeting.

Leaders of nearly all political parties, barring Bharatiya Janata Party (BJP) ally AIADMK, flagged issues related to the Citizenship Amendment Act (CAA), National Register of Citizens (NRC) and National Population Register (NPR).

Opposition parties also spoke of the economic slowdown and lack of jobs, demanded release of political leaders in Kashmir and complained of weakening federalism, including the Centre delaying transfer of GST revenue to states.

On CAA, Shiromani Akali Dal's (SAD's) Balwinder Singh Bhunder said legislations that discriminate on the basis of religion were "unacceptable". The SAD had supported the passage of CAA, but later demanded its withdrawal. MPs from political parties with presence in northeastern states, including National People's Party's Agatha Sangma, demanded that the region should be exempted from CAA. Trinamool Congress' Sudip Bandyopadhyay and Derek O'Brien represented the party at the meeting. Bandyopadhyay said the government was "suppressing" the voice of large and medium industrialists.

Accusing the government of "bulldozing" legislations and showing scant concern for opposition amendments, the Trinamool leader said the Congress in 1984 had 404 seats, which was reduced to 44 in 2014, and the BJP could suffer a similar fate with the zero in its 303 Lok Sabha tally could go missing and it could get reduced to 33.

Congress leader Ghulam Nabi Azad accused the government of not allow-

ing discussions on issues confronting the nation, with such 'all party meetings' having become rituals and photo opportunities. He said the government was reducing the number of days that Parliament sat for, and alleged it was bringing in legislations that "divide India" instead of "uniting the country".

In his remarks, the PM said: "Most of the members have asked for discussion on the economic situation concerning the country. I welcome this and we need to discuss the economic issues as suggested by you all".

The PM urged members to see how the country can gain from the prevailing global economic scenario.

He said, "We should focus on how we can turn the global scenario in favour of India". He said the government was willing to discuss all issues.

As Defence Minister Rajnath Singh chaired the meeting before the PM arrived, Rashtriya Janata Dal's Manoj Jha spoke of the situation in Kashmir.

The session will continue until April 3. It will break for recess on February 11 to meet again on March 2.