

Sebi system to detect misuse of client securities by brokers

ENSECONOMIC BUREAU
MUMBAI, FEBRUARY 13

THE SECURITIES and Exchange Board of India (SEBI) has developed an in-house online system to prevent misuse of clients' securities by brokers — a move that follows the Karvy episode where it was found that Karvy used clients' securities to raise funds and diverted it. According to the markets regulator, it would be able to prepare client level securities holding register of the brokers.

“Sebi collects the details of the clients' securities submitted in weekly report filed by brokers with the exchanges and updates the same with trades conducted in the accounts of said clients using the data available with Sebi in DWBS (Data Warehouse & Business Intelligence System) as well as data provided by the exchanges, clearing corporations

The move follows the Karvy episode, which allegedly used clients' securities to raise funds and diverted it

and depositories pertaining to auction trades, corporate actions, SLBM transfers and off market trades,” Sebi said.

On November 22, Sebi banned Karvy Stock Broking (KSBL) from taking fresh business for allegedly misappropriating money and securities belonging to its investors in order to fund its real estate arm, Karvy Realty. The securities holding balance computed is matched with the actual clients' securities holding in the demat account and submission made by the broker for the next day. “Any mismatch in data is flagged as an alert for exchanges,” the regulator said.

“Sebi has developed the in-house capabilities to online track the movement of client securities collected by broker as collateral and raise alerts with the exchanges if diversion of clients' securities is noticed. These reports are being generated by Sebi on a weekly basis and three such mismatch reports have already been forwarded to the exchanges for reconciliation with members,” it said. This system is likely to timely detect the misuse of clients' securities collected by brokers as collateral or received in pay-out of securities, Sebi added.

“In the recent past years, it has been observed that some brokers have misused clients' securities received as collateral to meet their own settlement obligation or obligations of other clients. Some brokers have also misused clients' securities by pledging them with the banks and NBFCs to raise funds for their own use,” Sebi said.

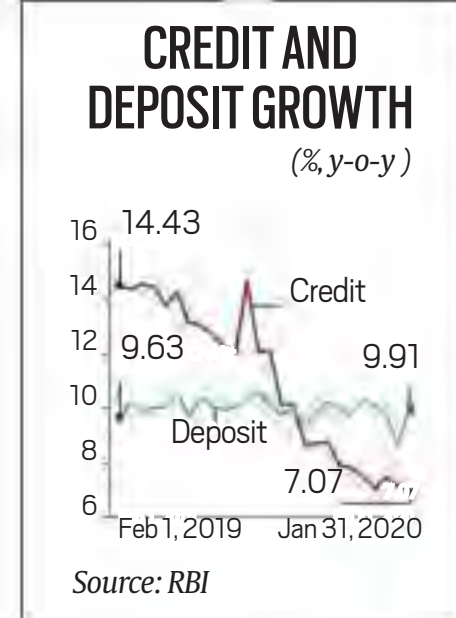
7.08% RISE FOR FORTNIGHT ENDED JANUARY 31

Non-food credit crosses ₹100 L-cr mark but growth at three-year low

ENSECONOMIC BUREAU
MUMBAI, FEBRUARY 13

EVEN AS credit owed to the banking system crossed the Rs 100 lakh-crore mark, the non-food credit growth slipped to an over three-year low of 7.08 per cent year-on-year (y-o-y) during the fortnight ended January 31, 2020, from 7.14 per cent in the previous fortnight. Data from the Reserve Bank of India (RBI) showed that during the comparable fortnight a year ago, non-food credit growth stood at 14.43 per cent.

According to provisional data released by the central bank on Thursday, outstanding loans to companies and individuals stood



at Rs 100.24 lakh crore on January 31, up from Rs 99.23 lakh crore at the end of the previous fortnight.

The deposit growth in the

banking system marginally recovered during the fortnight. Deposits with banks grew 9.91 per cent y-o-y to Rs 133.24 lakh crore during the fortnight ended January 31, up from 8.69 per cent in the previous fortnight. During the comparable fortnight of 2019, deposits with banks had grown by 9.63 per cent.

The credit deposit (CD) ratio for the fortnight stood at 75.23 per cent, slightly lower than 75.6 per cent at the end of the previous fortnight.

It is noteworthy that credit growth has been trending down even as lending rates of banks fell through 2019 following rate cuts by the RBI. In its latest monetary policy meeting, the rate-setting committee held rates while the

central bank resorted to more unconventional means of lowering the cost of credit.

In recent years, banks have come to rely heavily on the retail segment to buttress their growth numbers in the absence of demand from corporates. The scenario is unlikely to change anytime soon, say analysts. In a note dated Thursday, Kotak Institutional Equities said there was little scope for borrowing by corporates for greenfield projects. “Expected disbursements in FY20, based on sanctions up to FY19, are quite low at around 1 per cent of loans. Corporates are focusing on reducing leverage levels and/or prefer buying out capacities through IBC,” the broking firm said. FE

‘PE investment in real estate up 3% during 2019’

Increased interest of foreign investors in commercial properties helped in a 3% rise in private equity investment in realty sector to ₹43,704 crore in 2019: Cushman & Wakefield



Interest in alternative segments: Strategic investments in alternative segments like co-living/student housing, co-working, and data centres are likely to garner active interest from institutional investors

CITY-WISE SHARE OF ANNUAL INVESTMENT VOLUME:

MUMBAI: 32% | BENGALURU: 14% | PUNE: 7%
HYDERABAD: 6% | CHENNAI: 6%

₹21,890 CRORE
PE investment in office segment in 2019, declining from ₹23,930 crore in 2018

₹7,457 CRORE
PE inflows in housing segment in 2019, declining from ₹9,600 crore a year ago

₹5,500 CRORE
PE investment in retail segment last year, up from ₹1,990 crore in 2018

₹3,810 CRORE:
PE inflows in warehousing segment in 2019, increasing from ₹2,870 crore in previous year

72.9%:
Contribution of foreign investors to total investment inflows during 2019

80.5%:
Share of equity capital infusion in total investment inflows during 2019, up from 64 per cent in 2018

₹42,440 CRORE
Volume of PE investment into real estate market in 2018

Healthy investment volumes: On account of anticipated deployment of fund commitments made across the platforms, investment volumes are expected to remain healthy

Source: Cushman & Wakefield/PTI

Focusing on 12-13 sectors with competitive edge to boost exports: Goyal

PRESS TRUST OF INDIA
NEW DELHI, FEBRUARY 13

COMMERCE AND Industry Minister Piyush Goyal on Thursday said they are focusing on 12-13 sectors such as textiles where India has a competitive edge to boost exports. He said that exports grow when there is both comparative and competitive edge on different sectors.

“We are now focusing our energies on about 12 or 13 sectors, where we believe India has a competitive edge, to be able to export

more,” Goyal said at the Times Now Summit here. Citing an example of man-made textiles, he said the government is putting attention as over the years, India has always focused on cotton textiles, whereas the world has moved on to man-made textiles.

“We have now brought our attention to see how we can have an orderly growth of man-made textiles industry,” he said. Goyal said he has told the textiles sector people that it has the potential to increase exports to \$100 billion in the next 10 years from the current level of about \$37 billion.

IMF: Need for ambitious structural and financial sector reforms in India

LALIT K JHA
WASHINGTON, FEBRUARY 13

INDIA URGENTLY needs more ambitious structural and financial sector reform measures and a medium-term fiscal consolidation strategy, anchored in tangible revenue and expenditure measures, especially given rising debt levels,” Rice told reporters.

“The environment is weaker than we had forecast earlier, that a more accumulative fiscal stance, this year, is appropriate, so that more accumulative fiscal stance in the budget, we think, is appropriate,” he said.

“But, over the medium term, we are looking at a fiscal consolidation strategy,” Rice said.

The IMF in January lowered India's economic growth estimate for the current fiscal to 4.8 per cent. PTI

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Interest on LTROs to be compounded on annual basis

PRESS TRUST OF INDIA
MUMBAI, FEBRUARY 13

ON THE eve of the first tranche of the long-term repo operations (LTROs) announced February 6, the Reserve Bank Thursday said it will be conducted on a fixed-rate basis and interest rate will remain fixed for the tenor of operation.

It also clarified that the interest on these repos will be compounded on an annual basis and will be conducted at the prevailing repo rate. Deploying an out-of-the-box tool to ensure permanent and deeper liquidity in the system, the RBI on February 6, announced Rs 1.5 lakh crore of long-term reverse repo operations beginning Friday.

‘RBI’s asset recognition norms for realty sector credit negative for banks’

ENSECONOMIC BUREAU
MUMBAI, FEBRUARY 13

RATINGS AGENCY Moody's Thursday said the Reserve Bank of India's (RBI) move to revise asset recognition norms for bank loans to real estate sector is credit negative for lenders as it would defer the recognition of such loans.

The RBI on February 7 allowed banks to not classify real estate loans as restructured for one year if the project is delayed for reasons beyond the control of real estate developers. “While this will alleviate near-term asset quality risk to the banks from the real estate sector, it will not address the credit issues facing real estate developers,” the ratings firm said.

The real estate sector has been facing challenges as NBFCs, the key lenders to the sector, are also under stress. Further, stagnating property sales have resulted in a large stock of unsold inventory. “Tight funding conditions are straining developers' ability to complete projects, and by extension, their solvency,” Moody's said.

Under the new guideline, banks can extend the principal repayment period by one year if the project is delayed because of reasons beyond the developer's control. Typically, the principal repayment on loans to property developers starts two-three years after the disbursement.

In the interim period, developers are only required to pay the interest on the loan. FE

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Tenders (Technical + Financial) in separate sealed envelopes are invited to procure and install ArcGIS in the Laboratories in the Department of Geography. The tenders should reach the undersigned by 03-03-2020 upto 2:00 PM. For more information and updates please visit www.cuh.ac.in
Registrar

Rajasthan State Road Development And Construction Corporation Ltd., JAIPUR
अपकावर्तिका इं-इंजीनियरिंग सुचना सं- 350/2019-20
Medical College, Bharatpur २२०००२
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अधिकृत विनिर्देश पत्र देखने के लिए कृपया संपर्क करें: २२५००२ लोक
सप्लायर को (क)
Bharatpur, UBN No. RRC/2019/SO/08751
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Bank of India BOI
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REQUEST FOR PROPOSAL
For Comprehensive on-site maintenance contract for maintenance and facility management of Digital Signage System (DSS) at Bank of India. The captioned RFP is available on Bank's Corporate Website www.bankofindia.co.in under "Tender" section.

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GACHIBOWLI, HYDERABAD-500 032.
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1	61967	Hygienic maintenance of toilets	47.11 Lakh
2	61970	Miscellaneous housekeeping works	78.71 Lakh
3	61971	Conservancy work in BDL township	80.35 Lakh

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Place: Navi Mumbai
Date: 14.02.2020
VICE PRESIDENT & CIRCLE HEAD
CIRCLE OFFICE, NAVI MUMBAI

US brings new charges against Huawei, subsidiaries

ASSOCIATED PRESS
WASHINGTON, FEBRUARY 13

THE US Justice Department has added new criminal charges against Chinese tech giant Huawei and two of its subsidiaries, accusing the company in a plot to steal trade secrets from competitors in America, federal prosecutors announced Thursday.

The case comes as the Trump administration is raising national security concerns about Huawei, the world's largest telecommunications equipment manufacturer, and is lobbying Western allies against including the company in wireless, high-speed networks.

The new indictment brought by federal prosecutors in

Brooklyn adds to the legal woes in the US for Huawei, which already faced bank fraud charges in that district and a separate trade secrets theft in federal court in Seattle.

The latest allegations accuse Huawei of plotting to steal the trade secrets and intellectual property of rival companies in the US in some cases, prosecutors said, Huawei directed and

provided incentives to its employees to steal from competitors by offering bonuses to those who brought in the most valuable stolen information.

The company also used proxies, including professors at research institutions, to steal intellectual property, prosecutors said. A lawyer for Huawei did not immediately return a call seeking comment.

BRIEFLY

Allahabad Bank cuts MCLR by 5 basis points

Mumbai: Allahabad Bank has cut the marginal cost of funds based lending rate (MCLR) by 0.05 percentage points across tenors, effective February 14, the bank said in a regulatory filing.

AGR dues: SC to hear telcos' pleas today

New Delhi: The Supreme Court will Friday hear fresh pleas of telecom firms seeking a new schedule of payment of statutory dues of around Rs 1.47 lakh crore to the Department of Telecommunications. The pleas filed by Vodafone Idea, Bharti Airtel, and Tata Teleservices has sought more time for payment of adjusted gross revenue (AGR) related dues.

Microsoft CEO to visit India this month

New Delhi: Microsoft Corp chief executive officer Satya Nadella will visit India later this month, the company said Thursday, though it did not give details on dates and cities he is likely to visit.

MWC 2020 cancelled over virus fears

London: The Mobile World Congress (MWC) 2020 has been cancelled as telecom companies one after the other pulled out of the annual conference following the outbreak of the deadly coronavirus in China. PTI

SJVN posts 39% rise in Q3 profit after tax

New Delhi: SJVN Ltd has recorded a 39 per cent rise in profit after tax in the third quarter of FY20 ended on December 31, 2019 to Rs 1,262 crore, from Rs 907.78 crore in the corresponding quarter last fiscal. ENS

Virus outbreak to shrink Q1 oil demand: IEA

Frankfurt: The International Energy Agency expects demand for oil to fall in the first quarter as a result of the virus outbreak that emanated in China. Any fall would represent the first quarterly decline in a decade. Any fall would represent the first quarterly decline in a decade. AP

Tesla offers \$2 bn in added shares, discloses SEC subpoena

TESLA SAID that it is selling \$2 billion worth of additional stock, that its US revenue fell last year and that securities regulators are scrutinizing its finances.

All of the developments Thursday were disclosed in filings with US Securities and Exchange Commission, which in December subpoenaed financial data and contracts, including the company's financing arrangements.

The Palo Alto, California, company's shares jumped 3.7 per cent despite the disclosures and the additional 2.65 million shares that could dilute the value of the 180 million shares now on the market.