

Business Standard

| THE MARKETS ON THURSDAY | | |
|-------------------------|-----------|---------|
| | | Chg# |
| Sensex | 39,745.7 | 143.3 |
| Nifty | 11,633.3 | 45.2 |
| Nifty futures* | 11,629.3 | 4.0 |
| Dollar | ₹71.6 | ₹71.7** |
| Euro | ₹78.3 | ₹78.0** |
| Brent crude (\$/bbl)** | 50.4** | 52.7** |
| Gold (10 gm)** | ₹42,442.0 | ₹42.0 |

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



ECONOMY & PUBLIC AFFAIRS P15
THIS SUMMER COULD BE HOTTER THAN USUAL: IMD

ECONOMY & PUBLIC AFFAIRS P6
TYAGI STANDS OUT FOR HIS BALANCED APPROACH



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INDUSIND BANK NAMES SUMANT KATHPALIA CEO

Private sector lender IndusInd Bank on Thursday said Sumant Kathpalia would be the next managing director and chief executive of the bank from March 24, 2020, for a three-year term. He will succeed Romesh Sobti, who has been at the helm of affairs for over a decade now. **15**



THE SMART INVESTOR P10

Correction may continue amid global sell-off

The Indian markets may continue their slide, following the fall in the US markets. The Dow plunged as much as 950 points early on Thursday, after US officials warned of virus spread. It partially recovered to 26,523, down 434 points, as of 12:05 am (IST). The US indices were set for their steepest weekly pullback since the global financial crisis. Meanwhile, oil prices tumbled for a fifth day on Thursday to their lowest since January 2019.



OPINION: Understanding Budget policy

Its objectives are clear. But the reality in recent years has not cooperated with the government's plans, write **ARVIND SUBRAMANIAN & JOSH FELMAN**

COMPANIES P2

CCI looks into allegations against TaMo, two units

The Competition Commission of India (CCI) is examining allegations that Tata Motors and two finance firms of its \$100-billion parent group abused their market position while selling commercial vehicles, according to three sources and legal documents seen by Reuters. Tata firms have denied any malpractice.

'We've beaten Wall Street estimates for 3 quarters'

Cognizant sees 2020 as a year of execution to get its bellwether tag back. Cognizant's CEO **BRIAN HUMPHRIES** spoke to TE Narasimhan & Gireesh Babu, elaborating the IT firm's growth plans and how India remains critical for its growth



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COMPANIES P3

Shree Cement starts world's largest kiln

Shree Cement has surpassed ACC to come up with the world's largest cement kiln at Ras Al Khaimah in the UAE. "We have operationalised the plant and now it is the world's largest cement kiln with a capacity to produce 14,500 tonne per day (tpd)," H M Bangur, managing director, Shree Cement told Business Standard.

Temasek eyes controlling stake in LVB

May rope in its banking arm DBS Bank India to co-invest

HAMSINI KARTHIK
Mumbai, 27 February

Temasek Holdings, the Singapore government's investment company, has furthered its talks with Indian authorities to acquire a controlling stake in capital-starved Lakshmi Vilas Bank (LVB).

According to persons aware of the development, Temasek has approached the corporate affairs and finance ministries for their approval to buy a 51 per cent stake, which will give it controlling rights in LVB. "Temasek already has an interest in several financial sector firms. Hence, it is seeking consent on whether it can take a controlling stake in one more Indian bank, which is LVB," said one of the persons.

In the listed financial space, Temasek owns shares in HDFC Bank, while it exited Axis Bank and YES Bank last year.

Once approval from the government comes through, Temasek is expected to make a binding offer to acquire the stake. "As LVB was placed under prompt corrective action by the Reserve Bank of India in September 2019, talks with the regulator have helped the bank firm up its capital infusion structure, which will be similar to the one executed by CSB Bank (earlier Catholic Syrian Bank) in February 2019," said a highly-placed source.

Also, as the bank is looking at ₹1,500-2,000 crore of capital infusion, investors looking to pump in the funds are said to be keen on taking a controlling stake.

LVB's capital adequacy ratio stood at 3.46 per cent as of December 31, 2019, well below the regulatory level of 9 per cent and may be classified as the weakest bank in India. Its advances stood at ₹17,535 crore and deposits at ₹23,565 crore on this date, both of which have shrunk by over 20 per cent year-on-year.

It is understood that Temasek may initially rope in its Indian banking unit, DBS Bank India, a subsidiary of DBS Singapore, to acquire the stake in LVB. DBS Bank India was the first to remodel its operations as an Indian subsidiary in March 2019.



TEMASEK'S INDIA BETS

Exposure to listed entities

| | ₹ crore |
|---------------------|---------|
| TCS | 52 |
| HDFC Bank | 27 |
| Reliance Industries | 25 |
| Larsen & Toubro | 19 |

Investments in financial services space

| | ₹ crore |
|-----------------------|---------|
| Pine Labs | 875 |
| Utkarsh Micro Finance | 395 |
| BTI Payments | 150 |
| Snappizz | 50 |

Other key investments

| | ₹ crore |
|--------------------------------|---------|
| ANI Technologies | 1,575 |
| Eteches Marketing & Consulting | 1,400 |
| GMR Infrastructure | 1,136 |
| Macrotech Developers | 500 |
| Dr Agarwal's Health Care | 270 |

Major exits in 12 months

Bharat Electronics, Motherson Sumi, Bharat Forge, Axis Bank, Biocon, YES Bank

Source: Bloomberg

BUSINESS STANDARD INSURANCE ROUND TABLE 2020



(From left) SBI Life Insurance President Abhijit Gulanikar, IndiaFirst Life Insurance MD & CEO R M Vishakha, Life Insurance Corporation MD Raj Kumar, Business Standard Consulting Editor Tamal Bandyopadhyay, ICICI Prudential Life MD and CEO N S Kannan, HDFC Life ED Suresh Badami, and PolicyBazaar co-founder and Group CEO Yashish Dahiya

(From left) Marsh India Country Head and CEO Sanjay Kedia, Religare Health Insurance MD and CEO Amuj Gulati, ICICI Lombard MD and CEO Bhargav Dasgupta, and Future Generali MD and CEO Anup Rau

PAGE 16 'NO MAJOR IMPACT OF TAX CHANGE' || SANDBOX OPENS UP AVENUES FOR BUNDLING SERVICES

DCC MEETING TODAY MAY DISCUSS RELIEF TO TELECOM OPERATORS

The Digital Communications Commission (DCC), the apex decision-making body in the telecom sector, is expected to meet on Friday to deliberate on a relief package for the financially stressed industry. As directed by the Supreme Court, telcos need to pay ₹1.47 trillion to the government as licence fees and spectrum charges linked to adjusted gross revenue. **15**

BROOKFIELD-RIL InvIT MAY RAISE MORE DEBT TO ATTRACT INVESTORS

With the Budget 2020-21 levying dividend distribution tax in the hands of recipients, the Reliance Industries-Brookfield infrastructure investment trust is looking at the option of raising more debt from foreign and ultra-high net-worth investors and offer attractive interest to them. These investors will be able to save on tax by investing via jurisdictions which have lower withholding tax rates on debt instruments, DEV CHATTERJEE writes **18**

China virus pushes govt to fast-track tech manufacturing

Cabinet likely to take up new scheme for consideration soon

ARUP ROYCHOUDHURY & NEHA ALAWADHI
New Delhi, 27 February

The Union Cabinet is soon expected to take up for consideration a scheme that will aim at boosting the manufacturing of smart phones, semi-conductors, and other high-value tech goods.

This proposal is likely to replace existing schemes like the Modified Special Incentive Package Scheme (MSIPS), Electronic Manufacturing Clusters (EMC), and Electronics

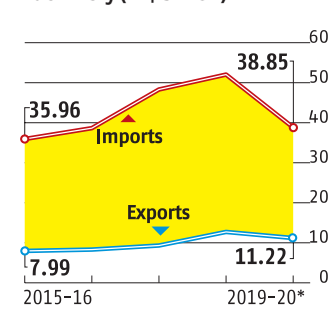
Development Fund (EDF), Business Standard has learnt.

The scheme was first announced by Finance Minister Nirmala Sitharaman in the Union Budget this year. Work on the scheme is being speeded up because India sees opportunities in the light of companies looking to shift their manufacturing base from China due to the coronavirus epidemic.

"The process of drafting the scheme, deciding its contours, and getting it started are being expedited in the light of the situation in China. Based on our conversations with companies that are interested in moving their manufacturing bases out of China, we do see opportunities," said a senior finance ministry official.

WIDENING GAP

India's trade in all forms of electronics and electrical machinery (in \$ billion)

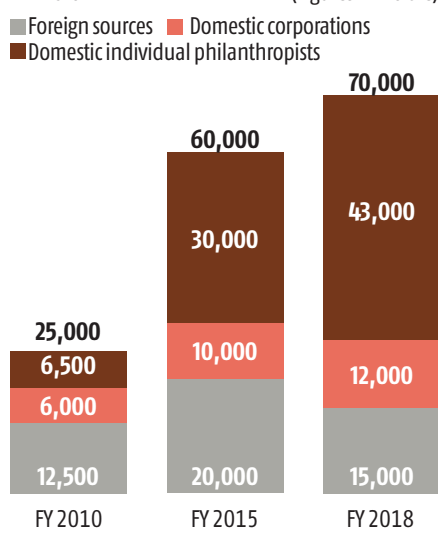


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Individuals lead the way in philanthropy

FUNDRAISING FOR A CAUSE

Private funds raised for the social sector in India (Figures in ₹ crore)



Sources: Bain & Co, Dasra, and industry estimates

Contribution from foreign sources, domestic corporations slowed

SURAJEET DAS GUPTA
New Delhi, 27 February

Private funds raised for philanthropy and the social sector in India hit a record high of ₹70,000 crore in 2017-18 (FY18), growing at a compound annual growth rate (CAGR) of 14-18 per cent over the last eight years. While both the share and the amount from foreign contributions fell dramatically owing to the government crackdown on foreign NGOs, it was more than made up for by individuals, whose philanthropic contributions in FY18 accounted for a sizeable ₹43,000 crore. However, the contribution of domestic corporations to the social sector is slowing.

According to exclusive extracts from the latest "India Philanthropy Report 2020", to be released by Bain & Co, funds from foreign sources in FY18 contributed to only 21 per cent of the funding, down from 50 per cent in FY10. In FY15, their share was 33 per cent. The reason: The government launched a massive crackdown on NGOs for violating Foreign



Biocon CMD Kiran Majumdar-Shaw, Wipro founder Azim Premji, and Infosys co-founder Nandan Nilekani are among Indians who contributed to the upward trend in private funding

Contribution Regulation Act (FCRA) norms.

The good news is that individuals' share in the funds raised for the social sector shot up from a mere 26 per cent in FY10 to over 61 per cent in FY18. The report says that landmark commitments by 11 Indian-origin families, including that of Kiran Majumdar-Shaw, Dr Romesh and Kathleen Wadhvani, Azim and Yasmeen Premji, and Nandan and Rohini Nilekani, contributed to the huge spike in private funding.

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