

Economy

MONDAY, NOVEMBER 26, 2018



HARD REALITY

Adarsh Kumar Goel, chairman, NGT

Economy is growing very fast, we have a place of pride in the world as a nation. But we have a large number of people below the poverty line. We have people who are deprived of food... there are people who are deprived of shelter and clothes.

Quick View

Govt hikes FAME-I outlay to ₹895 crore

THE GOVERNMENT HAS increased the outlay by ₹100 crore to ₹895 crore for the first phase of the FAME India scheme to promote mass adoption of electric vehicles, having extended the scheme 4 times.

Today, FM to meet industry leaders

FINANCE MINISTER ARUN Jaitley will meet industry captains at an interactive meeting organised by the CII on Monday to discuss the current economic environment and steps taken by the govt to address emerging issues.

Move on agri export policy

THE CABINET IS expected to consider this week the proposed agriculture export policy.

TRADE TALKS

Govt study to weigh RCEP impact

Move suggests anxiety over potential losses from the deal hasn't yet subsided

BANIKINKAR PATTANAYAK
New Delhi, November 23

CONCERNED OVER DOMESTIC resistance to the 16-nation Regional Comprehensive Economic Partnership (RCEP) agreement, and pressured by RCEP partners to extend greater commitment to liberalise its goods trade, India has decided to conduct a study on potential gains or losses to its economy from such a regional trade pact.

Earlier this year, a government panel under commerce and industry minister Suresh Prabhakar had decided to remain engaged in RCEP negotiations, but not to sweeten offer for goods trade further. The latest move to commission a study suggests New Delhi's anxiety over potential losses from the mega deal hasn't yet subsided. "The study will be conducted by the Centre for Regional Trade and the IIM Bangalore," an official source told FE, adding it will also come

handy during further RCEP negotiations.

Negotiators from the RCEP members will next meet in February 2019 in Indonesia, which will be followed by a ministerial meeting in Thailand in April next year, the source said. Domestic industry and even certain ministries, including steel, have been critical of the RCEP deal on fears of dumping, especially by China.

In the RCEP negotiations in Singapore in August, members agreed to provide India a time frame of over 20 years to eliminate tariff on key items for China, Australia and New Zealand with which it doesn't have a free trade agreement. The members also agreed to include the free movement of skilled services professionals under the RCEP, according to another demand by India.

The members also accepted India's demand that it could also negotiate with its non-FTA partners, including China, bilaterally, and separately, on



concessions they are willing to grant each other under the RCEP framework. RCEP negotiations, which were supposed to achieve substantial progress in 2018, will continue in 2019 as well.

For its part, India has proposed to eliminate tariffs on 80% of products with a margin of 6%, depending on level of development of the other country as part of RCEP negotiations. This means India may have to scrap duties on 74% of goods from China in the long run. However, many RCEP members want India to commit to abolish duties on 92% of its goods.

From steel to pharmaceuti-

cals, industries have been criticising India's existing trade agreements with Asean, Japan and South Korea on grounds that New Delhi's trade deficit with these countries have only widened after these pacts came into force and there is little for domestic industry to benefit from. Also, India had a record \$63 billion goods trade deficit with China in 2017-18. If, on top of this, a free trade agreement with China is effected through the RCEP (of which Beijing is a key member), cheap products will flood the market, they have pointed out.

The steel ministry, for instance, argues that without any FTA, India has a trade

deficit (in steel) of two million tonne with China and "considering the trend, it is imperative that pursuant to signing of the RCEP, the trade deficit will further widen". The pharma industry, too, fears that cheap Chinese products will have unrestricted entry to India.

Apart from the Asean members, China, Japan, Korea, Australia and New Zealand are engaged in talks for the RCEP agreement. China was the biggest contributor to India's \$104-billion goods trade deficit with all the RCEP partners in 2017-18. The scrapping of tariff lines means import duties on specified items would be cut to zero over a mutually agreed-upon time frame.

India has already made it clear that it is opposed to an "early harvest". This means it wants agreements on all the three pillars of negotiations — goods, services and investment — be implemented only as a package, not one at a time. So even if a consensus is reached early on goods (which is what most nations want), India feels it shouldn't be enforced in isolation.

G20: India likely to flag West's laxity on climate fund of \$100 bn a year

PRASANTA SAHU
New Delhi, November 25

WITH THE GROUP of 20 (G20) meeting starting in Argentina, India has indicated that it will highlight the "lack of will" among developed countries to fulfil their commitment to mobilise \$100 billion/year climate funding agreed under the Paris pact to help developing countries tackle global warming.

India will also impress upon world leaders about fulfilling the commitment made in the Bali round of trade negotiations to find a permanent solution for public food stock holding limit.

Pre-summit activities in the Argentine capital of Buenos Aires will begin on Monday. The G-20 summit will be held on Friday and Saturday. India will likely to stress the need for crude oil price stability and supplies to sustain global growth.

According to the Paris accord signed in April 2016, the developed nations promised to raise \$100 billion a year in climate finance from both public and private sources

by 2020 to help developing countries tackle global warming. "We don't see any movement in that direction," an Indian government official said. The developed nations are counting funding by the multi-lateral agencies as climate funding to developing countries. "The fundings should be new and additional, it should not be merely an accounting exercise."

The G20 meet will also discuss ways to promote sustainable agriculture and linking of small farmers with local markets. While developing countries want issues related to farm subsidies to be resolved, developed nations are keen to push forward new matters related to e-commerce and investments.

The Doha round of negotiations have remained stalled since 2008, primarily over the issue of huge trade-distorting subsidies being given to farmers by rich countries. While India and other developing nations want a reaffirmation to conclude the Doha Development Agenda first, developed countries seek to mostly dilute negotiations and widen the mandate with new issues.

'Modi may come and go, but India will never let go of its unity'

PRESS TRUST OF INDIA
New Delhi, November 25

PRIME MINISTER NARENDRA Modi said on Sunday he deliberately kept 'politics' out of his monthly radio address 'Mann Ki Baat' as the programme was about aspirations of the people and not his or the government's achievements.

Modi also said he chose radio as a medium to connect with the people as it was a "mighty means" of getting across.

Addressing the 50th episode, he said the "apprehensions" of the people are not

"misplaced" that the programme could have been used as a political tool and to disseminate his and his government's achievements.

"The fact is, if a leader gets hold of a microphone with assured listeners, what else does he need?... When 'Mann Ki Baat' commenced, I had firmly decided that it would carry nothing political, or any praise for the government, nor Modi for that matter... Modi may come and go, but this country will never let go of its unity and permanence, our culture will always be immortal," he said.

Panel on RBI's capital framework likely this week

THE GOVERNMENT AND the Reserve Bank of India (RBI) will likely by this week appoint members of an expert committee which will look into the economic capital framework (ECF) of the central bank, a source said.

It will determine the appropriate levels of reserves the central bank ought to hold.

"The names will be decided by the RBI governor and the finance ministry together in next five-six days," the source said. The committee will have minimum of three people. —PTI

Essar Steel bid: StanChart moves NCLT against CoC selecting Arcelor

CLASSIFIED AS a secured financial creditor by resolution professional Satish Kumar Gupta, ₹2,646.05 crore represents StanChart's secured principal outstanding exposure to Essar Steel.

According to its calculations, StanChart's share as per the CoC-approved distribution would come to ₹60.71 crore against admitted secured claims of ₹3,487.10, coming to a recovery of 1.7% against ₹2,983.98 it would receive if the share was divided on a pro rata basis among secured lenders with a recovery of 85.6%.

For the difference in the amount it would receive under the two scenarios, StanChart blamed the core committee formed from among members of the CoC, namely State Bank of India, ICICI Bank, IDBI Bank, Edelweiss Asset Reconstruction Company, in March. This core committee was

initially meant to represent the Essar Steel CoC at court proceedings, but which was later entrusted with several other functions. StanChart presents an argument in its application citing 'discriminatory practice' of the CoC, and terms the core committee's negotiation with Arcelor Mittal just before the revised plan is put to a final vote, following approval of the same by the CoC, as illegal.

SBI had referred Essar Steel to the NCLT seeking a resolution via the corporate insolvency resolution process under the IBC. Essar Steel owes lenders about ₹49,000 crore.

Public investments: States speed up capex, big jump in Q2

THE PRESSURES referred to are announcement of farm loan waivers (six states have already announced such largesse amounting to a total of ₹1.26 lakh crore) and the Seventh Pay panel-induced salary/allowance hikes for state

governments' staff.

The overall expenditure of the 20 states have also gathered pace. Revenue expenditure of the states reviewed by FE (including UP, Bihar, TN, Maharashtra, West Bengal, Kerala, Rajasthan, Madhya Pradesh, Telangana, Odisha, Gujarat, Karnataka and Haryana) in H1FY19 was ₹10 lakh crore, up 13% year-on-year or 39.5% of the full-year target of ₹25.3 lakh crore against 38.9% of the relevant target year ago. Tax revenue of these states stood at ₹7.5 lakh crore, up 11% y-o-y, and 40.9% of the full-year target of ₹18.2 lakh crore (41% of the target in the year-ago period).

With Bihar, Rajasthan, MP and Punjab front-loading their market borrowing in H1FY19 to meet expenditure commitments on weak tax receipts, the borrowings of the 20 states were at ₹1.78 lakh crore, 27% higher than the year-ago period.

While the compensation mechanism under the goods and services tax (GST) ensures states' annual GST revenue growth is at least 14%, many states like Bihar are witnessing

much slower growth in their own tax revenue (which, though varies from state to state, is roughly half of the overall tax revenue). With Bihar's overall tax revenue (including transfers from central taxes) declining 36% y-o-y in H1 this year, its borrowings more than doubled to ₹40,730 crore from ₹19,221 crore a year ago. Rajasthan's borrowings nearly tripled to nearly ₹18,000 crore during the period. Thanks to a tax revenue growth of 22% in H1FY19, UP has curbed its borrowing.

October power demand at record high

THE RISE in power demand coincides with the rampant addition of household connections under the government's Saubhagya scheme. Apart from a pick-up in industrial production, reduction in the average duration of power cuts also played a role.

"The y-o-y peak demand has been robust across months in (October), which means that the change is structural and not seasonal," noted analysts at ICICI Securities said.

More than 2 crore households have been connected under the Saubhagya scheme since its launch in October 2017. The all-India average duration of power cuts was 7 hours and 8 minutes in October this year, 1 hour 5 minutes shorter than the same month last year.

The rise in demand is a good news for independent power producers, with about 20,000 MW generation capacity stranded due to the lack of power purchase agreements. However, the issue of coal supply shortage is seen to amplify.

As recently reported by FE, states such as Bihar, Jharkhand, Uttar Pradesh and Chhattisgarh, which have taken up the central government's 100% household electrification target at the fastest rate have reported very high aggregate technical and commercial (AT&C) losses at the end of September.

EU agrees 'best possible' Brexit deal, urges Britons to back May

PARLIAMENT'S VOTE could open the door to a "brighter future" or condemn the country to more division, she said. "I will make the case for this deal with all my heart," she added, declining to answer whether she would resign if parliament rejects it.

Amid praise for Michel Barnier's team of negotiators for bringing home a deal after 18 months of gruelling talks, Juncker said it was "no time for champagne," as one of Europe's

great powers walks out after its 2016 Brexit referendum. The harder work of building new relations now lies ahead, he added.

European Council President Tusk said the bloc was determined to have as close as possible a partnership with Britain, which has long been sceptical about EU integration. "We will remain friends until the end of days. And one day longer," he said.

The 27 leaders took barely half an hour to rubber-stamp the 600-page withdrawal treaty, aimed at an orderly exit on March 29 to be followed by two to three years of a status-quo transition period. The outline of a future trading and security partnership was just 26 pages long. May's critics say it leaves Britain tied to EU regulations that it will no longer have a say in setting.

Air Odisha, Deccan Charters 'Udan' gets grounded

THIS LEAVES only one regional carrier, Trujet, operating flights under UDAN. AAI had awarded 128 routes to five airlines in March 2017 in the first phase of UDAN scheme. Currently, 54 of the routes given to SpiceJet and Alliance Air are operational. IndiGo and Jet Airways also operate UDAN flights since they were given licences in Phase II of the programme.

Air Odisha and Deccan Charters were allotted the routes in March 2017 and scheduled to start operations within six months or by September 2017. While there was an initial delay because some airports were not ready, AAI executives said this problem was subsequently addressed. "Even after the airports were ready, they did not commence operations and we can't give any more extensions," he said.

Deccan Charters, promoted by Captain Gopinath, first operated the Mumbai-Jalgaon stretch, according to the ministry of civil aviation website, on December 23, 2017.

Similarly, Air Odisha commenced with the Ahmedabad network in February this year. It plied aircraft on 16 routes, but AAI executives said the flights were infrequent. "The airlines would suddenly withdraw from the routes after a few weeks without any valid reasons. Right now, neither airline is operating any Udan routes," the official added.

Aviation consultancy firm CAPA India had forecast that regional airlines' participation in the RCS made little business sense given huge cost structure of the airline business. "The success of Udan depends on the participation established airlines. It does not make a business case for small and independent operators without scale," CAPA had noted earlier.

Motilal Oswal Financial Services Limited
(CIN: L67190MH2005PLC153397)

Regd. Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel S.T. Depot, Prabhadevi, Mumbai - 400 025. Telephone No: +91 22 3980 4200/7193 4200; Fax No: +91 22 3846 2365; Email: shareholders@motilaloswal.com; Website: www.motilaloswalgroup.com

NOTICE

(A) POSTAL BALLOT:

The Company has on Saturday, November 24, 2018 completed the dispatch of Postal Ballot Notice ("Notice") under Section 110 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), along with the Postal Ballot Form containing User-ID and Password for electronic voting ("e-voting") and a postage-prepaid self-addressed Business Reply Envelope, to the Members of the Company for seeking their approval in relation to Resolution as detailed in the said Notice.

The Notice has been sent in electronic mode to the Members whose e-mail IDs are registered with the Company or the Depository Participant(s) as on Friday, November 16, 2018, unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice has been sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). A copy of the Notice is also available on the website of the Company at www.motilaloswalgroup.com. Additionally, the Notice is also available on the website of the Central Depository Services (India) Limited ("CDSL") at www.evotingindia.com. Any Member who has not received the Postal Ballot Form may write to the Company/Registrar & Share Transfer Agents ("RTA") of the Company i.e. Link Intime India Private Limited for obtaining a duplicate form.

The Members holding shares in Physical/Demat Form can opt to exercise their voting right either through Postal Ballot Form or through e-voting. The detailed procedure for e-voting is given in the Postal Ballot Notice and is also available on the website of the Company. In case you wish to vote through Postal Ballot Form (instead of e-voting), please download the Postal Ballot Form from the website of the Company or e-mail us on shareholders@motilaloswal.com. A physical copy will promptly be sent to you by post/courier, free of cost, upon receipt of a request. A Member can opt for only one mode of voting i.e. either through e-voting or by Postal Ballot Form. If a Member casts votes by both modes, then voting done through e-voting shall prevail and votes cast through Postal Ballot Form shall be treated as invalid.

The Board of Directors has appointed Mr. Umashankar K. Hegde, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

(B) E-VOTING:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote by e-voting on resolution set forth in the Notice. The Company has engaged CDSL as the agency to provide e-voting facility.

The details pursuant to the provisions of the Act and the said Rules are given hereunder:

The voting through Postal Ballot Form and e-voting facility commences at 9:30 a.m. (IST) on Wednesday, November 28, 2018 and ends at 5:00 p.m. (IST) on Thursday, December 27, 2018. The e-voting shall not be allowed beyond the said time and date.

Duly completed Postal Ballot Form should reach the Scrutinizer before 5:00 p.m. (IST) on Thursday, December 27, 2018. Postal Ballot Forms received after the said time and date will be strictly treated as if the reply from such Members has not been received.

The voting rights of the Members shall be reckoned on the shares registered in the names of the Members/Beneficial Owners as on cut-off date i.e. Friday, November 16, 2018. Person(s) who are not Members as on record date should treat this Notice for information purpose only.

The result of the voting will be announced on Friday, December 28, 2018 at the Registered Office of the Company. The said Result would also be displayed on the website of the Company and CDSL.

In the event of any grievance relating to e-voting, the Members/Beneficial Owners may contact the following:
Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futrex, Mafatal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013; Helpdesk: 1800225533 E-mail: helpdesk.evoting@cdslindia.com.

For Motilal Oswal Financial Services Limited
Sd/-
Kailash Purohit
Company Secretary & Compliance Officer

Date : November 25, 2018

Note:

Motilal Oswal Securities Limited ("MOSL") has been amalgamated with Motilal Oswal Financial Services Limited ("MOFSL") w.e.f. August 21, 2018, pursuant to the order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.

MOFSL Registration No(s). AMFI: ARN 146822, IRDA Corporate Agent: CA0579

MOSL: Member of NSE, BSE, MCX, NCDEX. Registration No(s). INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412; Investment Adviser: INA000007100. The said registration No(s). of MOSL would be used until receipt of new MOFSL registration No(s).

EXIT OFFER PUBLIC ANNOUNCEMENT PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") CIRCULAR NO. SEBI/HO/MRD/DSA/CIR/P/2016/110 DATED OCTOBER 10, 2016 ("EXIT CIRCULAR") FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF

M/s IVES LEASING AND FINANCE LIMITED

CIN: U65921MP1992PLC007362
Regd. Off. 504, Chetak Centre 12/2 RNT Marg Indore-452001
Tel. 0731-2518604, Email id: ivesleasing1992@rediffmail.com

This Exit Offer Public Announcement ("Exit Offer PA") is being issued by Mr. Ramchandra Airen residing at 6/2, New Palasia Opp. Community Hall Indore- 452001 and Mr. Narendra Dani residing at 46, Janki Nagar, Indore - 452001 ("Offering Promoter"), the Promoters of M/s IVES Leasing And Finance Limited ("IVES" or "the company" or "the ELC"), to provide exit opportunity to the Public Shareholders of IVES in terms of the Exit Circular.

IVES was listed on Delhi Stock Exchange Limited ("DSE"), Madhya Pradesh Stock Exchange ("MPSE"), Jaipur Stock Exchange ("JSE"). Post the de-recognition of DSE, MPSE, JSE by SEBI, IVES was shifted to the Dissemination Board ("DB") of BSE Limited ("BSE").

SEBI, vide the Exit Circular, has stipulated the procedure for exit of Exclusively Listed Companies ("ELCs") from the DB. In terms of clause (j) of Annexure A of the Exit Circular, the Offering Promoters & IVES has appointed Navigant Corporate Advisors Limited, a Category - I Merchant Banker registered with SEBI and empanelled as an Expert Valuer on the panel of BSE ("Independent Valuer") for valuation of shares of IVES and related services. The Independent Valuer, after taking into account the applicable valuation methodologies, has issued its valuation report dated 8th January, 2018 and determined the fair value of Per Fully Paid up Equity Shares as Rs. 23.14 (Twenty Three Rupees fourteen Paise) and Rs. 12 (Twelve Rupees) for Per Parity Paid up Equity Shares.

In view of the above, the Offering Promoters has decided to offer exit to the Public Shareholders of IVES at price of Rs. 23.14 (Twenty Three Rupees fourteen Paise) to Fully Paid up Equity Shareholders and at price of Rs. 12 (Twelve Rupees) to Parity Paid up Equity shareholders as determined by the Independent Valuer ["Offer Price"].

Further, SEBI vide its letter MRD/OW/DSA/2017/17463/1 dated July 25, 2017 communicated to the BSE and National Stock Exchange of India Limited ("NSE") ["SEBI Letter"], inter-alia, permitted that, public shareholders/investors who are willing to remain as shareholders of the Company and/or Public Shareholders willing to be reclassified as Promoter and do not want an exit may be allowed to do so and the Designated Stock Exchange (in the present case BSE) may obtain an undertaking from investor who do not want an exit, consequentially the exit obligation of the Promoters will be reduced accordingly.

In terms of above mentioned SEBI Letter, Public Shareholders who are willing to remain as shareholders of IVES and/or Public Shareholders willing to be reclassified as Promoter and do not want an exit shall send an undertaking to this effect (in the format available at the website of BSE, www.bseindia.com under the link https://www.bseindia.com/investors/exercising_option.aspx?expandable=6) either by Registered Post/Speed Post/Courier, at their own risk or by hand delivery at the registered office of IVES at 504-Chetak Centre 12/2 RNT Marg Indore Mp 452001 within 15 days of publication of this Exit Offer PA i.e. on or before the closure of business hours on Tuesday, December 11, 2018.

Post the expiry of aforementioned 15 days period, the Offering Promoter will initiate the process of making an Exit Offer to those public shareholders who have not opted to continue as shareholder and/or not reclassified as Promoter of IVES ("Remaining Public Shareholders") Offering Promoter undertakes that Offer Letter containing the relevant details relating to Exit Offer including details of Opening and Closing of Exit Offer, Offer Price, documents required to be submitted for participating in Exit Offer shall be sent to Remaining Public Shareholders for participating in the Exit Offer.

In accordance with the Exit Circular read with the Circulars/Notices issued by BSE Limited ("BSE Guidelines"), Offering Promoters will execute Bank Guarantee in favour of Navigant Corporate Advisors Limited (Independent Valuer) amount equivalent to/more than the 100% of the total Consideration (Offer Price * Remaining Public Shareholders) or such other escrow mechanism payable under the Exit Offer atleast one day before the dispatch of Exit Offer Letter.

Shareholding Details: As on the date of this Exit Offer PA, the paid up share capital of IVES is Rs. 253,68,000 consisting of 20,65,800 Fully Paid up Equity Shares of Rs. 10 each and 9,42,000 Partly Paid up Equity Shares on which Rs. 5 is paid. Out of these, Promoters hold 15,40,300 Fully Paid up Equity Shares representing 51.21% of paid up Equity Share Capital and balance 14,67,500 Equity Shares representing 48.79% of the Paidup Equity Share Capital are held by the Public Shareholders.

Sd/-
Mr. Ramchandra Airen
Mr. Narendra Dani
Promoters

Date : 24.11.2018
Place : Indore

