



**IN BRIEF**

**GST refund woes hit Bengal jewellery exports**

KOLKATA  
The non-refund of Goods and Services Tax (GST) is taking a toll on jewellery makers with exports taking a hit in West Bengal, both in terms of export value and jobs. "Even I am forced to decline orders for January due to lack of working capital. Till now, an amount totalling ₹60 crore is stuck with the government as GST refund, that too interest-free for the jewellery exporters," according to Indian Bullion and Jewellers Association state president Pankaj Parekh. PTI

**Ponzi schemes: 63 firms under govt. scanner**

NEW DELHI  
The Serious Fraud Investigation Office (SFIO) has taken up probes into 63 companies in the current fiscal for allegedly indulging in illegal money-pooling activities. This translates to an average of seven companies being referred for investigations per month. The count of such firms being referred to the agency is also the highest in the last three financial years, according to data available with the corporate affairs ministry. PTI

**Jio offers up to ₹3,300 cashback on recharge**

NEW DELHI  
Reliance Jio on Monday enhanced the cashback offer to up to ₹3,300 on mobile recharge of ₹399 and above for all recharges done till January 15, according to company sources. "This cashback will be in the form of ₹400 MyJio cashback vouchers, up to ₹300 instant cashback vouchers from wallets and up to ₹2,600 discount vouchers from e-commerce players," a company source said.

# ‘Condonation of delay scheme only for bona fide directors’

Plan not open for directors of ‘struck-off’ firms, says Corporate Affairs Secretary

**PRESS TRUST OF INDIA NEW DELHI**  
Only bona fide directors will benefit from the proposed scheme that will provide a three-month window for defaulting companies to submit their filings, a senior government official said.  
The Condonation of Delay Scheme, which would be rolled out by the Ministry of Corporate Affairs, is expected to come as a relief for disqualified directors. It is to be operational from January 1 to March 31, 2018.

**‘Many affected’**  
Corporate Affairs Secretary Injeti Srinivas said that since so many people were affected, the government felt that



**Off, on:** Deactivated DINs of disqualified directors would be ‘temporarily activated’, the official said. ■ GETTY IMAGES/ISTOCK

some resolution was required without compromising the fight against illegal activities. "The scheme is not open for directors of struck-off companies. They can come only when they [those companies] are res-

tored through the National Company Law Tribunal (NCLT)," he said. As part of clamping down on illicit fund flows, the corporate affairs ministry has disqualified more than 3.09 lakh directors of companies which

failed to submit annual filings for a long time.  
Following the move, concerns were raised that many directors of genuine companies have also been disqualified. Besides, some individuals moved courts against their disqualification.  
As per a draft circular, the Director Identification Numbers of disqualified directors that have been deactivated would be ‘temporarily activated’ during the scheme period.  
After submitting the filings under the scheme, a company concerned would have to file a separate form seeking condonation of the delay along with a fee of ₹30,000, it added.

## IOC, BPCL are keen to acquire GAIL

**PRESS TRUST OF INDIA NEW DELHI**  
Indian Oil Corp. (IOC) and Bharat Petroleum Corp Ltd. (BPCL) are both keen to acquire gas utility GAIL India Ltd. to become fully integrated energy companies. IOC and BPCL have separately indicated to the petroleum ministry their interest in taking over GAIL, to help add natural gas transportation and the marketing business to their kitty, official sources said.  
GAIL, however, feels a merger with oil and gas producer ONGC would be more appropriate. The Centre had earlier said it aimed to create integrated public sector oil majors that would "match the performance of international and domestic private sector" counterparts.



**Green pastures:** The plant may come up in Telangana or in a neighbouring State, according to N.K. Rawal.

## Goldstone plans electric bus unit

Earmarks ₹500 cr. for greenfield plant

**LALATENDU MISHRA MUMBAI**  
Hyderabad-based insulator maker Goldstone Infratech Ltd, having diversified into the electric vehicles (EV) business, is planning to set up a greenfield electric bus manufacturing facility in the south with an investment of ₹500 crore.  
"We are already manufacturing electric buses in India," said N.K. Rawal, MD, Goldstone Infratech. "Now, we plan to make investments in expanding our manufacturing facility. For now, we have earmarked... ₹500 crore, which may be scaled up or down depending on demand," he added.  
He said a greenfield plant was expected to be set up by mid-2018 in Telangana or any neighbouring state.

**China partnership**  
Currently, the company is assembling fully electric buses in India in technical collaboration with BYD of China, the biggest EV manufacturer in the world. Present in 170 countries, BYD sold 115,000 electrical vehicles worldwide in 2016.  
"We have capacity to manufacture 500 buses, which is expected to be scaled up to 3,000 units in two to

three years as EV adoption increases," Mr. Rawal said. In Hyderabad, the company has a design and services unit as well as a testing facility. Bus bodies are built through third-party arrangement while most parts are imported from China. He declined to quantify the investment made so far.  
The firm has got orders to supply 31 electric buses – 25 from Himachal Roadways and Transport Corporation and six from BEST of Mumbai. Of these, 17 have been delivered.  
"We are the only company to have supplied electrical buses for public transportation in India. Our buses are plying on the difficult Manali-Rohtang Pass route, the highest elevated route for any electric bus, without any difficulty," Mr. Rawal said.  
The need for electric vehicles to curb emissions is prompting new players to enter the automotive sector.  
"India... adds roughly 1 lakh buses (including replacements) every year. Even if 5% of new additions are replaced in a year, electric bus makers would look at a ₹10,000 crore market in the next three years," he added.

## Individual insolvency code in phases: Sahoo

‘Guarantors are priority in phase one’

**PRESS TRUST OF INDIA NEW DELHI**  
Steering the ‘smooth and fast-paced’ journey of the insolvency law, the IBBI is now looking to put in place the regime for individual insolvency in a phased manner, according to its Chairperson M.S. Sahoo.  
About 500 corporates have been admitted for resolution and about 100 companies have commenced voluntary liquidation under the Insolvency and Bankruptcy Code (IBC), which is a little more than a year old.  
As it enters 2018, individual insolvency regime and facilitation of corporate insolvency transactions are among the main priorities for the Insolvency and Bank-



ruptcy Board of India. "We are looking forward to implementing a regime for individual insolvency in a phased manner. In the first phase, we would implement the insolvency regime in respect of individuals who are guarantors to corporates undergoing resolution process," Mr. Sahoo said.

## PSBs asked to rationalise overseas, domestic branches

FinMin move is part of process to bolster balance sheets

**PRESS TRUST OF INDIA NEW DELHI**  
The finance ministry has asked public sector banks to look at rationalising their domestic and overseas branches as part of the reform process to strengthen their financials.  
The banks have been advised to pursue closure of loss-making domestic and international branches as part of a capital-saving exercise, official sources said.  
**‘Burden on financials’**  
There was no point in running loss-making branches and placing a burden on the balance sheet, so banks should look at not only big savings but also small sav-



ings like these for improving overall efficiency, sources said.  
Many banks, including State Bank of India (SBI) and Punjab National Bank (PNB), have already taken initiative. Besides, Indian Overseas Bank has rationalised the

number of regional offices in the country by reducing 10 regional offices from the existing 59, eyeing optimum utilisation of resources and reduction in administrative costs.  
The Ministry is of the view that there is no need for multiple banks in a single country, sources said, adding that banks can explore a single subsidiary formed with 5-6 banks coming together for conserving capital and realising economies of scale.  
As part of the rationalisation strategy, PNB is exploring the sale of stake in its U.K. subsidiary, PNB International. Bank of Baroda and SBI are also examining the issue of consolidation.

### INTERVIEW | KEIKO HONDA

## ‘Can commit \$2 bn in guarantees for India’

MIGA's guarantees can trigger about five times as much in FDI, says its CEO

MANOJIT SAHA

*The Multilateral Investment Guarantee Agency – an arm of the World Bank group – which provides non-commercial guarantees, has supported 110 countries with \$19 billion in guarantees across 850 projects. MIGA's CEO and executive VP, Keiko Honda, explains how foreign direct investment receives a fillip due to the guarantees, and the agency's plan for India. Sarvesh Suri, director, Operations Group, also joined the conversation:*

**Why are you planning to enter India to provide guarantees?**

■ **Honda:** The G20, including India, has strongly encouraged multilateral development banks (MDBs) to help bring in more private investment to developing countries. By doing this, we can increase the money coming to countries – like India – that have strong potential. The ADB or the World Bank Group can be used to even draw private investors to sectors they generally don't approach, such as basic healthcare and education.  
At the same time, the ultimate user is nowadays willing to pay for large infrastructure services such as power, toll roads or other transportation.

With India now having graduated from being low income to a lower middle-income country, this change in behaviour means more opportunities for private companies to finance projects in India.

Some central governments used to give a lot of sovereign guarantees for their projects. But now, central governments in countries like Indonesia are more careful on how much sovereign guarantees they can extend.

The Indian government is also smart, and heading in the same direction. The country needs to protect its credit rating and manage its balance sheet, which means municipalities and state governments have to take risk on to their own balance sheets. This is a global trend,

and India is probably ahead of others in this regard.

**In what sectors is MIGA looking to provide guarantees?**

■ **Honda:** We provide support in many countries for power generation, including hydro and renewables. We have also provided a lot of support for transportation, including subways, ports, airports and toll roads.  
That said, we are flexible, and like to focus on sectors where we can create higher development impact, and support the government's development strategy. We very much like to work closely with the central and state governments, and have received positive responses from them.

■ **Suri:** It would be more in the core infra areas like power, transportation, roads, railway, metro rail.

**How much do you plan to provide in guarantees for Indian infrastructure? How will that affect inbound FDI?**

■ **Honda:** If there is a good opportunity, and we can find the right projects, we are ready to commit \$2 billion in guarantees in India. With a multiplier effect, the \$2 billion that we provide in coverage can often draw in \$10 billion or more in private investment.

**What is the feedback from private investors about the investment climate in India?**

■ **Honda:** The same foreign



**FDI in India has been rising, though it has declined overall for developing countries**

investors we work with closely in Turkey, Vietnam, Bangladesh, South, Africa, Brazil and Mexico are also willing to come to India. Some of them that are equity investors not only have money, but also expertise in areas like water treatment, building subways and metros and renewable energy.

Private investors we work with are interested in financing projects in India, and are asking us to join them. Our involvement in projects gives them a lot of comfort, and as they get more comfortable with the projects and local context, they may even cancel our guarantees after 3-4 years, which is perfectly fine with us.

Overall, FDI to developing countries has declined every year in the last six years. On the other hand, FDI has been increasing for India.

■ **Suri:** We also have what we call MIGA Performance Standards. These are environmental and social standards which help to structure and implement sustainable projects. Our experience is that once we structure projects, taking all the relevant risks into account, the chances of projects getting stuck later are much lower.

We perceive India to be a low-risk country as compared to our overall portfolio. Close to 25% of our portfolio is in sub-Saharan Africa. We operate in far riskier environments, and help reduce the risk perception as well as actual risk for investors in those countries.

**How much FDI was generated for your guarantees in recent years?**

■ **Honda:** In financial year 2016-17 (July 2016 - June 2017), our direct guarantees totalled \$4.7 billion. This had generated \$16 billion of FDI. The year before, our direct guarantees amounted to \$4.3 billion, and enabled FDI of \$27 billion.

**MIGA has been criticised by climate activists for promoting fossil fuels. How are you responding?**

■ **Honda:** Climate finance is one of our top three focus areas. We are targeting that 28% of the annual guarantees we issue by 2020, as compared to 24% now, will be in climate finance. At the same time, 13 billion people in the world do not have access to power.

So, the question is whether renewables are enough to provide access to power to every single person in a stable way. We have to come up with an optimal solution for this challenge.



# Winters so magical, there won't be a moment to stand still.

Get busy having a good time this winter in Jammu & Kashmir. There will be a storm of snow themed events like Skiing, Sledge racing, Ice Skating along with Cultural music and much more heading your way. So pack your best winter clothes and head over to the warmest place on earth.



## Gulmarg|Pahalgam|Patnitop

Skiing | Sledge Racing | Ice Skating | Cultural Music | Winter bazaar  
Snow Sculpting | Snow Shoeing | Snow Boarding | ATV Rally | Snow Rugby & much more.

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