

IN BRIEF



**GST: 'e-wallets will address exporters' woes'**

**NEW DELHI**  
Introduction of e-wallet mechanism will effectively address the woes of exporters who have been complaining of delays in the refund of taxes under the GST regime, Commerce Minister Suresh Prabhu has said. Under the e-wallet mechanism, a notional credit would be transferred to exporters' accounts based on their past record and the credit can be used to pay taxes on inputs. PTI

**WTO: 50 nations to take up global trade issues**

**NEW DELHI**  
The government said that 50 nations will engage in free and frank discussions on global trade here this week to explore the options for resolving various issues and re-invigorating the WTO. Representatives from 50 countries will be gathering in New Delhi on 19-20 March for an informal World Trade Organisation (WTO) ministerial meeting. It will look at issues both at the negotiating table and also in other areas. PTI

**'Only 16% of initial-final GST returns matched'**

**NEW DELHI**  
With only 16% of the summary sales returns under GST matching with the final returns, the revenue department has started to analyse major gaps with a view to check any possible tax evasion. GST returns data between July and December showed, 34% of businesses paid ₹8.16 lakh crore to the exchequer by filing GSTR-3B, whereas an analysis of their GSTR-1 data showed that their tax liability should have been ₹8.50 lakh crore. PTI

# DP World, NIIF JV selects Continental for first investment

Hindustan Infralog acquires 90% in logistics unit Continental Warehousing Corp.

**SPECIAL CORRESPONDENT  
MUMBAI**

Hindustan Infralog Pvt Ltd. (HIPL), a joint venture between DP World and National Investment and Infrastructure Fund (NIIF) of India, has announced the acquisition of 90% stake in Continental Warehousing Corporation (Nhava Seva) Ltd. (CWCNSL), an integrated multimodal logistics player in India for an unspecified amount.

**Existing investors exit**  
Private equity majors Warburg Pincus, IFC and Aureos have exited their investment in this transaction.

CWCNSL's founders, the Reddy family, will retain the remaining 10% stake and will



**Heavy lifting:** DP World operates in six locations in India with more than six million TEU of gross capacity. \*K.K.MUSTAFAH

continued to be involved in the running of the business.

"The purchase consideration is below 5% of DP World's net asset value as of

FY2017", the joint venture firm said in a statement, without quantifying the value. It is the first investment of HIPL, the recently created

investment vehicle set up by DP World and NIIF to invest up to \$3 billion in ports, logistics and related sectors in India.

Founded in 1997, CWCNSL is an integrated, multimodal logistics provider of warehousing services, container freight stations, inland container depots, private freight terminals and integrated logistics solutions.

Sultan Ahmed Bin Sulayem, group chairman and CEO, DP World, said: "As a global trade enabler, we aim to grow in complementary sectors of the global supply chain, which includes inland container terminals, freight corridors and logistics infrastructure."

## AAI to raise ₹1,500 crore for capex

**PRESS TRUST OF INDIA  
NEW DELHI**

Airports Authority of India (AAI) is looking to raise ₹1,500 crore as term loan to fund capital expenditure in the next fiscal, wherein work is to commence on new terminal buildings at various aerodromes.

The state-owned airports operator, which has a healthy balance sheet, is going in for borrowings for the first time. For 2018-19, the capital expenditure is projected to be about ₹4,100 crore, compared with ₹2,500 crore for the current financial year ending on March 31.

"Since we have a healthy balance sheet, we are confident of raising funds at more competitive rates," AAI chairman Guruprasad Mohapatra said.

## 'RBI overruled House panel on power NPAs'

New bad loan rules irk producers

**PRESS TRUST OF INDIA  
MUMBAI**

The Association of Power Producers has accused the RBI of overruling the Parliamentary standing panel on power and key ministries with its February 12 circular that ended all the existing loan restructuring mechanisms and voted for the insolvency code to resolve stressed assets.

The association has also sought a special dispensation from the Reserve Bank saying their defaults are caused mostly by non-payment/delayed payments by state discoms and regulatory delays coupled with poor coal supplies by Coal India.

In a March 12 letter to the RBI, the association has requested Governor Urjit Patel to exclude the power sec-

tor from the purview of the new rules.

Indirectly accusing the central bank of overruling the House panel on energy and the views of the Union power and coal ministries, association director general Ashok Khurana says in the letter, "The issue of stressed assets was discussed... with developers, bankers, regulators, and officials of power and coal ministries by the Parliamentary Standing Committee on Energy."

"Every effort should be made to see that the projects with huge investment do not become NPAs for want of marginal financial infusion or adjustment in the way of making working capital available for passing on the interest variable to the stressed asset," it said.

## IOC, BPCL eye Centre's stake in Gas Authority

Govt. yet to decide on proposals

**PRESS TRUST OF INDIA  
NEW DELHI**

State-owned Indian Oil Corp (IOC) and Bharat Petroleum Corp. Ltd (BPCL) may buy 26% stake each in gas utility GAIL India Ltd., paying the government over ₹20,000 crore each to become integrated energy firms.

Following Finance Minister Arun Jaitley's February 2017 Budget announcement aimed at creating integrated oil majors, IOC and BPCL had submitted separate proposals to buy the Centre's 54.89% stake in India's biggest gas marketing and transportation firm, GAIL.

A top source said the government was not looking at an actual merger of oil companies but only transfer of

its ownership to a cash-rich PSU. At Friday's closing price of ₹440.85 a share for GAIL on BSE, the Centre's stake is worth close to ₹41,000 crore.

In January, Oil and Natural Gas Corp bought out the government's 51.11% stake in refiner Hindustan Petroleum Corp. Ltd. for ₹36,915 crore. The source said IOC and BPCL too could follow the same model and split the government's stake equally among themselves.

GAIL would become their subsidiary. IOC and BPCL would get to appoint one director each on the GAIL board. The source said the Centre had so far not taken any view on the proposals made by IOC and BPCL.

## TRAI to rejig portability process

**PRESS TRUST OF INDIA  
NEW DELHI**

The process of network port-out is set to become faster and simpler for mobile subscribers as Telecom Regulatory Authority of India (TRAI) is planning to initiate a review of the Mobile Number Portability (MNP) mechanism.

It will issue, by the month-end, a consultation paper that will look at reducing the time taken to switch from one network to another under MNP, and also seek to simplify the entire process, TRAI chairman R.S. Sharma said. The move to revamp the present mechanism for MNP comes after TRAI has cut the MNP charges by almost 79% to a maximum of ₹4.

## Thomas Cook to spin off Ques stake

'Integrated business services provider can run as independent public firm'

**K.T. JAGANNATHAN  
CHENNAI**

Thomas Cook India (TCI) will spin off Ques this year in a bid to enable the integrated business services provider run as an independent public company, a top official said.

Indicating this in a letter to shareholders, Prem Watsa, chairman and CEO, Fairfax Financial Holdings, which owns Thomas Cook, said the move was intended to facilitate Ques to be run independently as a public company.

"Ques has had a phenomenal run since we acquired our interest in it in 2013," wrote Mr. Watsa. "Thomas Cook India invested \$47 million in Ques in 2013, sold 5.4% last year for \$97 million, and retains 49%, which



Prem Watsa

is currently worth over \$1 billion," he wrote. "In view of the great success of Ques, Thomas Cook India intends to spin its holding in Ques out to its shareholders during 2018 so that Ques can be run independently as a public company," he added. Under Thomas Cook, Ques had become large enough to

be a freestanding company, he said. "Today, Ques is India's leading integrated business services provider," he said. Fairfax India, according to Mr. Watsa, has a market value of \$2.5 billion.

**India investment**

"We now have approximately \$5 billion invested in India, employing a total of approximately 2,85,000 people," he said. Fairfax had invested in companies such as IIFC, NCML, Sanmar Group, BIAL, Fairchem, Thomas Cook India, Ques, Sterling Resorts, IIFL and ICICI Lombard, among others.

"We have built a huge amount of intrinsic value in Fairfax India which is much in excess of its current market value. When after-tax

profits are growing at over 30%, as they have at IIFL and other companies in India, a P/E ratio of 20x drops quickly to 9x in three years.

"We are optimistic about all our investments in Fairfax India and expect over the years to invest much more money in that country. We think the opportunity in India is unparalleled," he added.

The regulation-necessitated reduction in equity interest in ICICI Lombard from 35% to 9.9% resulted in cash proceeds of \$909 million-plus to Fairfax, he said.

"We continue to own 45 million shares of ICICI Lombard worth \$450 million at the IPO (now worth about \$550 million) resulting in an after-tax gain of \$930 million," he disclosed.

INTERVIEW | L.GANESH

## 'Trump has started a dangerous game'

This can affect the whole global economic growth, says the chief of Rane Group

**K.T. JAGANNATHAN  
N. ANAND**

The Chennai headquartered ₹4,400-crore Rane Group is engaged in the manufacture and distribution of steering and suspension systems for the automotive industry. Its chairman L. Ganesh spoke on a variety of issues. Edited excerpts:

**The automobile sector is doing well. What does it mean for a component manufacturer like you?**

■ Fiscal 2017-18 is almost over. The industry has done quite well. During the beginning of the year, we expected passenger vehicle and two-wheeler segments to do well. However, we had not projected good growth for the medium and heavy commercial vehicles (MHCV) and tractors because of factors such as GST (Goods and Services Tax) and demonetisation.

People were waiting as to what is likely to be coming and the model of transportation and logistics. Passenger cars did quite reasonably well in line with our forecast. So did two-wheelers.

Surprisingly, the MHCV segment, in the second half, suddenly started picking up. We thought we might end the year with a small negative growth. We now seem to be ending with a small positive growth.

The first-half of 2017-18 was bad and the swing in the second-half was positive. And that helped the auto component industry like Rane very much. Secondly, farm tractors have done much better than what we expected. Perhaps, this could be due to a combination of factors such as monsoon and the initiatives taken by the Centre.

Thirdly, two-wheelers have done well though Rane's presence is minimal in the space with engine



valves and brake pads. In line with the gross domestic product (GDP) growth for 2018-19, we expect the automotive industry to continue to do reasonably well, and our customers are quite confident.

The MHCV segment is expecting some amount of pre-buy next year due to the change over from BS-IV to BS-VI norms. Prices of vehicles will go up. The customers are expecting 2018-19 to be a very good year. Within MHCV, we see a shift towards heavier tonnage - from 37 to 40 tonne vehicles. Last quarter, we were indeed scrambling for capacities.

**What happens with the shift in the tonnage?**

■ With the GST coming in, it is easier and productive to transfer larger loads for inter-city. With the medium and heavy vehicles moving to higher tonnage and light commercial vehicle to lesser tonnage, we are moving towards a hub-and-spoke model. With more efficient transportation along long distance and higher tonnage, the cost will come down. One has to watch which tonnage is moving.

**Your view on shifting to an all-electric fleet by 2030...**

■ It will take much longer than 2030. This will be so [even] globally. And in India, it will definitely take much longer. While the govern-

ment by 2030. However, the government should set the direction to enable transition of technology.

**Your view on moving directly to BS VI?**

■ It is an expensive transition. Prices of vehicles will go up. Ultimately, the market has to absorb the price.

**What is your take on the kind of protectionism sought to be practised by Donald Trump?**

■ [U.S. President Donald] Trump's protectionism is really dangerous. He has started a dangerous game. India has started its own way of Make In India. If EU and others respond...if China moves, then it can make a big difference. This can affect the whole global economic growth. This is something really worrying. It will stunt growth, and every body will retaliate. Where is this going to lead?

**Are corporates wary of approaching banks now for working capital given recent events?**

■ No one can afford to grow only with internal accruals. The cost of equity being much higher, unless you leverage cost of borrowing and pay interest, the weighted average cost will not come down. But one has to be cautious.

**Do you think economic reforms will continue, given that the BJP has faced setbacks in by-polls ahead of the general elections?**

■ The direction will shift to populism and farmers. It will not affect the auto industry. [But] we cannot think much of pro-industry reforms. Prime Minister [Narendra] Modi had said once that he would continue [with] reform irrespective of setbacks. For the next year, being an election year, we cannot expect radical reforms.

**I don't think that [the] government should give a diktat that you should use EVs by 2030**

ments have got carried away by the concept, there are two things one has to look at - the 'well-to-wheel' life cycle and the environmental effect. Nobody has done deep analysis. This concept is not as environment-friendly as they make it out to be, especially with smaller cars as India accounts for 70% of vehicles in A and B segments. Does it make an environmental impact to switch to EV? If so, what about the materials that are to be imported - lithium, cobalt and precious metals? That study is yet to be done. There will be some sobering effect on the transition. The industry is right now investing for BS VI and within 10 years, you cannot expect them to invest on EVs. In this euphoria, the customer has been left out.

At the end of the day, there should be convenience, economic value and ease of use for customers. Otherwise, penetration will not happen fast. Without subsidy, EVs are going to cost more. Will the government give subsidy? Is that a priority?

I don't think that [the] government should give a diktat that you should use EVs

## Come, celebrate with us

**28th March**

8 AM | Special Prayer-Shabad Kirtan | Gurudwara-Raja Park

8.30 AM | Swasti Vachan, Sahastrarchan & Maha Aarti | Moti Dungari Ganesh ji Temple

11 AM to 6 PM | Opening ceremony of International Festival of Short Films on Culture & Tourism | Indralok Auditorium

5.30 PM | Opening Ceremony with lighting of Rajasthan Day Torch followed by Police Tattoo show | JDA Polo Ground

6.30 PM | 8th Theatre Olympic-2018 - Mirza Sahiban | Ravindra Rang Manch

**29th March**

6:30 AM | Cycle Marathon | Albert Hall to Jawahar Circle

8.30 AM | Poojan Aarti, Bhaktamar Strot Path | Durgapura Jain Temple

9 AM to 11.30 AM | Manglashasan, Dehri Pujan, Mahasankirtan, Ras Lehari Chhappan-Bhog | Shri Govind Devji Temple

9 AM to 5 PM | Children's Film Festival | Inox, Crystal Palm

10 AM to 6 PM | International Festival of Short Films on Culture & Tourism | Indralok Auditorium

4 PM | Qawwali and offering Chadar & flowers | Dargah- Char Darwaja

5 PM to 6.30 PM | Army Show | JDA Polo Ground

6.30 PM | 8th Theatre Olympic-2018 - Bhagwad-Jukeeyam | Ravindra Rang Manch

7 PM | Mega Evening Concert - Shankar, Ehsaan & Loy | Albert hall

**30th March**

9 AM to 5 PM | Children's Film Festival | Inox, Crystal Palm

11 AM | Khetrapal Pujan & Archan | Khole ke Hanuman ji temple

11 AM | Closing Ceremony of International Festival of Short Films on Culture & Tourism | Indralok Auditorium

6.30 PM | 8th Theatre Olympic-2018 - Satya Harish Chandra (Nautanki) | Ravindra Rang Manch

6.30 PM | Grand Closing Ceremony | Vidhansabha, Janpath

**Rajasthan Festival**  
28-30 March 2018 @ Jaipur

Department of Tourism  
Government of Rajasthan

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All are invited.