

Repayment time to peak soon for market loans

Bengal, some others to face new and swelling debt headache from FY18

NAMRATA ACHARYA
Kolkata, 11 July

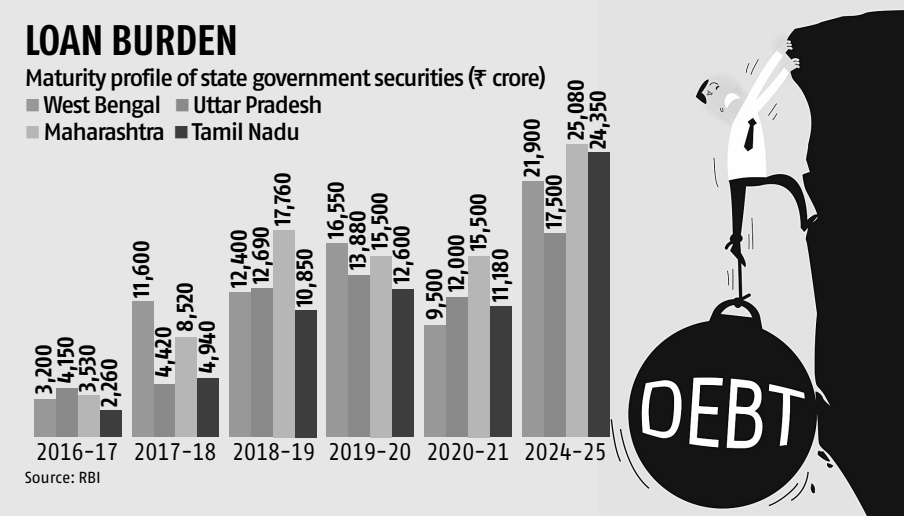
Some debt-ridden states, including West Bengal, are likely to face increasing redemption pressure from 2017-18, when the repayment schedule of their market loans begins.

Data from the Reserve Bank of India (RBI) showed this obligation for Bengal would be ₹11,610 crore in 2017-18, against ₹3,200 crore in 2016-17, a more than three-fold rise. On average, the share of market loans or state development loans for Bengal in its total debt burden has been close to ₹3,000 crore yearly. Its market loan repayment obligation would be the highest among all states in that year.

States which could also see such a rise include Maharashtra, Tamil Nadu (TN) and Uttar Pradesh (UP).

RBI, in a recent report on state finances for 2015-16, said, "At the end of March 2015, around 68.5 per cent of state development loans (SDLs) were in the maturity bucket of five years and above. The increase in market borrowings of state governments since 2008-09 entails large repayment obligations from 2017-18 onwards."

For Maharashtra, TN and UP, the market loan repayment burden would increase in 2018-19, as they have started



heavy market borrowing in 2008-09. RBI says in that year, the highest market loan repayment obligation will be UP's at ₹12,690 crore, against ₹4,420 crore in 2017-18. West Bengal's would be next at ₹12,400 crore, against Rs 11,610 crore in 2017-18. Then Maharashtra at ₹17,760 crore, against ₹8,520 crore in 2017-18.

Starting 2007, states have been borrowing heavily through market loans. The borrowings were mostly through SDLs, of 20-year maturity, and mostly subscribed to by public sector banks and other government undertakings.

"Due to the financial crisis in 2007-08, states started rely-

ing on market borrowing, which led to a spike in SDLs," said Anuja Shah, economist, CARE Ratings.

Also, the government had been increasingly encouraging states to opt for market loans from 2007.

"There has been a gradual change in the mix of borrowings of the states beginning 2007, as both the central government and RBI have been encouraging states on market borrowings. The idea was to encourage a market-linked borrowing rate, as states with weaker profiles would have to pay more and those with strong profiles had to pay less. Unfortunately, spreads between borrowing costs of

different states at the same auction tend to be narrowly clustered, with market forces not differentiating much between the credit profile of various states," said Jayanta Roy, senior vice-president at ICRA.

In 2003, the central government had announced a debt swap scheme, allowing state governments to replace high-cost borrowing with lesser-cost ones from the small savings pool and market borrowing.

"It is entirely up to the central government, if it allows the states to prepay or roll-over the loans," said a senior official. A Mamata-Modi bonhomie would be important here.

Airtel, Aircel spectrum trading deal cleared

PRESS TRUST OF INDIA
New Delhi, 10 July

The telecom ministry is learnt to have cleared the ₹3,500-crore 4G spectrum trading deal between service providers Bharti Airtel and Aircel. "The spectrum trading deal between Bharti Airtel and Aircel was cleared by the telecom minister on July 4," an official source told PTI.

As on July 4, Law and IT Minister Ravi Shankar Prasad was in-charge of the Telecom Ministry as well.

Airtel has entered into an agreement with Aircel to acquire rights to use 4G spectrum of Aircel in eight telecom circles for ₹3,500 crore.

Bharti Airtel declined to comment when contacted by PTI. Responding to the story, Bharti Airtel in a stock exchange filing said it has acquired rights to use 4G spectrum from Aircel in "six circles". Referring to its earlier intimation regarding acquisition of rights to use 20 MHz 2300 Band 4G TD spectrum from Aircel, the filing said: "We are pleased to share that the proposed transaction has successfully concluded for 6 out of 8 circles... following the receipt of all necessary approvals and satisfying all the conditions (including conditions stated in the Spectrum Trading Guidelines)".

The circles are Tamil Nadu (including Chennai), Bihar, Jammu and Kashmir, West Bengal, Assam and North East.

BJP offers quota for extremely backward within OBC reservation

ARCHIS MOHAN
New Delhi, 10 July

In a bid to woo non-Yadav other backward classes ahead of the Uttar Pradesh Assembly polls next year, Bharatiya Janata Party (BJP) chief Amit Shah on Saturday announced an alliance with the Suheldeo Bharatiya Samaj Party. This comes on the heels of Apna Dal Lok Sabha member Anupriya Patel being included in the Union council of ministers and Keshav Prasad Maurya made the BJP Uttar Pradesh unit chief. Patel is a Kurmi and Maurya a Kushwaha – both being important non-Yadav OBC castes of eastern UP. The Suheldeo Bharatiya Samaj Party represents Rajbhar caste comprising primarily masons. It's an important non-Yadav caste with significant presence in eastern UP.

Eastern UP has for the past two decades been a weak area for the BJP. The party has only 13 legislators from eastern UP's 102 Assembly seats, although it swept the 2014 Lok Sabha in the region on the back of Narendra Modi contesting from Varanasi and alliance with the Apna Dal. The UP Assembly has 403 seats.

The BJP believes the key to success in eastern UP is to isolate Yadav and Muslim support base of the Samajwadi Party and consolidate all other castes in its favour.

To woo non-Yadav OBCs, the BJP's trump card is going to be the 'Karpoori Thakur formula'. It means a quota or quotas within a larger quota. The Narendra Modi government is mulling a proposal to introduce a two- or three-layered category in the OBC reservation of 27 per cent in government jobs and educational institutions. It is also likely to recommend increase of the current annual income ceiling for the creamy layer in the category from ₹6 lakh to 8.5 lakh.

The government has asked the National Commission for Backward Classes to revive an old proposal to trifurcate the

OBC quota into three categories – extremely backward classes or EBCs; most backward classes or MBCs; and OBCs. Caste groups in each category will be eligible for a nine per cent quota each from the consolidated 27 per cent.

According to sources, there is enough empirical as well as anecdotal evidence that the OBC quota has been monopolised by dominant caste groups within the category ever since it was implemented in 1993. In the context of Uttar Pradesh, the Yadavs, given their relative prosperity and access to education, have benefited from the reservations while EBCs and MBCs have lagged.

This is in contrast to the neighbouring Bihar, where the then chief minister Karpoori Thakur made two separate list within the OBCs, helping the Yadavs and Kurmis, thanks to their numerical strength, benefit and find greater political representation. This is true for Tamil Nadu as well, which has separate lists within the OBC category.

In 2010, Bihar Chief Minister Nitish Kumar introduced a similar formula within the 15.5 per cent reservation for the dalits by distinguishing between the 'mahadalits' and dalits. The list identified the Paswans as dalits, which due to their relative affluence, were managing to get most benefits.

However, any such sub-categorisation at the Centre in the OBC list would require a fresh survey of which among the OBCs are extremely backward and most backward, as also parameters to judge whether certain castes have monopolised the benefits from the reservation policy.

But, such concerns are not stopping the BJP in making it a Yadav versus non-Yadav issue in the UP. Shah and BJP leaders have already identified Yadavs as perpetrators of lawlessness in Uttar Pradesh. They, along with Muslims, or so the BJP's argument goes, have a hegemony over the current Akhilesh Yadav-led gov-

ernment and dominate other castes, particularly the extremely backward and dalits.

During Saturday's public rally at Mau in Uttar Pradesh, Shah also remembered Suheldeo as the protector of Hindu religion and enemy of 'foreign invaders'. Suheldeo is an 11th century king from the Rajbhar community and Shah has taken to marking his anniversary every year in March and invoking him in his speeches.

At one such event in 2015, Shah had said: "Today is the beginning of bringing the backward castes and others under a single umbrella. This is needed because despite reservation policy, only one caste (a hint at the Yadavs) has monopolised all the benefits."

Prime Minister Modi will be in Gorakhpur to lay the foundation stone for All India Institute of Medical Sciences on July 22, while Shah has visited the region twice in the past week. The OBCs account for 54 per cent of UP's population. Among the OBCs, Yadavs are numerically the strongest caste. Last week, the PM increased the representation of non-Yadav OBCs as well as those from eastern UP in the council of ministers. Meanwhile, EBC leaders such as Swami Prasad Maurya have deserted Bahujan Samaj Party chief Mayawati in recent weeks and they could join the BJP.

Teachers to be held accountable, says Javadekar

PRESS TRUST OF INDIA
Pune, 10 July

Asserting that the role of teachers is crucial in nation building and transformation of education, Union Minister for Human Resource Development (HRD) Prakash Javadekar (*pictured*) on Sunday said "accountability" will be introduced in the education system for the teachers.

In his first public programme after assuming

charge as the HRD minister, Javadekar felicitated educationists during a function held at Ferguson College here.

"There are issues and there are challenges, however we have to work as a team to address the issues in education field to improve the quality of education system and in this process, teachers have to play a crucial role in the transformation of education system," Javadekar said.

Teachers should encourage the students to dream big and

give them life skills, technical skills and high values, he said.

"I know there are issues with teachers' training, there are issues with quality of education, but teachers are the ones who can give the right solution, so I appeal all the teachers to work positively."

"Teachers will be appreciated for their good work and we will use accountability for teachers in the education system as teachers should be answerable and accountable," he added.



Police busts gang selling CDR

PRESS TRUST OF INDIA
New Delhi, 10 July

Delhi Police has busted a big snooping racket involving several private detective agencies and arrested four persons for allegedly selling call detail records (CDRs) of thousands of people collected through the help of a UP Police constable based in Kanpur.

Senior police officers said the gang is suspected to have procured and supplied thousands of sensitive CDRs and sold to clients seeking to snoop in matrimonial matters, legal disputes, business rivalries, financial enquiries as well as talks between high profile persons including politicians and top bureaucrats.

A team of Crime Branch of Delhi Police was working on the information about illegal sale of CDRs through private detective agencies and caught the accused Pankaj Tiwari, from his office selling CDR red handed through a decoy on July 4, said Ravindra Yadav, Joint Commissioner (Crime) of Police.

Tiwari obtained CDRs through a man Jaiveer Singh who claimed to be owner of a TV channel who has also been arrested. Jaivir revealed that he procured the CDRs from a UP Police constable Narendra Kumar posted with the Surveillance Cell of IG Kanpur in UP.

Delhi Police has got the custody of Kumar an accused in the snooping case from Kanpur police, the officer said.

Other arrested include Aditya Sharma and Sanjiv Chaudhary. Aditya was earlier arrested by Delhi Police for selling CDRs of high profile persons in 2013.

SP banks on welfare politics to buck anti-incumbency

MAYANK MISHRA
New Delhi, 10 July

While travelling in Delhi Metro, you are likely to come across posters listing out the achievements of the Samajwadi Party (SP) government in Uttar Pradesh (UP). One of them says that UP is the only state with Metro running in four of its cities. The other one announces the arrival of 'hi-tech police' in the state. And, yet another one talks about how women have been empowered in the state.

Through such posters and other campaigns, the ruling SP, best known so far for its aggressive espousal of the social justice plank, is trying to push a development agenda ahead of the crucial Assembly elections in the country's most populous state.

But, that seems to be on the face of it. Perhaps taking a cue from the recent electoral successes of Mamata Banerjee in West Bengal, J Jayalalithaa in Tamil Nadu and Nitish Kumar in Bihar, the SP, too, is banking on a slew of welfare schemes, other than working on roads and electricity (*bijli-sadak*), to improve its electoral prospects.

"Ever since its launch, the Samajwadi pension scheme has received good response. The UP government, therefore, has expanded its coverage this year to include many more families," says an official associated with the state government.

The ₹3,327-crore Samajwadi pension scheme is to cover 5.5 million families this year compared to 4.5 million last year. Under the scheme, ₹500 is directly credited every month to the accounts of the senior woman member of each of the identified family. This is in addition to other running pension schemes such as monthly pension for the elderly, for widows and the physically chal-

DOLES GALORE IN UP

- ₹3,300 crore Samajwadi Pension Scheme for women
- Various pension schemes to cover 11.8 million people
- ₹400 scheme for marriage of daughters
- DBT introduced to give subsidies for procuring quality seeds to one million farmers
- ₹840 crore scheme to give scholarship to students from the minority community

Source: UP budget speech for 2016-17

lenged. Chief Minister Akhilesh Yadav announced in his Budget speech this year that with the expansion of the Samajwadi Pension Scheme, 11.8 million people would get the benefits of multiple pension schemes in the state.

This is one of many schemes the government has launched recently. The Yadav government recently launched direct benefit transfer (DBT) for subsidies given to farmers to procure quality seeds. It enhanced the insurance amount to be given to farmers in case of unfortunate accidental deaths. It also launched a ₹400-crore scheme to give assistance to poor families of scheduled castes, scheduled tribes, minorities, and others for marriage of daughters. Besides, there is a ₹840-crore scheme for giving scholarships to students of the minority community. The government has set an ambitious target of giving ₹93,212 crore as crop

loan to farmers this financial year.

Experts say the idea of reorienting the government's focus was discussed in the core group of the Samajwadi Party after the 2014 Lok Sabha elections debacle. It was decided to go all out for selected ambitious projects to be completed before the 2017 Assembly elections and launching a slew of welfare schemes targeted at different social groups. "It seemed inconceivable a few years ago. But, the SP is going to face the electorate on the development agenda and test the effectiveness of its welfare programmes," the official quoted above says.

However, the most ambitious of promises that the SP government has made is on the power front. Currently reeling under many hours of power cut, the government has promised at least 16 hours of electricity in rural areas and 22 hours in urban areas from

October this year. It claims to augment the state's power availability from the existing 11,000-Mw to 21,000-Mw. The government has also promised to electrify all villages by the end of this year. "It is going to be a tall ask given the state of distribution and transmission network in the state," says a Lucknow-based former bureaucrat who retired recently.

Incidentally, recent electoral successes of Banerjee in West Bengal and Nitish Kumar in Bihar are largely attributed, among others, to improvement in the power situation in their respective states. Both of them successfully also ran schemes of giving bicycles to school girls.

Jayalalithaa, on the other hand, promised a series of freebies and bucked anti-incumbency in Tamil Nadu. Her promises include waiver of all farm loans, free laptop with internet connection to class 10 and 12 students, maternity assistance of ₹18,000, 100 units of electricity free for every two months, and 50 per cent subsidy to women to buy mopeds and scooters.

Experts say while Yadav's promises look more modest compared to Jayalalithaa, he has compensated that by focusing on roads and electricity, something that Mamata Banerjee and Nitish Kumar have done with some success. Experts also say that whether it enhances the ruling party's electoral prospect will be known only after elections, but the fact that the SP is going to elections with a focus on development agenda is a change from the past. "For nearly three decades, elections in UP have been fought on the basis of symbols. The SP under Akhilesh Yadav is trying to bring the development agenda to the forefront," says Lucknow-based political commentator Sudhir Panwar.

ADOR MULTIPRODUCTS LIMITED
Regd. Off. & Plant: A 13 & 14, III Stage, Peenya Industrial Estate, Bengaluru - 58 CIN L85110KA1948PLC000545
Tel. No. (91) 080-2836 0271, Fax No. (91) 080-2836 1631, E-mail: cs.adormultiproducts@gmail.com Website:www.adormultiproducts.com

NOTICE OF 68TH ANNUAL GENERAL MEETING, BOOK CLOSURE DATES AND E-VOTING
NOTICE is hereby given that the 68th Annual General Meeting of the Members of the Company will be held at 9.00 am on Thursday, 4th August 2016, at "Rohini Hall" Hotel Ajantha, 22-A, M.G Road, Bengaluru - 560 001 to transact the business as set forth in the Notice dated 1st July, 2016 convening AGM.
The physical copy of the Annual Report including notice convening the AGM has been posted to all the shareholders and the posting has been completed on 9th July, 2016. The same have been sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purpose.
Pursuant to section 91 of the Companies Act, 2013 and Reg. 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from 30th July, 2016 to 4th August 2016 [both days inclusive] for the purpose of AGM.
The members are hereby informed that pursuant to Reg. 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members, the facility to cast their vote by electronic means ("remote e-voting") on all the Resolutions set forth in the said Notice. The details pursuant to the provisions of the Companies Act, 2013 and the Rules are given hereunder:
1. The business may be transacted through voting by electronic means.
2. Date and time of commencement of remote e-voting: 1st August, 2016 at 9.00 a.m.
3. Date and time of end of remote e-voting: 3rd August, 2016 at 5.00 p.m.
4. Cut Off Date: 28th July, 2016.
5. Any person, who acquires shares of the Company and becomes member of the Company after despatch of the Notice of AGM and holding shares as of the cut-off date i.e. 28th July, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or ravi@csl.co.in. The detailed procedure of generating the Login ID and Password is provided in the Notice of AGM which is available on Company's website <http://adormultiproducts.com> and on NSDL website www.evoting.nsdl.com, if the member is already registered with NSDL for e-voting, existing User ID and Password can be used for casting vote.
6. The members may note –
a) Remote e-voting shall not be allowed beyond 3rd August, 2016 at 5.00 P.M.
b) The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper;
c) A member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and
d) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting;
7. The notice of AGM is available on the Company's website <http://adormultiproducts.com> and also on NSDL website www.evoting.nsdl.com
8. In case of any queries or issue regarding e-voting please contact NSDL at the following toll free no.: 1800-222-990 or email to evoting@nsdl.co.in

Place: Bengaluru
Date : 11.07.2016

By order of the board
Gauary Kumar Jain
Company Secretary

ZODIAC-JRD-MKJ LIMITED NOTICE
Pursuant to the amended Clause 41 of the Listing Agreement with the Stock Exchange, a Meeting of the Board of Directors of ZODIAC - JRD - MKJ Limited has been convened on Thursday, 28th July, 2016 at 3.00 p.m. at the registered office of the Company to take on record the Unaudited financial results of the Company for the quarter ended on 30th June, 2016.
For and behalf of the Board of Directors
For ZODIAC-JRD-MKJ Limited.,
Sd/-
Jayantilal Jhaveri
Date : 11/07/2016
Place : Mumbai
Chairman

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For Subscription and Circulation enquiries please contact:
Ms. Mansi Singh
Head-Customer Relations
Business Standard Private Limited, 3rd & 4th floor, Building H, Paragon Condominium, Opp Century Mills, P B Marg, Worli, Mumbai - 400 013
E-mail: subs_bs@bsmail.in
Tel: 1800-11-4300 (Toll Free) "or SMS, SUB BS to 57007"
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