EASE OF DOING BUSINESS

M Venkaiah Naidu, vice-president

The regulatory controls must be minimised and the procedures should be clear, simple, streamlined and digitalised so that there is very little ambiguity or discretion. The regulation should not become strangulation

Quick View

Jobless growth is for real: **Care Ratings**

CONFIRMING FEARS of 'jobless growth', domestic rating agency Care Ratings today said employment generation has not kept pace with GDP expansion, and termed it as a "major concern". Such a scenario calls for "proactive measures" from government and the recent infrastructure building efforts will help, it noted and said "employment growth has not kept pace with economic growth".

World Bank to lend \$200 m to Assam

INDIA HAS signed a \$200million loan agreement with the World Bank to facilitate investment in agriculture and boost output in Assam.

AADHAAR FOR SCHEMES

SC to set up Constitution bench to hear petitions

FE BUREAU New Delhi, October 30

THE SUPREME COURT on Monday said it will constitute a fivejudge Constitution bench to hear more than 22 petitions challenging the Centre's decision to make Aadhaar mandatory for availing various services and government welfare schemes. It said that the larger bench would commence hearing on these petitions in the last week of November.

A bench headed by Chief Justice Dipak Mishra decided to set up the Constitution bench after the government remained unwilling to extend the December 31 deadline for mandatory linking of Aadhaar to avail benefits of various government schemes till March 31 next year.

"We will argue the case," the attorney-general said, adding that under no circumstances should status quo order on Aadhaar continue or any interim order be passed. The Centre also filed an affi-

davit that "neutralises every allegations raised against Aadhaar. We have filed over 100 orders/notifications to correct any glitches," Venugopal said.

Earlier, the Centre had extended the deadline for mandatory linking of the 12-digit bio-



metric identification number to avail social welfare benefits to December 31, from the earlier September 30.

Last week, the Centre had told the Supreme Court that it planned to extend the deadline for the mandatory linking of Aadhaar with PAN, bank accounts, mobile phones and several welfare schemes to March 31, 2018 from the current December 31, 2017.

Venugopal had told the court that the deadline extension from December-end this year till

March 31, 2018 would apply only to those who do not have Aadhaar and are willing to enroll for it. However, the judges had asked the government to rethink on its proposal to make it voluntary for aadhaar holders and allowed the attorney-general to take instructions on the limited issue and apprise them on Monday.

The hearing also assumes importance even after a nine-judge Constitution bench had held that the right to privacy is a fundamental right under the Constitution. Several petitions have alleged that the Aadhaar scheme was violative of privacy rights.

The petitions had challenged several aspects of the Aadhaar scheme, including the mandatory parting of biometric details like iris scans and fingerprints, thus alleging violation of the citizens' right to privacy.

SC pulls up W Bengal govt

Court on Monday pulled up the West Bengal government for challenging the Centre's move to make Aadhaar mandatory for availing bene-

QUESTIONING HOW a state fits of various social welfare can challenge the mandate of schemes. Chief minister Ma-Parliament, the Supreme mata Banerjee said that she respected the SC's directive asking her to challenge the linking of Aadhaar in an individual capacity."They have not rejected my petition," she said.

TATA STEEL LIMITED

TATA

Registered Offce: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001 India Tel.: 91 22 6665 8282 • Fax No.: 91 22 6665 7724 • Email: cosec@tatasteel.com • Website: www.tatasteel.com CIN: L27100MH1907PLC000260

NOTICE

Extract of Standalone Financial Results for the quarter/ six months ended on 30th September 2017

| Particulars | Quarter ended on 30.09.2017 | Quarter ended on 30.06.2017 | Quarter ended on 30.09.2016 | Six months ended on 30.09.2017 | Six months ended on 30.09.2016 | Financial year ended on 31.03.2017 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|---|
| | Audited | Audited | Audited | Audited | Audited | Audited |
| Total revenue from operations | 14,220.93 | 14,421.72 | 11,718.31 | 28,642.65 | 22,041.79 | 53,260.96 |
| Net Profit / (Loss) for the period (before tax and exceptional items) | 2,003.15 | 1,411.87 | 431.05 | 3,415.02 | 1,525.75 | 6,060.31 |
| Net Profit / (Loss) for the period before tax (after exceptional items) | 1,976.50 | 795.08 | 366.76 | 2,771.58 | 1,305.99 | 5,356.93 |
| Net Profit / (Loss) for the period after tax | 1,294.08 | 506.45 | 249.56 | 1,800.53 | 824.99 | 3,444.55 |
| Total comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 1,213.14 | 377.30 | 821.75 | 1,590.44 | 2,035.36 | 4,120.34 |
| Paid-up equity share capital [Face value ₹ 10 per share] | 971.41 | 971.41 | 971.41 | 971.41 | 971.41 | 971.41 |
| Reserves excluding revaluation reserves | | | | | | 48,687.60 |
| Net Worth | | | | 52,277.57 | 49,935.78 | 51,934.01 |
| Paid-up Debt Capital | | | | 10,260.71 | 9,517.36 | 10,175.70 |
| Net Debt Equity Ratio | | | | 0.42 | 0.53 | 0.44 |
| Basic earnings per share of ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 12.87 | 4.77 | 2.12 | 17.64 | 7.60 | 33.67 |
| Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 12.87 | 4.77 | 2.12 | 17.64 | 7.60 | 33.67 |
| Debenture Redemption Reserve | | | | 2,046.00 | 2,046.00 | 2,046.00 |
| Debt Service Coverage Ratio | | | | 4.25 | 2.03 | 2.72 |
| Interest Service Coverage Ratio | | | | 5.15 | 2.81 | 4.21 |

Extract of Consolidated Financial Results for the quarter/ six months ended on 30th September 2017 ₹ Crores

| Particulars | Quarter ended on 30.09.2017 | Quarter ended on 30.06.2017 | Quarter ended on 30.09.2016 | Six months ended on 30.09.2017 | Six months ended on 30.09.2016 | Financial year ended on 31.03.2017 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|---|
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Total revenue from operations | 32,464.14 | 30,973.33 | 27,119.65 | 63,437.47 | 53,090.36 | 117,419.94 |
| Net Profit / (Loss) for the period (before tax and exceptional items) | 2,170.47 | 2,290.54 | 352.95 | 4,461.01 | 1,470.45 | 6,797.86 |
| Net Profit / (Loss) for the period before tax (after exceptional items) | 2,125.82 | 1,673.75 | 293.66 | 3,799.57 | 1,243.36 | 2,473.63 |
| Net Profit / (Loss) after tax from Continuing Operations | 987.85 | 933.22 | (69.71) | 1,921.07 | 139.72 | (304.38) |
| Net Profit / (loss) after tax from Discontinued operations | 29.93 | (12.13) | 20.33 | 17.80 | (3,372.17) | (3,864.19) |
| Total comprehensive income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | (3,216.69) | (2,620.71) | (2,651.50) | (5,837.40) | (5,480.38) | (4,731.63) |
| Paid-up equity share capital [Face value ₹ 10 per share] | 970.24 | 970.24 | 970.24 | 970.24 | 970.24 | 970.24 |
| Reserves (excluding revaluation reserves) and Non controlling interest | | | | | | 36,175.78 |
| Net Worth | | | | 32,028.51 | 38,168.91 | 39,421.02 |
| Earnings per equity share (for continuing operations): | | | | | | |
| Basic earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 9.73 | 9.17 | (1.17) | 18.90 | 0.54 | (4.93) |
| Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 9.73 | 9.17 | (1.17) | 18.90 | 0.54 | (4.93) |
| Earnings per equity share (for continuing and discontinued operations): | | | | | | VI 2-3 |
| Basic earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 10.04 | 9.04 | (0.96) | 19.08 | (34.22) | (44.77) |
| Diluted earnings per share ₹ 10 each (not annualised) - in Rupees (after exceptional items) | 10.04 | 9.04 | (0.96) | 19.08 | (34.22) | (44.77) |
| | | | | | | |

Note:

a) The above is an extract of the detailed format of Standalone and Consolidated results for the quarter/six months ended on 30th September, 2017 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated results for the quarter/six months ended on 30th September, 2017 are available on the websites of the Stock Exchanges (www.nseindia.com/www.bseindia.com) and the Company's website (www.tatasteel.com).

b) For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the NSE and BSE (www.nseindia.com/www.bseindia.com) and can be accessed on the URL (www.tatasteel.com).

c) Post the applicability of Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations for the guarter/six months ended on 30th September, 2017 are not comparable with the previous periods presented in the results.

T V Narendran

Managing Director Mumbai: October 30, 2017

Koushik Chatterjee Group Executive Director

Telecom operators likely to display Aadhaar-based reverification process on websites by December

RISHI RANJAN KALA New Delhi, October 30

THE DEPARTMENT OF telecom (DoT) is working with the Unique Identification Authority of India (UIDAI) and telecom operators on a comprehensive set of instructions to link Aadhaar cards with mobile numbers and the reverification process for mobile users, which is likely to be displayed by the operators on their websites by December.

DoT has already announced the three new methods for linking mobile numbers with Aadhaar cards – OTP-based process, via the service provider's app or via the IVRS facility. Explaining about the process, telecom secretary Aruna Sundararajan told *FE*, "Operators have to inform DoT by November 15 on the mechanism by which all options for linking Aadhaar with mobile number are made available on their portals. This will then be verified by DoT and UIDAI over

another two weeks. So we hope that by December, citizens will know about the options that they can choose online." She added that for the ease of senior citizens and the people with disability and chronic illness, DoT has also recommended for re-verification at subscribers'doorstep. Defending the re-verification

process, Sundararajan said it is for the benefit of the consumers. "It is in everybody's interest. Firstly, because of the security required for

digital payments, as now a lot of people are using mobile banking and other payment options. So it is important that the right person is actually using the bank account attached. Second is that for a lot of government and private sector services too, now we are using mobiles like for authentification etc. Since mobile is becoming a predominant mechanism for service delivery, it is in consumers' interest to make sure that he or she links it with Aadhaar".

From the Front Page

Detailed GST returns: Only a quarter meets October 31 deadline

Besides, units with up to ₹1.5 crore turnover were allowed to file quarterly instead of monthly returns, a move that would allow 90% of the non-composition GST registrants to shift to the easier system of filing returns every quarter, but could make prompt invoices-matching difficult.

As reported by FE on Monday, the council may allow all taxpayers to move to quarterly mode of filing returns as it meets at Guwahati on November 10. The composition scheme — that allows businesses to pay taxes as a small percentage of turnover annually — is set to be made available to units with turnover up to ₹1.5 crore, in what could effectively exclude 90% of the taxpayers from being part of the multi-point destination-based tax chain.

GST Network, which is the IT backbone of GST, estimates that about 80 crore invoices would be uploaded on to the system every month. An tax official said that even if 2-3 crore of the invoices don't match, it will lead to numerous disputes, which would be arduous to resolve. "Besides, tax evasion takes place when transactions are off-book which will never be captured through invoices. The government needs precise and visible enforcement to minimise tax evasion," the official said.

□gTo begin with, GST Council should have implemented matching at the GST level where sale and purchase are matched on the basis of the unique GST registration number of each taxpayer. Invoice matching should ideally have been brought in a few months later after the system stabilised. Now that some taxpayers are allowed to file returns only quarterly, the matching should also be harmonised with it and not be carried out every month. These steps alone will make the process smoother," Rahul Renavikar, managing director of Acuris Advisors said. Aditya Singhania, of Taxmann, said: "The matching concept is a much appreciated step for allowing input tax credit which is regulated by the GSTR 1, 2 and 3 mechanism. But with the brilliant concept, the IT platform of GST i.e. www.gst.gov.in should equally work in same wavelength for achieving the objective. Due to certain bugs and frictions, coupled with totally new forms of returns, taxpayers were unable to file the (returns) on time."

While industrialised states like Maharashtra, Gujarat and Karnataka among others had invoice-matching systems prior to GST, although these were not granular-level matching. A Maharashtra tax official, who requested anonymity, said that matching at the level of VAT number -much simpler than invoice-level matching – had enabled identification of 80% mismatches, which enabled the tax department to take action against hawala operations. However, some tax officials

have doubted the efficacy of invoice-matching, saying this wasn't much of a success in any country with GST-type tax. "The first two month would pose immense challenges on how to deal with invoice mismatches and the provision may eventually have to be done away with," a revenue department officials told FE on the condition of anonymity.

The tax department is also worried that about 40% of taxpayers who filed the returns for July have claimed nil-tax liability. "It is indeed a large number. If enforcement is required, we will carry it out, though not in the nameetings with such groups of taxpayers, to find out the reasons for the trend," revenue secretary Hasmukh Adhia had told FE earlier. **Tower**

ture of search and seizure. We may

opt for discreet inquiries and

divestment: Bharti rolls out plan to raise funds Bharti Airtel had earlier this

year sold around 14% of its stake in Bharti Infratel to raise around Rs 8,764 crore, which has been used to pare debt. Currently, Bharti Airtel owns

61.65% in Bharti Infratel while KKR-CPPIB own 10.33%. The remaining stake is held by public shareholders. At present, Bharti Infratel

owns and operates 39,264 towers

in 11 circles, while Indus owns and operates 123,073 towers in 15 circles. They have overlapping operations in 4 circles. Indus has a tenancy ratio of 2.43, a revenue per tower of Rs

79,955 per month and revenue per sharing operator of Rs 32,956 per month. It has 2,486 employees on its rolls.

In comparison, Bharti Infratel has a tenancy ratio of 2.42 for the quarter ended September 2017. Its revenue per tower is Rs 83,040 per month and revenue per operator is Rs 34,427 per month. The company on a standalone basis employed 1,243 people during the same period.

Promoters, Singtel to up stake in Airtel

However, since the companies do not disclose their individual stakes in Bharti Telecom by how much the stakes of Mittal family and Singtel will rise is not known.

Currently, the direct and indirect stake of Singtel in Bharti Airtel is around 36%.

Bharti Telecom will acquire 184,710,183 equity shares of Bharti Airtel at a price of Rs 417.35 per share derived with weighted average market price of 60 days trading period, as per the filing.

Sources said said that the

transaction will be carried out in a manner that there will no cash outgo for the Bharti Group. On Monday shares of Bharti

Airtel closed up 1.59% at Rs 492.8 on the Bombay Stock Ex-

RCom debt rejig: Proposes conversion of ₹7k cr into equity

If the conversion takes place, the RCom exposure will remain in a standstill state; in other words, they need not make any repayments on account of either interest and principal till December 2018 as per Reserve Bank of India's (RBI) strategic debt restructuring (SDR) scheme.

The company has also told lenders on Monday it will monetise a part of its assets (spectrum, towers, fiber assets, media convergence nodes) worth Rs 17,000 crore and repay Rs 10,000 crore through sale of real estate assets.

Going by the proposal, the company's remaining debt will stand at Rs 6,000 crore after the monetisation exercise.

Of the debt of Rs 45,000 crore, an amount of Rs 40,000 crore is from secured creditors while the rest is unsecured. RCom reported a net loss of Rs 1,283 crore in FY17 on the back of Rs 19,493 crore of revenues with interest expenses of Rs 3,561 crore. The telco's gross debt stood at Rs 45,000 crore in FY17, of which Rs 25,000 crore is from domestic pany has received interest from multiple prospective investors. "As far as their interest is concerned, I think at this moment they're (Reliance Jio) very much interested in a lot of our assets. They've said very clearly, if it is a transparent process, which is run by lenders, they're happy to bid and pick-up some assets from them," Garg said. RCom said it was working

lenders. Garg said that the com-

closely with SBI capital markets, the advisors appointed by lenders to run a competitive bidding process in a transparent manner to monetise the spectrum, tower, fiber, media convergence nodes and prime real estate assets.

In June, lenders had decided to convert a large portion of their loans to equity using the Reserve Bank of India's (RBI) strategic debt restructuring (SDR) scheme, allowing banks to retain the present classification of the loan for seven months without worrying about it turning non-performing.

An SDR allows banks to con-

vert debt at a price below the current market value and can now own 51% or more of the equity of the company. In case of unlisted companies, a break-up value should be used which is the book value per share calculated from the company's balance sheet adjusted for cash flows and financials post the earlier restructuring. According to RBI, in case the latest balance sheet is not available then the break-up value shall

SC to Unitech's Chandra: Deposit ₹750 cr by December

It also directed Tihar jail authorities to facilitate visits of persons, officials, employees and lawyers within the normal visiting hours of the jail premises to help Chandra raise the funds.

Last Monday, the Supreme Court had denied bail to Chandra and ordered that he would have to prove his bonafides by depositing at least Rs 1,000 crore, which could be used to refund home buyers.

Senior lawyer Ranjit Kumar told the Bench that the company would like to "monetise" its unencumbered properties and assets to recover money that would be used for refunds and completion of projects. The company also gave a list of such properties and assets in a sealed cover to the court.

refund as well as completion of projects, and it needs six months to execute the plans. "I will put 50% money for refund and 50% for completion of 394 units," he said, adding that for this Rs 57 crore is required to complete the flats. So far, Unitech has invested Rs 355 crore, he added.

A total of 4,688 home buyers are claiming a refund of Rs 1,865 crore from Unitech in various projects.

Amicus curiae Pawanshree Aggarwal told the bench that the real estate firm needed around Rs 2,000 crore to refund money to home buyers as well as completing the ongoing projects. He also said that around 4,350 home buyers have so far sought possession of flats

from Unitech. He had earlier said that the figures were based on entries submitted by home buyers on the website created to maintain accounts of Unitech's different projects, home buyers and the extent of refunds granted to each of them.

The Supreme Court had last month ordered the formation of a web portal for home buyers to

register their claims for the possession of flats or refunds. It had also assured home buyers that it will ensure relief according to their choice getting the money back or allotment of a flat. Sanjay Chandra and his

brother Ajay were arrested in April on a complaint filed by home buyers of Unitech's Anthea Floors Wildflower Country project. Five buyers this project,

including Delhi resident Arjun Bedi, had filed a complaint for the registration of an FIR against the company in 2015. Later, 90 more complaints

were received against the firm for the same project, which were clubbed with the FIR. The buyers had alleged that Unitech did not return the money to them when they sought refund for the delay in handing over the possession of flats. They had also accused the builder of duping several people.

Almost after two years, the Economic Offence Wing of the Delhi Police had arrested both the managing directors of the real estate company for failing to complete the housing project on time.

'SC order to bring PPA discipline' While the court said "there

cannot be any quarrel with regard to the power conferred on the Commission with regard to fixation of tariff for the electricity procured from the generating companies or amendment thereof in the given circumstance," the regulator's approach ought to be "cautious and guarded" when its decision has a bearing on consumer interest.

The projects that are delayed and might require tariff period changes like SSPC include Acme Solar, Omkar PowerTech and Punj Lloyd, among others,

According to Kameswara Rao, partner, PwC, "the SC order may disappoint a few, but investors on the whole are likely to see this in a positive light." He added that this would encourage developers to take their project obligations and PPA timelines more seriously, and adopt a more scientific approach to project

management. Industry experts believe that the SC has raised its objections to arbitrary exercise of powers by regulators."The question is, how Kumar argued that the to make regulators accountable company had a plan for the to law," Ashok Khurana, director general, association of power producers, told FE.

The case in question related

to the conflict between the GUVNL—the state power utility—and SSPC, which signed PPAs on April, 2010, where it was agreed that the latter would be paid Rs 15/unit of electricity for the first 12 years and Rs 5/unit in the remaining duration of the 25-year PPA, provided that the solar projects in question are commissioned on or before December 31, 2011. The PPA stated that if the projects were commissioned after the stipulated date, it would be paid at generic tariffs determined by the regulator i.e, Rs 9.98/unit for first 12 years and Rs 7/unit for subsequent 13 years.

After initially rejecting the power generator's plea to extend the control period in January, 2012, the state regulator in April, 2014, allowed the same, stating that the delay in commissioning of the project was partially due to change in government rules regarding land acquisition and the failure of the state power transmission utility in providing transmission line within stipulated period.

