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New Delhi: The government is considering reforming the law governing the petroleum sector to protect investors against the expropriation of their assets, a measure that would directly address a key concern raised by energy giant ExxonMobil.

The oil ministry has drawn up a proposal, which would entitle investors to reasonable compensation if the government expropriated their assets, according to people familiar with the matter.

The oil ministry has completed consultations with the law, finance and other ministries on the proposal, they said, adding that the proposal may soon be presented to the Cabinet. After the Cabinet's approval, the proposal may be introduced in Parliament.

India has introduced a slew of reforms in the past decade but has struggled to attract foreign investors to the exploration and production sector, primarily because so-

me of the key issues have been left unaddressed creating uncertainty for oil and gas investors who already face enormous challenges due to climate change.

ExxonMobil, which has spent years studying India's geological data and expressed willingness to invest in the country, wants policies to be made more investor-friendly.

"India should offer globally competitive fiscals, enable those to stay intact, provide protection against expropriation, and (permit) neutral arbitration," Monte Dobson, le-

Safety Net

Govt mulls reforming law governing petroleum sector

To protect investors, give reasonable compensation for expropriation of assets

OIL MINISTRY HAS DRAWN UP A PROPOSAL

Has completed consultations with the law, finance and other ministries

Proposal may soon be presented to the Cabinet

Aim is to attract foreign investors to exploration, production

ademy manager-South Asia at ExxonMobil, told ET in January.

The company wants exploration contracts to provide a legal shield against any move by the government to expropriate assets. "It's really rooted in experience," he said, citing the company's experience in Venezuela where it faced expropriation after a change in government.

Expropriations are rare but companies still want protection against those rare events, a person aware of the oil ministry's thinking said. The ministry's proposal is aimed at assuring investors that they are not going to lose money in the event of expropriation, he said.

The windfall tax imposed on domestic oil production last year after crude prices sharply rose has also acted as a dampener for investors who see it as a government effort at making return on investment uncertain.

Windfall taxes do not work in the long run, Dobson had said in the interview. "Such steps can shift investments away from a country over the long term," he said.

Banking Sector Recovery has Given Leg Up to GDP Growth

Lessons learned from response to global fin crisis of 2008; policies were announced to deal with Covid, but came with expiration date

Guest Column

ADITYA MURLIDHARAN & PRASANNA TANTRI

The recently announced better-than-expected GDP growth number for 2022-23 has triggered discussions about the current Indian macroeconomic policies. The impressive recovery of the banking sector has contributed significantly to this turnaround. The recent handling of the banking system in India represents a textbook case of learning from past mistakes and using counter-cyclical policies in their true spirit.

A good starting point for understanding the contemporary banking landscape in India is the policy response to the global financial crisis (GFC). Rightly anticipating the economic forbearance and the Indian policymakers announced several counter-cyclical measures starting in August 2008. The most important among them were allowing banks to restructure loans without treating such loans as nonperforming assets (NPAs). In other words, a forbearance on loan loss recognition.

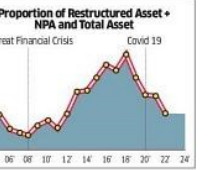
Worse, banks relaxed the quality of screening for new loans as well. They could now lend to known bad-quality borrowers knowingly, with the expectation that restructuring can be used to hide loan defaults that may occur in the future.

Not surprisingly, when the forbearance policy was withdrawn in 2015, it was realized that the actual NPAs of banks were in double digits, and most banks did not have the required capital to absorb these losses. Expectedly, the flow of bank credit to the economy collapsed.

The most important learning from the post-GFC forbearance episode was that temporary relaxations granted during crisis periods work well only during the crisis. If they are continued beyond the crisis, they breed perverse effects having the potential to damage the economy in the long run.

Fortunately, the "lesson" learned from the post-GFC crisis response was fully incorporated into the policy response to the Covid 19 induced crisis. The regulator did announce forbearance and other counter-cyclical policies, such as a temporary loan moratorium. However, all such policies came with well-defined expiration dates, which were adhered to with minor relaxation.

The figure below shows loan restructuring activity over time. The vertical axis represents the weighted average of the ratio between restructured and total assets (NPAs). In other words, a forbearance on loan loss recognition.



red and NPAs as a proportion of banks' total assets in the figure above. These can be considered distressed assets. Notice a sharp increase in distressed assets after GFC and continuation of a decreasing trend of distressed assets after Covid crisis.

Finally, we also examine the quality of borrowers. The purpose here is to understand whether banks' exposure to existing low-quality borrowers changed after the two crises. A borrower whose income is less than the total amount required for servicing debt is considered a low-quality borrower. Repeated lending to existing low-quality borrowers is a strong signal of evergreening, where new loans are used to hide defaults on existing loans. We obtain

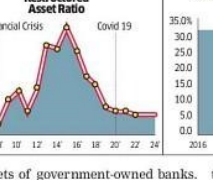
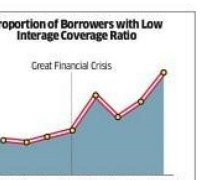
Banking regulators worldwide require banks to recognize the riskiness of restructuring transactions by treating them on par with NPAs and creating adequate provisions. Such provisions ensure that banks are well capitalized to deal with any future shocks arising from defaults on restructured loans. The requirement also prevents misuse of restructuring to postpone recognizing loan losses.

Crisis times are different. Saving businesses from collapsing is the pre-occupation of the regulator in bank reporting practices. Justifiably, regulators allow and even encourage banks to restructure loans during such times. The Indian forbearance of 2008 was one such reasonable policy. It likely helped save several businesses that faced liquidity shocks during the GFC.

Problems arose when the policymakers continued the forbearance policy even after achieving full economic recovery. Banks started using forbearance to hide loan defaults: loans of low-quality borrowers were restructured to avoid recognition of losses.

sets of government-owned banks. The two vertical lines represent the years of the GFC and the Covid crisis, respectively. Notice a sharp increase in restructuring after the GFC, the level of restructuring kept increasing even after the crisis. It is critical to note most of the restructured loans were, in spirit, NPAs evergreened under the forbearance window. In contrast, despite forbearance, the overall level of restructuring hardly increased during and after the Covid crisis.

To understand the contrast more clearly, we plot the sum of restructur-



ing information from the registry of charges maintained by the Ministry of Corporate Affairs. The figure below contrasts the situation before and after the two crises. In line with the earlier evidence, banks increased lending to low-quality borrowers after the GFC but not after Covid.

In sum, one important reason for the sound health of the banking system in India today is the active policy choices made by the policymakers and their willingness to learn from past mistakes.

The authors are from the Indian School of Business

Inter-ministerial Talks On for Ecomm Policy

New Delhi: An inter-ministerial consultation is going on to frame an e-commerce policy which would help in providing a conducive environment for inclusive and harmonious growth of the sector, a top government official said. Secretary in the department for promotion of industry and internal trade (DPIIT) Rajesh Kumar Singh said that broadly the intention is to make the policy work along with the consumer protection rules and not in conflict with each other.

The policy aims to prepare strategies for providing a conducive environment for inclusive and harmonious growth of e-commerce sector through a streamlined regulatory framework for ease of doing business, adoption of modern technologies, integration of supply chains and enhancing exports through this medium.

When asked about the demand for domestic retailers for a clarification in the policy of foreign direct investment (FDI) in the e-commerce sector, the secretary said that the policy will try to address some of those issues of more effectively enforcing the norms. -PTI

from their strong development partnership, he said.

Muralaeddharan, who called on the President of Maldives Ibrahim Mohamed Solih and foreign minister Abdulla Shahid, said his trip has been "highly productive" and he was reassured that the bilateral relationship will continue to grow.

"I had very engaging and fruitful conversations today with foreign minister Abdulla Shahid. We discussed topics ranging across the whole partnership spectrum," the minister said. -PTI

India, Maldives Ink 10 Pacts

Male: India on Sunday signed 10 more agreements for the implementation of high-pitch projects in 11 Atolls in the Maldives as part of expanding New Delhi's development cooperation portfolio in this strategically important archipelago nation. The agreements were signed during the ongoing visit of minister of state for external affairs V. Muralaeddharan, who is here on a two-day official visit.

India and the Maldives have been able to develop deep and close cooperation at all levels including political, administrative, entrepreneurial and people-to-people ties apart

from their strong development partnership, he said.

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Public Notice for E-Auction - Punj Lloyd Limited (in Liquidation)

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Sale of the Company on a going concern basis under the Insolvency and Bankruptcy Code, 2016

Announcing sale of Punj Lloyd Limited ("the Company") on a going concern basis through public e-auction process, undergoing liquidation pursuant to the Order dated 27 May 2022, of Hon'ble National Company Law Tribunal, Principal Bench, New Delhi. The Company is incorporated in 1986, is a well-diversified business conglomerate, engaged in the business of Engineering, Procurement and Construction ("EPC"), with geographic presence across India and Middle East Countries offering services in Energy, Road and Infrastructure along with Manufacturing facilities in the defence sector.

Interested applicants may refer to the detailed Asset Sale Process Memorandum uploaded on website of the Company <http://www.punjlyoddgroup.com/liquidation-documents> and also on E-Auction website <https://mcauction.auctioneer.net>.

The Auction Sale will be done through the E-Auction platform: <https://mcauction.auctioneer.net>.

Asset	Manner of Sale	Date and Time of E-Auction	Reserve Price (INR)	EMD Amount & Submission deadline
Company	Sale of the Company on a going concern basis	10 July 2023 from 11 AM to 6 PM	1,081,000 Crore	10 Crore On or before 07 July 2023

Further, as per the provisions of the IBI (Liquidation Process) Regulations, 2016, as amended, all interested bidders are required to submit the Expression of Interest along with the requisite eligible documents on or before 20 June 2023 as provided in the Asset Sale Process Memorandum.

The Liquidator reserves the right to announce the key terms of the sale process including timelines for the Going Concern Sale Process to the extent permissible under the applicable laws and regulations. Any information about amendments/extension of any of the timelines will be available on the Corporate Debtor's website and communicated to the Qualified/Successful Bidder.

Nothing contained herein shall constitute a binding offer or a commitment for sale of the Company as a whole, on a going concern basis.

Please feel free to contact Mr. Ashwini Mehra at LQ.PUNJ@in.gt.com or ashwinim@punjlyodd.com or Mr. Surendra Raj Gang at surendra.rg@punjlyodd.com in case any further clarification is required.

Ashwini Mehra
Liquidator
Punj Lloyd Limited - in Liquidation
(Regn No: IBB/PA-001/HP-P03388/2017-18)(0706)
Punj Lloyd Limited - in Liquidation
Authorization for Assignment valid till 23 March 2024
Correspondence Address:
Mr. Ashwini Mehra, Liquidator
Punj Lloyd Limited
C/O. M. Surendra Raj Gang
GT Restructuring Services LLP
L-41, Connaught Circus, New Delhi - 110001
E.L.Q.Punj@in.gt.com

Date: 05 June 2023
Place: New Delhi

Short Takes

ESG-focused Mutual Funds' Asset Base Dips ₹2,020 cr in Fiscal 2022-23

NEW DELHI: Sustainable or ESG (environmental, social, and governance) focused mutual funds, which are in a nascent stage in India, have seen their asset base declining by ₹2,020 crore in fiscal 2022-23 even as experts hope such funds will attract greater attention in coming years. ESG investing is gaining traction globally, and India is also witnessing an increased awareness and interest in sustainable and responsible investment practices. At present, there are 12 mutual fund schemes in India with ESG theme. "With growing concerns about environmental and social issues, coupled with regulatory initiatives to promote ESG investing, the demand for ESG funds is expected to rise in the future," Kavali Ravindran, research head of Fyers, said. According to data compiled by Morningstar India, 12 ESG funds together clocked assets under management (AUM) of ₹10,427 crore in March 2023, which was ₹2,000 crore or 16% lower from ₹12,447 crore registered a year earlier. In comparison, the assets base of the ESG funds stood at ₹10,998 crore in March 2021 and ₹3,605 crore in 2019-2020.

Coal Firms Taking Steps to Make Mining Sustainable, says Joshi

NEW DELHI: From planting saplings to development of eco-parks, state-owned coal companies are taking various measures to reclaim abandoned mines, infusing multi-core investments, coal and mines minister Pralhad Joshi said. Other initiatives of the ministry include adoption of modern technologies like gas-

Clearly, our customers count on us even in the most uncertain economic climate

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Consolidated Audited Financial Results (Rs. in Crores)

PARTICULARS	FY 2023	FY 2022
Revenue	3,043	2932*
EBIDTA	486	524*
PAT	277	359
EPS of Rs	13.97	18.11
Net Debt / Equity	0.33	0.57

SVC CO-OPERATIVE BANK LTD. (Maharashtra Government Bank)

(Formerly The Shamrao Vitthal Co-op Bank Ltd.)

NOTICE OF 117th ANNUAL GENERAL MEETING

Notice is hereby given that the 117th Annual General Meeting of the Members of the Bank will be held at MIMS, Gate Number 4, Mukesh Patel Auditorium, Navya Society, Navpada, JVPD Scheme, Opposite Mittal College, Vile Parle (West), Mumbai 400056 on Thursday, June 22, 2023, at 2.30 p.m. to transact the following business:

1. Adoption of Annual Report with Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended March 31, 2023-24.
2. Declaration of Dividend and Allocation of Profits for the Financial Year 2022-23.
3. Consideration of Joint Statutory Audit Report from M/s. Maunad M. Chitre & Co., Chartered Accountants & P. G. Shrivastav LLP, Chartered Accountants, with compliance report thereon, for the Financial Year 2022-23.
4. Appointment of Joint Statutory Auditors (JSAs) for the Financial Year 2023-24, subject to approval from Reserve Bank of India (RBI), and to authorize the Board to approve their remuneration.
5. Review the list of employees who are relatives of members of the Board or of the Managing Director.
6. To grant leave of absence to those Members of the Bank who have not attended this Annual General Meeting.
7. Approval of Amendments to Bye-laws.
8. Declaration of result of Election to the Board of Directors for the period of five years from 2023-24 to 2028-29.
9. Disposal of any other business that may be brought before the meeting and responding to Members' questions, relating to the working of the Bank during the Financial Year 2022-23, permissible under the Bank's Bye-laws and Rules and in respect of which, at least 6 days' notice, in writing, has been furnished to the Managing Director, at the Bank's Registered Office. Note: It will, with half an hour after the time appointed for the meeting, the quorum is not formed, the meeting would stand adjourned and this adjourned meeting shall be held either on the same day or on such other date at the time and place as may be decided by the Chairman or the member presiding over the meeting in his absence. As such adjourned meeting, the business before it may be transacted notwithstanding the fact that there is no quorum. Further, it is to be noted that COVID guidelines, as may be issued by the State Government of Maharashtra (Statutory Authority) from time to time, will be applicable on the day of Annual General Meeting.

Date: 25th April 2023 BY ORDER OF THE BOARD OF DIRECTORS
Sd/-
Ravinder Singh
Managing Director

IMPORTANT INFORMATION FOR MEMBERS
Annual Report for the F.Y. 2022-23 can be downloaded from www.svcbank.com
Registered Office: SVC Tower, Jawahar Nagar Road, Wakoli, Sarvada, (E), Mumbai - 400 056.

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