

Highway Builders Want Infra Loans Provision Pared to 2%

RAISING CONCERNS

Contractors' body writes to NHA, RBI and finance ministry, says 5% proposal by the central bank will hurt project viability

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New Delhi: Highway construction contractors have suggested that the provision that lenders must make against financing their projects be fixed at 2% instead of the Reserve Bank of India's proposal of 5%, which they said would hurt project viability.

Currently, lenders need to set aside 0.4% as provision against loans provided to highway builders. The banking regulator made the proposal to sharply increase this in its recent draft guidelines on infrastructure financing.

The contractors have also proposed that the government consider 90% of land availability for financial closure as against the proposed 50%, and increase the moratorium for repayment to a year from the RBI suggested six months.

"By increasing the provisioning from 0.4% to 5%, project viability will be the biggest impediment as interest cost will increase which in turn will increase the cost of the project both for the investor as well as the government," the National Highways Builders Federation (NHBF) said in its submission to the National Highways Authority of India, the finance ministry and the Reserve Bank of India.

According to the NHBF, this increased provisioning will slow down the pace of infrastructure development

Funding Woes

- No provision for maintaining funds with the lender during the operational phase
- RBI had proposed reducing it to 2.5% and 1% subsequently
- Standardise the deferment of DCCO (date of commencement of commercial operation) up to two years
- Further, one year should be given if the case is under litigation

Contractors have also proposed the govt consider 90% of land availability for financial closure as against the proposed 50%

and hurt economic growth, besides impacting monetisation benefits.

The federation also said 2% provisioning could be implemented faster by 2025-26, as against 2026-27 if the government sticks with RBI's proposal to implement 5% in a phased manner.

"The phasing may not help the infrastructure industry as the lenders may factor in the highest provisioning rate in calculation of lending rates," it said.

Commenting on the extent of land



RBI has suggested one year for exogenous risk and litigation cases and two years for indigenous risk

availability for financial closure of infrastructure projects, the NHBF said land availability of not less than 90% should be considered sufficient. "Land availability is the single largest risk factor which creates the delays or sometimes even leads to termination of projects," it said.

Calling for an increase in the moratorium period to a year, the NHBF argued that moratorium period is often availed of from lenders to sustain initial requirements of cash flow for stabilising operations.

"Restriction on this will create pressure on the cash flow of the company and may result in stress on the project, particularly for build-operate-transfer projects," it said.

NHAI Hikes Toll Charge Across Highways by 5%

PTI

New Delhi: Motorists using expressways will have to shell out more from Monday as the National Highways Authority of India (NHAI) has decided to hike tolls across the country by an average of 5%.

The annual revision of highway user fee, which is expected to be in the range of average 5 per cent, was earlier to come into effect on April 1. But the hike was deferred due to the Lok Sabha elections.

"The new user fee will come into effect from 3.6.2024," a senior NHAI official said on Sunday.

The change in toll fee is part of an annual exercise to revise the rates that are linked to the changes in the wholesale price index (CPI)-based inflation.

There are around 855 user fee plazas on the national highway network on which user fee is levied as per the National Highways Fee (Determination of Rates and Collection) Rules, 2008.

Out of these, around 675 are public-funded fee plazas and 180 are operated by concessionaires.



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What Drove Growth in FY24

The Indian economy grew 8.2% in FY24, more than a percentage point higher than the previous year's growth of 7%, according to data released last week. The pace of expansion in some sectors was at multi-year highs, barring FY22 when the economy recovered from Covid-related contraction. ET takes a look at the factors that pushed growth:



Net tax contributions also rose

Net taxes grew at the fastest pace since FY12

Share in GDP at **8.7%**, highest in four years

Collections grew and govt rationalized subsidies

(% growth in net taxes)



Manufacturing growth at 9.9%

is the highest since FY17, barring FY22

Mining and quarrying also grew at the fastest pace in seven years

(% Growth, Y-o-Y)	MINING AND QUARRYING	MANUFACTURING	CONSTRUCTION
FY13	0.6	5.5	0.3
FY14	0.2	5.0	2.7
FY15	9.7	7.9	4.3
FY16	10.1	13.1	3.6
FY17	9.8	7.9	5.9
FY18	-5.6	7.5	5.2
FY19	-0.8	5.4	6.5
FY20	-3.0	-3.0	1.6
FY21	-8.2	3.1	-4.6
FY22	6.3	10.0	19.9
FY23	1.9	-2.2	9.4
FY24	7.1	9.9	9.9

Investment returned as major contributor

Investments share in real GDP was also at an 11-year high

Investment grew 9%, whereas consumption was muted



Construction's contribution to the economy rose

Construction's share in economy at an 11-year high

Financial services also contributed more

(% share of total GDP)	FY19	FY24
Agriculture and mining	15.8	15.2
Manufacturing	16.6	15.8
Construction	7.3	8.3
Trade, hotels, transport*	18.1	17.0
Financial, real estate & prof servs	19.4	21.2
Others	22.7	22.5

What Will Be Key Drivers for FY25

Economists say investment push to continue

Construction activity will keep pace

Consumption revival on anvil



Source: MoSPI

No Tax Recovery within 3 Months of Notice: CBIC

Asks field formations to strike a balance between interest of revenue and ease of doing business

Our Bureau

New Delhi: The Central Board of Indirect Taxes and Customs (CBIC) has asked its field formations to not initiate recovery within three months of serving a tax notice, asking them to strike a balance between the interest of the revenue and ease of doing business.

Only in cases where there is risk of closure of business or an impending insolvency, the field formations can initiate recovery before the mandated period after getting a nod from the jurisdictional principal commissioner, the CBIC said in a letter dated May 31 to all the zonal heads.

ET has seen a copy of the letter.

It is implicit that such directions for early payment of the confirmed de-

mand should not be issued in a mechanical manner, and must be issued only in cases where interest of revenue is required to be safeguarded due to specific apprehension/circumstances in the said case," the CBIC said in the letter.

It said that reasons to believe for the apprehension of risk to revenue should be based on credible evidence, which may be kept on record to the extent possible. "Such reasons could include high risk to revenue involved in waiting till the completion of the three-month period due to apprehension that the concerned taxable person may close the business operations in near future, or due to possibility of default by the taxable person due to his declining financial conditions or impending insolvency, or likely initiation of proceedings under Insolvency and



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Bankruptcy Act, etc.," the board said.

The apex body of indirect taxes added that while issuing any such directions, the proper officer must duly consider

the financial health, status of business operations, infrastructure and credibility of the taxable person.

The GST law mandates that an officer can recover any amount payable to the government under any of the provisions of the CGST Act. Section 78 of the Act specifies the timeline for initiating such recovery proceedings as three months from the day of serving notice.

This period can be shorter in some exceptional cases where the assessee had to pay the amount before three months. The letter was written after the board noted that many tax officers were abusing the exceptional case clause, initiating recovery proceedings before the expiry of the specified three-month period, even in routine cases, forcing the companies to move courts to seek stay on the recovery process.

Heatwave Shaves 2% Off Loan Collections in May

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Mumbai: Soaring temperatures across the country have affected loan collections with many lenders registering a drop in their collection efficiency in May by between 50 and 200 basis points. One basis point is 0.01 percentage point.



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Besides heatwave, lenders blamed the elections and a fall in Rabi crop output for the fall in collections but expect them to bounce back when temperatures abate with the onset of the monsoon season.

"Yes, the severe heatwave across the country, along with a lower yield of the Rabi crop (due to a patchy monsoon last year) plus some restrictions related to movement of people during the elections, has led to a marginal impact on collection efficiency in the last few months," said Manish Kohari, president and head - commercial banking at Kotak Mahindra Bank.



HEAT MAP

"However, with the continued government support on MSP (minimum support price), expectation of a normal monsoon this year, and added focus being brought in towards collections including added manpower, I would expect things to come back to normal during the course of the year," he said.

"Last month saw the convergence of three rare events: elections, rains in one part of the country, and a heatwave across large parts of the country... these events collectively impaired both field and economic activity," said Manish Jaiswal, managing direc-

tor of Grihman Housing Finance, an affordable housing finance company. "Consequently, visit collection intensity had to be substantially increased," he said. "While collection efficiency may have marginally decreased in May by 50-100 basis points compared to March, we anticipate a strong recovery once the administrative, police, and bureaucratic machinery returns to normal post the intensive election drills," Jaiswal said.

Lenders that ET spoke with said collection agents across the country have been doing fewer daily visits while some

customers have sought postponement in payments as their businesses are facing a marginal slowdown. "There has been a marginal decrease in collections of about 1-2% due to the heatwave," said Umesh Revankar, executive vice chairman at Shriram Finance.

"The good part is that collections largely happen in the first 15 days of the month due to which this has not been a big challenge for us," he added. The upside also is that over the last few years, there has been a steady increase in the share of digital collections as more borrowers are repaying their loans digitally. But certain categories of loan segments and borrowers - for example, micro-financed, gold loans and self-employed borrowers - continue to have a high share of collections through cash.

NMDC's Ore Output Down 37% in May

PTI

New Delhi: Country's largest iron ore miner NMDC has reported a 37 per cent fall in its production at 2.34 million tonnes (Mt) in May 2024.

It had produced 3.71 Mt of iron ore in the same month last year, the company said in an exchange filing on Saturday.

NMDC's monthly sales also

declined by 22% to 2.82 Mt in May this year from 3.62 Mt in May 2023.

The company's cumulative iron ore output fell to 5.82 Mt in April-May 2024 from 7.22 Mt in the year-ago period. Sales during the said period were at 6.35 Mt, down from 7.05 Mt in April-May 2023. — PTI

BUOYED BY ROBUST GDP GROWTH... 'New Govt Set to Press for Next-gen Reforms'

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New Delhi: The new government has the launchpad to undertake next-generation reforms on account of a robust GDP growth, prospects of a good monsoon, healthy foreign exchange reserves and a stable rupee. Assoccham president Sanjay Nayyar said.

India will continue to be the world's fastest-growing economy and the Indian corporate world has its hopes up as it expects the next government to continue on the reform path and steer the Indian economy towards high growth.

"India Inc remains very bullish about India retaining the coveted status of being the fastest growing amongst the ma-

between cyclical consumption-driven growth and inflation. "Private investment growth can drive the supply side and needs to be closely monitored," Nayyar added. Further, the extreme weather stemming from climate change has a detrimental effect on citizens, including the labour force and farmers, and needs to be addressed. "We would like the new government to attend to the issue of climate change with renewed vigour, setting specific targets with regards to ecology afforestation, renewable energy though some of the targets are in place," Nayyar said. He said adequate credit and modern technology for MSMEs can spur job creation, while AI and other emerging technologies need to be moulded in line with India's needs in sectors such as healthcare, education.

HDFC BANK Demand Notice

Branch: Jasoriya Apartments, Near New Mandi
Kumhar Gate, Exhibition Road, Bharatpur, Rajasthan-321001

A notice is hereby given that the following borrowers have defaulted in the repayment of principal and payment of interest on the facilities obtained by them from the Bank and said facilities have been classified as Non-performing Assets by the Bank. The Notices were issued to them under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in their last known address however as such they are hereby informed by way of public notice about the same as law notices have returned undelivered/undisclosed.

Name & Address of the Borrower/Co-borrower/ Guarantor & Loan Account Number	Date & Amount of Demand Notice (₹)	Schedule of Immovable Property & Securities
1. Mr. Kalyan Singh S/o Bhagwan Singh, (Borrower & Mortgagor) 2. Mrs. Rajani Bala W/o Kalyan Singh (Co-Borrower); Both are Resi. at: Ward No.02, Gurjar Mohila, Babbar Dongar, Dongri Govindgarh, Awar. Distt. Awar-301604 (Raj.), 3. Mr. Bhagwan Singh S/o Kishan Singh, 4. Mrs. Ramesh Devi W/o Bhagwan Singh, 5. Mr. Devenraj Kumar Chhawri S/o Bhagwan Singh (Co-Borrower) All are Resi. at: Jhansi, Bharatpur, Distt.: Bharatpur-321204 (Raj.), & Mr. Gajendra Kumar S/o Laxman Singh (Guarantor); Add. Subedar Colony, Jasori Road, Pahan, Bharatpur, Distt.: Bharatpur-321204 (Raj.) Loan Account No.: KGC Loan with Collateral Mortgage = 50200064337209 / 50200064338544 / 86016321	16/05/2024 Rs. 1,90,52,340/- as on 01.05.2024 till date of payment in full NPA Date: 01/04/2024	Kh. No. 7071/3, Pahadi, Distt.: Bharatpur (Raj.) P I n - 3 2 1 2 0 4 Ademasuring: 2066 Sq. Ft. Boundaries: East: Kh. No. 3076, West: Kh. No. 3071/1, North: Kh. No. 7071/3, South: Rasta.

ICICI Home Finance

Corporate Office: ICICI Home Finance Company Limited ICICI HFC Tower, Andheri - Kuria Road, Andheri (East), Mumbai - 400059, India
Branch Office: 1st Floor, Shop No. - 46 To 49, Lakshmi Complex, M. I. Road, Subhash Marg, C-Scheme, Jaipur- 302001
[See proviso to rule 8(6)]
Notice for sale of immovable assets
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Notice is hereby given to the public in general and in particular to the Borrower(s) and Guarantor(s) that the below described immovable property mortgaged/charged to the Secured Creditor, the Physical Possession of which has been taken by the Authorized Officer of ICICI Home Finance Company Ltd., will be sold on "As is where is", "As is what is", and "Whatever there is", as per the brief particulars given hereunder:

Sr. No.	Name of Borrower(s)/ Co-Borrower(s)/ Guarantors/ Legal Heirs. Loan Account No.	Details of the Secured asset(s) with known encumbrances, if any	Amount Outstanding	Reserve Price Earnest Money Deposit	Date and Time of Property Inspection	Date & Time of Auction
1.	Jagat Singh (Borrower) Sunita, (Co-Borrower) Loan Account No. LHJA100001330886	Auric City Homes Block C Floor 3 Bas Bhankrota Affordable Housing Plot At KH N 629, 630/1, 637/2 1176/826 V Jaipur/Jaipur Jaipur Rajasthan- 302006	Rs. 9,88,845/- May 22, 2024	Rs. 11,23, 200/- Rs. 1,12,320/-	01, 2024 11:00 AM 03:00 PM	July 10, 2024 02:00 PM 03:00 PM

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यूनियन बैंक Union Bank of India

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Within 3100 meters Radius from Union Bank of India, SriGanganagar Main (BR- 538819) branch premises, Rajasthan 1700 sq. ft. ± 10% located at "B-C, Block, Ravindra Path SriGanganagar."
For further details & Tender documents, please visit our Bank's website www.unionbankofindia.co.in & Govt of India Central Public Procurement Portal, i.e. www.eprocure.gov.in. Last date for submission of bids in prescribed format is 28.06.2024 up to 3:00 PM. The Bank reserves the right to reject any or all bids without assigning any reasons whatsoever. Assistant General Manager

यूनियन बैंक Union Bank of India

यूनियन बैंक ऑफ इंडिया जयपुर अंचल मेगा ई-नीलामी दिनांक 12.06.2024 और 26.06.2024
UNION BANK OF INDIA Jaipur ZONE
MEGA e-AUCTIONS DATED 12.06.2024 AND 26.06.2024

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