

## Bill soon to tackle bankruptcy in financial sector: Das

New Delhi, Feb 9: A Bill on addressing bankruptcy issues in the financial sector is ready and is likely to be introduced in Par-

liament soon, economic affairs secretary Shaktikanta Das said on Thursday.

While the insolvency and bankruptcy law that has been enacted deals with the corporate sector, LLPs and partnership firms, there is another world of financial firms like banks, the mutual funds or the non banking finance companies, he said.

"So as far as the financial sector entities are concerned, the finance minister has announced that the government will be introducing a Bill for resolution of financial firms... for which we have undertaken very extensive consultation the Bill is ready, and it is ready to be introduced," he said.

Outlining the focus of the Budget 2017-18 at an event organised in New Delhi by Assocham, Das said, one of its objectives was strong fiscal focus. "Finding that right balance is very important. You find that right balance... by targeting those sectors of the economy where you need to spend

more and you target a certain level of debt to GDP ratio, that is the Government of India's borrowing or state's borrowing should be this much by this year," he said.

The FRBM committee headed by former revenue secretary N K Singh has recommended that the fiscal deficit of both the centre and states put together should be 60% in 2023. "So, although the committee had recommended 3% for the next three years, the government decided to adopt 3.2% and... is very much within the agenda of fiscal prudence because with 3.2% the government will be able to reach 60% debt to GDP ratio of the general government by 2023," he said.

Therefore, the government is very much within the fiscal path, he said but "you have utilised whatever opportunities are available within that fiscal path to spend more in sectors like infrastructure, health, education, rural development and agriculture".

On the H1B visa issue, Das said that so far India is not impacted by it despite apprehensions expressed in some quarters.

"H1B visa issue which is something that is still playing out... We have to really wait and watch. The government is interacting with the industry. So far as India is concerned, India has not been impacted so far. There are apprehensions being expressed in various quarters," Das said.

"There would be engagement between the government of India and the United States, we need to talk to them, we need to resolve issues. So far, nothing has happened that really has affected us. In any case, the government is in constant touch with the industry, whatever steps have to be taken, the government will take up these matters with the government of the United States," he said.

There is uncertainty with regard to economic policy which the developed countries are going to adopt, he said, adding, "We have to see how this Brexit negotiations play out, what kind of protectionist approach is taken, how much of openness of movement of goods, services and manpower is maintained in the negotiations between Britain and EU." *PTI*

# EPFO set to enhance its stock market exposure by 5% in FY18

■ Current exposure at 10%; increase to be through ETF route

**Surya Sarathi Ray**  
New Delhi, Feb 9

**E**NTHUSED by better returns from its investment in the equity exchange traded funds (ETFs), the Employees' Provident Fund Organisation (EPFO) is set to enhance its stock market exposure to 15% of its incremental deposits, or an estimated ₹19,500 crore, in FY18, from 10% now. The increase will be via the ETF route. Under the investment pattern notified in 2015, the EPFO can invest up to 15% of its incremental deposits in the stock market. However, trade unions' continuous opposition to "risky investments" forced it tread slowly.

The proposal to raise the exposure to 15% will be taken up for discussion in the next meeting of Central Board of Trustees (CBT), the EPFO's highest decision-making body, scheduled for next month, labour min-



ister Bandaru Dattatreya said.

"In the first year (2015-16), we invested 5% and in the second year, 10% of the incremental deposits. Our total ETF corpus is now around ₹17,000 crore, with returns of 8.7%-8.8%, better than fetched as interest rates. After discussion with stakeholders, our ministry will take a final decision (on raising ETF exposure to 15%)," Dattatreya said.

The retirement fund body, which has a total corpus of around ₹8 lakh crore and an estimated annual incremental flow of ₹1.3

The proposal to increase the exposure will be taken up for discussion in the next meet of the Central Board of Trustees scheduled for next month

lakh crore, had invested ₹6,500 crore in exchange-traded funds in 2015-16. The investment so far in the current fiscal is over ₹10,000 crore. The minister said the returns from the stock markets is better than what the EPFO is paying to its subscribers and current trends are also favourable.

Trade unions, however, are likely to raise a protest on the proposal as they earlier did. However, last year, the government went ahead with its decision without approval of the EPFO trustees.

# Air India balance sheet needs to be restructured: Minister

## fe Bureau

**Mumbai, Feb 9:** As part of the government's plan to transform Air India, the carrier's debt needs to be reduced and its balance sheet is required to be restructured, minister of state for civil aviation Jayant Sinha said on Thursday.

Speaking at an Assocham event in New Delhi, the minister said that there was a need to improve customer service, strengthen corporate governance practices and put in a professional management.

Sinha added that the Air In-

dia's non-core assets needs to be put to best use, adding that work on route optimisation is also underway. He said the overall transformation of Air India, being done with a combination of steps, have started yielding results. The carrier which was running into losses has started giving operating profits, he said.

"This year again Air India would generate operating profits," he added. While its working capital loans are estimated at around R28,000 crore, its total debt stood at around R46,000 crore. It has a debt of

R19,000 crore related to aircraft, which it intends to repay by FY 20-21 according to the turnaround plan. As of now Air India's annual interest outgo is around ₹4,500 crore.

Meanwhile, acting on aviation regulator DGCA's orders, Air India has taken off flying duties its operations department head for skipping the mandatory pre-flight medical test. The orders to remove Air India executive director (operations) capt A K Kathpalia from flying duties were issued by the DGCA flight safety department yesterday, they said.

# Government considers raising EPFO's investment in ETFs to 15%: Dattatreya

PRESS TRUST OF INDIA  
New Delhi, 9 February

The government is looking at raising the Employees' Provident Fund Organisation (EPFO)'s investment in exchange traded funds (ETFs) to 15 per cent from the existing 10 per cent, Union Labour Minister Bandaru Dattatreya said on Thursday.

"We will discuss enhancement of raising proportion of investment in ETF from 10 per cent to 15 per cent in our next Central Board of Trustees (CBT) meeting to be held next month. After that we will hold discussions with stakeholders and our ministry will take a final decision," Dattatreya told reporters at a press conference here.

In his Budget speech, Finance Minister Arun Jaitley had announced that EPFO will increase its investment in ETFs to 15 per cent, he said, adding "so we have taken some steps".

The minister further said the EPFO has already invested ₹3,000 crore in the first tranche of the Central Public Sector Enterprise ETF and returns on EPFO investment into equities are coming to around 8.7-8.8 per cent annually.

In September 2016, the labour ministry had doubled EPFO's investment limit in ETFs to 10 per cent. At present, the EPFO corpus stands at ₹8.70 lakh crore.

Earlier, speaking at the event organised by industry body Assocham, Dattatreya said as part of labour reforms, the government would introduce two important Bills relating to wages and industrial relations in Parliament in March for simplification and rationalisation of the labour laws.

"Next week at the inter-ministerial



Union Labour Minister  
Bandaru Dattatreya

meeting under the chairmanship of Finance Minister Arun Jaitley, we will take the final decision and after that we will go to the Cabinet," he said, adding that in March (the second leg of the Budget session), "both the Bills would be introduced and I am hopeful it would be passed".

## ETFs AHoy

- The govt is planning to raise EPFO's investment in ETFs from 10% to 15%; its corpus stands at ₹8.7 lakh crore
- The proposal would be discussed at the next meeting of the Central Board of Trustees next month, Labour Minister Bandaru Dattatreya said
- In his Budget speech, Finance Minister Arun Jaitley had announced the custodian of people's savings will increase its investment in ETFs to 15 per cent
- EPFO had invested ₹3,000 crore in the first tranche of the Central Public Sector Enterprise ETF and returns on equities were at around 8.7-8.8 per cent annually, the minister had said
- In September 2016, the labour ministry had doubled EPFO's investment limit in ETFs to 10 per cent.

According to the statement, he also said all 43 labour laws would be codified into four broad categories.

Dattatreya said with the codification of labour laws, the industry would see an end to the red tape and inspector raj while the welfare of workers would also be ensured.

## Proposal to rename airports before Cabinet: Jayant Sinha

**PRESS TRUST OF INDIA**  
New Delhi, 9 February

The government is considering a proposal to rename airports, a move that could ruffle feathers politically as many of the aerodromes are named after political leaders and known personalities.

"There is a proposal to rename airports... Cabinet is considering it," Minister of State for Civil Aviation Jayant Sinha said on Thursday on the sidelines of an Assocham event.

"Let's see what decision is taken going forward," he said in response to a query on whether there are plans to rename airports.

There are around 75 operational airports in the country and many of them are named after personalities, including political leaders from the Congress. Later in the evening, Sinha tweeted that the government is considering guidelines only for unnamed airports.

"Media is wrongly reporting that there is a proposal to rename airports. Govt is considering guidelines only for unnamed airports," he said in the tweet.

While Sinha did not divulge specifics, newspaper reports quoted him as saying that the government is considering a proposal to rename existing airports as well as future ones after cities and not personalities.

