

UK High Court allows seizure of Vijay Mallya's UK assets

A UK High Court judge has issued an order in favour of a consortium of 13 Indian banks, granting permission to the British Enforcement Officer to enter the properties of liquor baron Vijay Mallya in Hertfordshire, near London. He is fighting extradition to India on fraud and money laundering charges.

Sector Banks such amounts as may be directed and determined by the Court," he tweeted.

"If the criminal agencies such as ED or CBI object to my proposal, and object to the sale of assets, it will clearly demonstrate that there is an

April last year. He will return for his extradition hearing at Westminster Magistrates' Court in London on July 31, when closing arguments are expected from the Crown Prosecution Service (CPS), acting on behalf of the Indian government, and Mallya's defence team.



agenda against me 'the Poster Boy' beyond recovery of dues to Public Sector Banks," he added.

Meanwhile, the former Kingfisher Airlines boss remains on bail since his arrest on an extradition warrant in

A judgment is expected in the case at a later date. While the CPS claims it has successfully established a prima facie case of fraud against the businessman, Mallya's lawyers have sought to establish that the criminal charges against him are "without substance".

They have also challenged the case on human rights grounds, questioning the conditions at Arthur Road Jail in Mumbai, where the businessman is to be held post-extradition.

India may invest around Rs 16.6 bn to buy 70% in Sri Lankan ghost airport

In a move to counter China's growing presence in Sri Lanka, the Airports Authority of India wants to pick up a controlling stake in Sri Lanka's Mattala Rajapaksa International Airport, a ghost airport from where no airline flies. This will be the first time the AAI will own an airport outside India.

Once the agreement, which is in the works, is finalised, the AAI is likely to invest around Rs 16.6 billion (\$250 million) to buy 70 per cent in the airport located south-west of Sri Lanka, according to officials in the know. The remaining stake will be held by the state-owned Airport and Aviation Services of Sri Lanka.

Sources aware of the development said the decision to invest in one of the largest ghost airports of the world was prompted by a strategic reason rather than a commercial one. "It is being done at the behest of the Ministry of External Affairs. It is due to a more strategic reason to counter China's influence. The airport is located 30 km north of Hambantota port, where China owns a majority stake," said an official aware of the plan.

Under China's Belt and Road Initiative (BRI), the country aggressively uses loans and debt restructuring to

gain control of strategic ports across the world. Hambantota port was built using loans from Chinese Exim Bank, for instance. However, as the Sri Lankan government struggled to repay the loan, the port was handed over to China last December.

According to a study by the aviation consultancy firm CAPA, between 2014 and 2016, China's total trade volume in the countries along the Belt and Road Initiative exceeded \$3 trillion, while its investment in these nations surpassed \$50 billion. However, the large China-linked debt burden to promote the Initiative has been a concern.

Built in 2013, Mattala Rajapaksa airport is the largest in Sri Lanka after Colombo airport. However, business in the airport never really took off. According to statistics from the Sri Lankan civil aviation authority, it handled 4,772 passengers in 2016. Conditions worsened after Flydubai stopped scheduled operations last year, rendering the airport flightless.

Industry sources said that when the Sri Lankan government invited bids for the airport, the GMR group had initially evinced interest, but pulled out citing lack of commercial viability. "The idea

was to have Indian presence there, whether private or government. After GMR pulled out, it was decided that the AAI would operate the airport in a JV," an official said.

The queries sent to the Ministry of External Affairs did not get any response. The AAI chairman Guruprasad Mohapatra and civil aviation secretary Rajiv Nayan Choubey refused to comment on the issue.

According to the plan, in the first phase, AAI will build a flying school and a maintenance, repair and overhaul unit and try to attract Indian airlines which often fly to Sri Lanka for routine maintenance work.

Experts said there was a change in India's stance to counter China's String of Pearls doctrine in Sri Lanka. String of Pearls refers to a geopolitical theory under which China builds military and commercial facilities in countries falling in the Indian Ocean region between the Chinese mainland and Port Sudan. "Initially the Hambantota port was offered to India, but it was turned down citing lack of commercial viability. If India is investing in an airstrip near to that, it is more to counter Chinese presence than a commercial one," said Abhijnan Rej, Fellow, Strategic Studies Program at Observer Research Foundation.

HDFC Bank most valuable bank in the emerging market outside China

HDFC Bank has gone past Russia's Sberbank to become the most valuable bank in the emerging market outside China. HDFC Bank's current market capitalisation is \$78.4 billion against Sberbank's \$74.4 billion.

Chinese banks are leading the pecking order in the emerging market, with Industrial & Commercial Bank of China topping the list with a market cap of \$273.4 billion, followed by China Construction Bank (\$225.1 billion). Globally, America's JPMorgan Chase is the most valuable with a market cap of \$353 billion, followed by Bank of America at \$282 billion.

There are four lenders from India that now rank among the world's 500 most valuable companies. HDFC Bank is followed by its housing finance cousin Housing Development Finance Corporation (HDFC), Kotak Mahindra Bank and State Bank of India.

In all, there are now 11 Indian companies among the world's 500 biggest firms in terms of market cap. Tata Consultancy Services tops the chart with a market cap of \$103 billion, followed by Reliance Industries.

"There has been a sharp rally in the stock prices of retail lenders in the past few years, as investors have bet on India's retail lending market," said Dhananjay Sinha, head research, Emkay Global Financial Services.

He added HDFC Bank has been one of the biggest gainers,

thus making it one of the most expensive banking stocks in the world.

HDFC Bank is currently trading at 4.7 times its latest annual book value, against a global average valuation of 1.3 times. Chinese banks are even cheaper, trading at 0.8 times their book value on an average.

HDFC Bank has also been one of the top performing major banks globally last year.



It has given 14.3 per cent return to its shareholders or equity investors in the past 12 months. In contrast, globally, banks' share price has been under pressure in the past 12 months due to financial headwinds from the rise in interest rates and the trade war between US and China on one hand and European Union on the other. On an average, banks' share price is down by around 2 per cent globally in the past one year. There are 65 banks in the list of world's 500 biggest firms by market cap.

Analysts expect HDFC Bank to maintain its momentum, given the faster retail growth in India and continued poor show of public sector banks. "Retail credit will maintain its growth momentum, given its low penetration in India and

government emphasis on boosting consumption demand in India," said G Chokkalingam, founder & managing director, Equinomics Research & Advisory Services.

Banks in India, including HDFC Bank, however, are still pretty small compared to major global banks on financial parameters such as revenues, profits and assets.

For example, Russia's Sberbank is nearly three times bigger than HDFC Bank in terms of annual revenues and four times more profitable. Russia's biggest banks also beat State Bank of India, the country's top lender in terms of revenues and profits.

Banks in China are even bigger with China Construction bank topping the charts with revenues of \$164 billion in its latest trailing 12 months and net profits of \$37.2 billion. Its country cousin Industrial and Commercial Bank of China topped the earnings charts with net profits of \$43.7 billion in its latest trailing 12 months on revenues of \$159.6 billion. In comparison, HDFC Bank reported revenues of \$15.7 billion in FY18 and net profits of \$2.8 billion.



Mukesh Ambani's Reliance Industries to ride on Jio, retail to double size

Consumer-centric businesses would be the focus of Reliance Industries (RIL) in the coming years, indicated its chairman, Mukesh Ambani, while addressing shareholders at the company's 41st Annual General Meeting on Thursday.

"As the 'golden decade' rolls on, our consumer businesses (Reliance Retail and Jio) will contribute nearly as much to the overall earnings of the company as our energy and petrochemical businesses," he said.

The statement assumes significance because all these years, the petroleum and refining businesses have been major contributors to the firm's profits and have provided cash to nurture newer businesses such as retail and telecom. RIL is now reinventing itself to emerge as a consumer business giant. Jio, the digital business, including telecom, is expected to become vital in the retail play.

RIL's overall size, Ambani hoped, would double by 2025. "As India starts on its high growth journey to double the size of its economy by 2025, I assure you that the size of Reliance will more than double in the same period," he said.

Claiming that the current year has been yet another "transformational" year for RIL, Ambani said the group's consumer businesses represented about 13 per cent of the consolidated Ebitda (earnings before interest, tax, depreciation and amortisation), up from a mere 2 per cent last year. "This increase is especially remarkable because it is taking place at a time when the hydrocarbon business is growing rapidly," he added.

On the one hand, consumer businesses have started delivering profits for RIL, on the other its hydrocarbon business has scaled up its capabilities to become more profitable, integrated and predictable in its earnings profile.

For instance, for 2017-18, the petrochemicals segment reported a 35 per cent rise in revenue at Rs 1.25 trillion and segment Ebit (earnings before interest and tax) jumped 63 per cent year-on-year to Rs 211.79 billion. Segment Ebit for its refining business was also at a record Rs 258.69 billion for 2017-18. This is most likely to grow further in the coming quarters.

"We expect further improvement in Ebitda levels over the next 12-18 months as the company gets full benefit of its investments in refining and petrochemical businesses, and generate higher Ebitda from its digital services and retail business," noted a Moody's Investors Service Issuer Comment in April.

So, can consumer businesses, largely a pet of the Ambani scions, grow to match the size and scale of the

legacy business? Ajay Bodke, head of investment strategy and advisory, Prabhudas Lilladhar, feels that while it does look ambitious at the moment, if backed by capital pump in, 10 years is a long horizon over which the consumer business could see a natural scale-up. In fact, the downstream petroleum business (retail fuel outlets) is likely to emerge as a big play, Bodke felt.

The Jio push

In a bid to further push its telecom venture, Reliance on Thursday introduced a new broadband service, which is expected to be a pricing disruptor in the domestic market largely dominated by two players now - Bharti Airtel and state-owned BSNL. Analysts feel that Jio's entry is likely to spice up the 420-million subscriber broadband market. This will be the largest greenfield fixed-line broadband roll-out.

RIL plans to launch JioGigaFiber in over 1,100 Indian cities on August 15. With up to 100 mbps (megabits per second) speeds on offer, JioGigaFiber is expected to open up video conferencing services, smart home solutions, online gaming and high definition video services. With the aspiration to reach 100 million people, it has launched the JioPhone 2, the successor to the original Jio feature phone, with a QWERTY keypad and priced at Rs 2,999. Sticking to the Reliance marketing style, it launched a 'Monsoon Hungama' offer for early birds who can exchange their old feature phones for the JioPhone2 at Rs 501. There are 25 million JioPhone users now.

Jio, Ambani claimed, has doubled its customer base to over 215 million now. "215 million customers within 22 months of start is a record that no technology company has been able to achieve anywhere in the world," an emphatic Ambani said.

The retail game plan

As Reliance transitions to become a "technology platform company", it is looking to launch an online-to-offline new commerce platform, Ambani said, an initiative he dubbed as 'Bharat-India Jodo' enterprise.

"We shall create this (new commerce platform) by integrating and synergising the power of Reliance Retail's physical marketplace with the fabulous strengths of Jio's digital infrastructure and services. This platform will bring together the 350 million customer footfalls at Reliance Retail stores, the 215 million Jio connectivity customers, the targeted 50 million Jio GigaHomes, and 30 million small merchants and shop-keepers who provide the last-mile physical market connectivity," he said.

Through the deployment of merchant points of sale for small shop owners, the company expects to enable shop owners to do everything that large enterprises and large e-commerce players are able to do. This would include inventory management

The order permits the UK High Court Enforcement Officer and his agents entry to Ladywalk and Bramble Lodge in Tewin, Welwyn, where the 62-year-old Mallya is currently based. However, it is not an instruction to enter, which means the banks have the option to use the order as one of the means to recover estimated funds of around £1.14 billion.

"The High Court Enforcement Officer, including any enforcement agents acting under his authority, may enter Ladywalk, Queen Hoo Lane, Tewin... including all outbuildings of Ladywalk and Bramble Lodge to search for and take control of goods belonging to Mallya," notes the order by Justice Byran, dated June 26.

"The High Court Enforcement Officer, including any Enforcement Agent acting under his authority, may use reasonable force to enter the Property if necessary," it states.

According to experts, the latest order by the High Court's Queen's Bench Division is the granting of permission, should it be required, while the banks consider "all the enforcement options available to them".

The order relates to the UK's Tribunal Courts and Enforcement Act 2007 and follows a UK High Court ruling in May, which refused to overturn a worldwide order freezing Mallya's assets and upheld an Indian court's ruling that the Indian banks were entitled to recover funds.

It marked the first recorded case of a judgment of the Debt Recovery Tribunal (DRT) in India being registered by the English High Court, setting a legal precedent.

The victory for Indian banks, State Bank of India, Bank of Baroda, Corporation Bank, Federal Bank Ltd, IDBI Bank, Indian Overseas Bank, Jammu & Kashmir Bank, Punjab & Sind Bank, Punjab National Bank, the erstwhile State Bank of Mysuru, UCO Bank, United Bank of India and JM Financial Asset Reconstruction enables them to enforce the Indian judgment against Mallya's assets in England and Wales.

Mallya has made an application in the Court of Appeal, seeking permission to appeal against the order, which remains pending. Mallya had recently issued a media statement condemning the charges against him as politically motivated.

He then took to social media to clarify that he made the statement "after a long period of silence" because he had filed an application before the Karnataka High Court on June 22, setting out available assets of approximately Rs 139 billion.

"We have requested the Court's permission to allow us to sell these assets under judicial supervision and repay creditors, including the Public

DYNAMIC INDUSTRIES LIMITED
 Plot No. 5501/2, Phase III, Nr. Trikampura Cross Road, G.I.D.C., Vatva, Ahmedabad - 382 445
 Tel : 25892721-22-23, Fax: 25834292
 CIN : L24110GJ1989PLC011989
 Email : accounts@dynamind.com Website : www.dynamind.com

NOTICE OF AGM AND BOOK CLOSURE DATES
 Notice is hereby given that 29th Annual General Meeting (AGM) of the members of the Company will be held on Tuesday 31st July, 2018 at 11:30 a.m. IST at the registered office of the company situated at Plot No. 5501/2, Phase III, Nr. Trikampura Cross Roads, G.I.D.C. Vatva, Ahmedabad - 382445, Gujarat. Notice of the meeting setting out the ordinary business to be transacted thereat along with the Audited Financials Statement and Consolidated Financial Statement for the year ended on 31st March, 2018, Auditors Report and Directors Report has been sent to the members at their registered address and by e-mail to those members whose E-mail ID is registered. Members are hereby informed that the notice of the meeting and all other documents incidental to notice is available on website of the Company www.dynamind.com and copies of the said documents are also available for inspection at the registered office of the company on all working days during business hours up to the date of AGM. A members entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy to be valid should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Notice is hereby given Pursuant to provisions of section 91 of Companies Act, 2013 read with rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Member and Share Transfer Book will remain close from Saturday, 28th July, 2018 to Tuesday, 31st July, 2018, for payment of dividend, if declared.

By Order of the Board of Directors
 Sd/-
Deepakkumar N. Choksi
 Chairman
 DIN:00536345

Place : Ahmedabad
Date : 5th July 2018

NOTICE OF E-VOTING
 Notice is hereby given that pursuant to provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members e-voting facility to exercise their right to vote on resolutions proposed to be passed in the 29th Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday 31st July, 2018 at 11:30 a.m. IST at Plot No. 5501/2 Phase III, Nr. Trikampura Cross Roads, G.I.D.C. Vatva, Ahmedabad - 382445, Gujarat. Members may cast their votes using an electronic voting system from a place other than venue of the AGM (remote e-voting). The Company has engaged the services of Central Depository Services (India) limited as agency to provide e-voting facility. The communication relating to remote e-voting inter alia containing User ID and Password along with the copy of the Notice Convening the AGM has been dispatched to the members. This Communication and the Notice of the meeting are available on the website of the Company www.dynamind.com and on the website of CDSL at www.evotingindia.com.

The remote e-voting facility shall commence on Saturday, 28th July, 2018 from 9:00 a.m. IST and end on Monday, 30th July, 2018 at 5:00 p.m. IST. The remote e-voting shall not be allowed beyond the said date and time. A person, whose name appears in the Register of Members/Beneficial owners as on cut-off date i.e. 25th July, 2018 shall be entitled to avail the facility of remote e-voting. Any person who becomes the member after dispatch of the notice of the meeting and holding the shares as on cut-off date i.e. 25th July, 2018, may obtain the User ID and password by sending a request at ahmedabad@linkintime.co.in the detailed procedure for obtaining User ID and Password is also provided in Notice of the AGM which is available on Companies Website and CDSL's website. If the member is already registered with CDSL for e-voting then he/she can use his/her existing User ID and Password for casting the vote through remote e-voting. The facility of voting through ballot papers shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through ballot papers at AGM. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and vote cast through poll paper shall be treated as invalid. For details relating to remote e-voting, please refer to the Notice of the AGM. In case of any queries relating to voting by electronic means, please refer to the Frequently Asked Questions (FAQ's) and e-voting user manual for Shareholders available at the Downloads section of www.evotingindia.com or contact at toll free No. 1800-200-5533. In case of any grievances connected with facility for voting by electronic means, please contact CDSL, 17th Floor, P.J Towers, Dalal Street, Fort, Mumbai-400 001. Tel: 022-22723333/8588 or at helpdesk.evoting@cdsl.com. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again. Members are requested to submit duly filled in Attendance Slip along with proof of identification.

By Order of the Board of Directors
 Sd/-
Deepakkumar N. Choksi
 Chairman
 DIN:00536345

Place : Ahmedabad
Date : 5th July 2018