Volume: 1 Issue: 1 April - June 2015

# PANORAMA

An initiative by IL&FS Financial Services


## Re-Engineering Growth - FY'16

*Broking Industry:*
**On The Cusp Of Explosive Growth**

*Indian Infrastructure –*
**Back On The International Investors' Radar**

# Adapt

Adapt - Able Disabled All People Together (formerly known as The Spastics Society of India) is India's most noted non-profit and a Non-governmental organization (NGO), working for Neuro-Muscular and Developmental Disabilities.

IL&FS Financial Services third edition of I Run for Fun- Marathon supported Adapt and the major income of the event was donated to the institute

*Message from the MD & CEO's Desk*

# The Infrastructure financing trends for FY '16

Firstly, Let us understand the current trend in Infra Debt Financing in India is dominated by Banks significantly and to some extent by NBFCs, the total exposure of this investor class in infra sector as on March 31, 2014 is over USD 200 billion, which is mainly in the form of term loans

Secondly, the Debt Capital market has contributed just 7% of the total exposure to infra sector

Thirdly, since 2011 policy related matters and aggressive bidding has led to significant stress and current lenders are not comfortable taking any more Greenfield exposure

As for the next few years is considered given the macro reality that I just discussed, most of the funding activity in debt segment is likely to be confined to re-financing segment for operational projects. We expect this segment to increase in size, as there is more clarity on macro issues (resolution of fuel related issues in power sector, policy on land acquisition etc.) and stalled projects come back to speedy implementation

From the Equity Perspective, most of the big corporate groups in India who are active in infrastructure space are overleveraged and urgently need equity. The key issue impeding deleveraging has been valuation as much as clearing clogs on the regulations governing sectors like power, roads, oil & gas etc.We expect that corporates would become more realistic on valuations.

**The game changers that will lead the Infrastructure Finance space in India**

For instance, Resolution of fuel related issue for thermal power plants. The auction process initiated has set the approval in the right direction

Reforms in electricity distribution to reduce payment risk for generating companies is critical one

Proactive and investor friendly land acquisition and labour policy will play a huge role

Recapitalization of banks will also happen gradually

The others would be clarity on gas prices for exploration of difficult fields so as to encourage exploration

Removal of tax and other regulatory bottlenecks for intermediation structures like IDF, AIF etc. so as to facilitate flow of funds from offshore & domestic pension and insurance sector into infrastructure sector, I think these potential game changers are on the general agenda and we should see friction shortly

> "So it's quite an exciting opportunity for potential investments in India Infrastructure"

**The world's expectation from the Indian Infrastructure Finance Space**

Oh a lot actually for example, the new government recognises that Infrastructure development is key growth driver

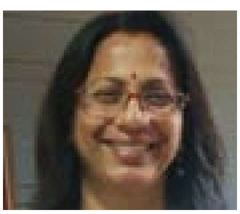
Going forward, I think assets are likely to be available at reasonable valuations creating huge opportunity for PE kind of investments followed by opportunity in QIP / IPO market

The debt market segment is also likely to show heightened activity in both refinance and Greenfield segment in next 18 to 24 months. With favourable interest rate cycle, it will be great opportunity for investors to benefit from both credit and interest rate upside

So, it's quite an exciting opportunity actually to come to India now

# GO GREEN

All of us have heard the saying "charity begins at home". Some of us want to do a lot but always feel pressed for time and space. I once read somewhere: if you feel there is something wrong then instead of complaining do something about it. This thought clung on to me for a long time. In this era of environmental uncertainty, we need to do something about the issue of global warming. I chose to do my bit and have started to plant trees. I do not have the luxury of a garden, but instead of complaining I have started keeping plants at my house. Go green and ensure you do your bit as I have done mine.......



**Courtesy:**
Nita Mundkur

Vol - 1, Issue - 1

IL&FS | Financial Services

IL&FS Financial Services Limited

# EDITORIAL TEAM





# WHY PANORAMA?

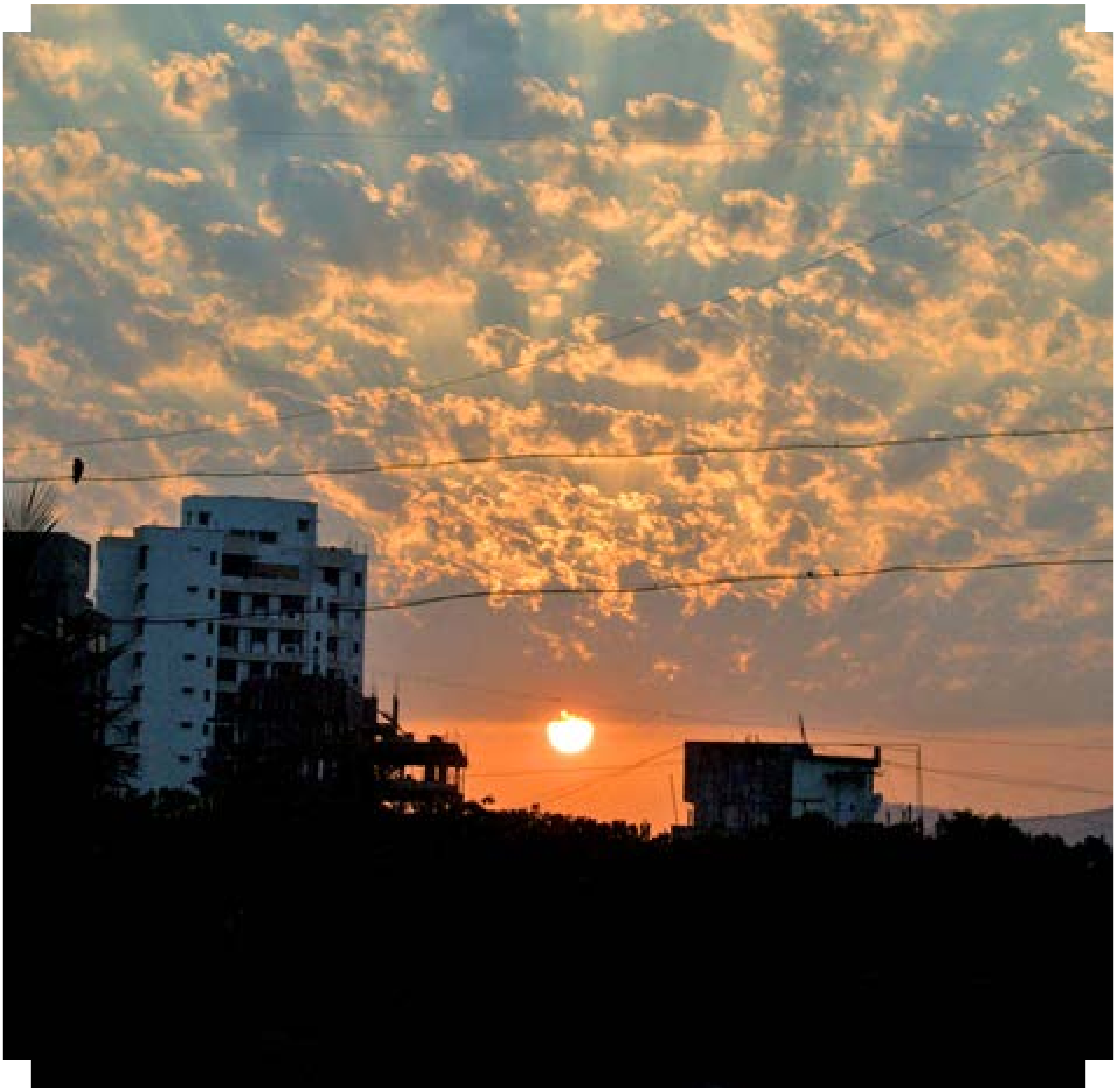
PANORAMA

An initiative by IL&FS Financial Services

*We chose Panorama as the title because Panorama is a wide view of everything around. Panorama aptly echoes the diversity of IFIN, not only in its business but its people and culture*


**On our Cover -**
The IL&FS Financial Centre

**Photo Credit -**
Mr Ravi Vaidyanathan



Sunrise in Mumbai Suburbs

**Photographer:** Ravi Vaidyanathan

# — *Editor's Note* —

Dear Readers,

*A new beginning brings in freshness, new hopes and new goals*

*A new dawn brings new ray of light,*

*A new born evokes new hopes,*

*A new season blooms new set of flowers,*

*A new initiative creates appetite to achieve new milestones*

IFIN's new initiative, Panorama, is a platform for people to come together and share ideas, thoughts and achievements This edition of the quarterly magazine, Panorama, coincides with the beginning of Financial Year 2015 -2016 and has an overarching theme of Re-engineering Growth in the coming year

The recently announced budget by the Indian Government has given rise to anticipation of more exciting times in the Indian business arena. New opportunities may get created to strengthen growth propositions in India for the International Investors. It also urges India to look overseas for incremental growth prospects

Our cover story in this edition outlines IFIN's plans for FY'16 in the various lines of business. Mr. Ramesh Bawa, MD & CEO shares his insights on the Union Budget FY 16 and the growth opportunities in Financial Services sector therein.

Ms. Anita Ferreira, Head – International Business Group, takes a deep dive as to why India should look overseas. While Mr. Murugan Sankaran, CEO – IGFSL, (Middle East) deliberates on the impact of rising oil prices in the Middle East. The importance of culture in an organisation by Mr. Milind Patel – Joint Managing Director and how each employee should live the culture is an interesting read. What makes Mr. Rajesh Kotian – Deputy Managing Director look forward to more exciting times at IFIN after spending two decades with the group embeds the importance of a long stint in an organisation

In our busy work life, we often forget the happy experiences we had as children and how they contributed to shape us as what we are today! You remember the simple board games we played with friends and family and the learnings from them that we carry?

In this edition we take you through the journey of some of those; the learnings embedded even today. I can speak for myself; hopefully you had similar experiences too. Here's to the memories of and learnings from our childhood!

With noble ideas and sincere efforts, we present to you Panorama - An initiative by IL&FS Financial Services Limited.

We had a great journey putting this edition together, we solicit your suggestions, comments and feedback.

Happy Reading

**Sudakshina Bhattacharya**
**Managing Editor**

PANORAMA
# CONTENTS





Vol - 1, Issue - 1



## A New Rule for the Workplace

## 42 YOGA - A WAY OF LIFE



## 48 COFFEE, TICKETS & COPA DO MUNDO

# BUDGET VIEW

Mr Ramesh Bawa , MD & CEO of IL &FS Financial Services Ltd shares his views on Budget FY'16

This year's Budget had built up a lot of expectations over the last few months across all the sectors of the industry awaiting for the announcement of impressive reforms for accelerating the economic growth. I personally feel that we do not need a Grand Plan, rather India needs a solid and continuing plan. Although, this budget provides a good direction towards simplifying the procedures for achieving this goal but there seems to be a substantial scope available to explore much more measures for the remarkable reforms

The vision to achieve a progressive double digit growth and maintain a graded fiscal deficit target of 3% by FY 17-18 is laudable. This sets a clear path for combining the twin challenges of containing fiscal deficit and manning the existing challenges in the business environment

The provision of access to enforcement rights under SARFAESI Act establishes a long awaited parity for NBFCs with Banks and will improve their ability for enforcement actions and result in revival of stalled projects

On the changes relating to pass through status for REITs and Infra Investment Funds, I think this should give a impetus in helping Infrastructure and Real Estate sectors to raise funds from the capital markets

With respect to the Infrastructure sector, the Budget has laid a clear road map for development of various infrastructure initiatives – Redressal framework for approvals and pending disputes, new Road development plan of 1 lakh kms, a push for Renewable energy, large power projects in a "plug & plan" mode, corporatisation of Port Trusts, Innovative ideas relating to urban development initiatives like the DMIC & International Finance Centre. The infrastructure development agenda also seems to be complemented by several innovative financial initiatives including a National Investment & Infra Fund, Tax free Infra Bonds, Bank Bureau Boards, cess to fund renewable energies and ideas to channelize savings

The FM has done a good job in providing devolution to the States – States share has been increased

The Government has acknowledged that a major slippage in Infrastructure development has happened in the last few years and the renewed focus on Roads, Power and Education should see a kick start in the sector. The "revisiting and revitalising" of the PPP format through an upping of sovereign support to the risks in the infrastructure PPPs will be an additional booster. Further an innovative idea of "plug and plan" into UMPP projects will see a revival in the power sector, as well. These measures will be helpful in bringing interest from investors, both domestic & international

On the taxation front, an attempt has been made to make Indian tax regime more business friendly and forward looking. The planned reduction in corporate tax rate from 30% to 25% over a period of four years is a good attempt to bring the Indian taxation regime in line with international standards. The deferment of GAAR by 2 years and its prospective application for investment made from April 1, 2017 is a relief for foreign investors. Similarly, the streamlining of AIF fund structure would have long term impact on all industrial sectors. The increase in threshold limit for domestic transfer pricing regulation to Rs 20 Crore will reduce significant compliance burden and encourage transparency. The Service Tax rate which has been increased could have some resistance, but would help in streamlining GST applicability in the long run

Overall, I feel it is a balanced budget. I think the budget's theme is to provide long term clarity from an Investor and Business confidence perspective. This Budget seems to be a good start towards the economic development agenda of the Government. ♦

---

IFIN Panorama Editorial team

---

View this article on the web:
http://www.ifinpanorama.com/article/budget-view

# Infrastructure Debt Funds

## Innovative approach to finance the Indian Infrastructure Sector


**Innovation: key to meet the needs of the Infrastructure sector and the investors alike**

Infrastructure financing is unique and distinct from any other type of financing, since it is not only long term in nature (5 to 25 years) but also involves understanding of complex contracts in heavily regulated sectors.

Globally, it is the long term investors like pension funds, insurance companies, sovereign wealth funds, endowment funds etc. who fund this sector through capital markets with commercial banks primarily acting as arrangers. However, in this regard, India has been different, since over 90% of funding to this sector has been through commercial banks and non-banking finance companies (NBFC) with exposure of this segment to the infrastructure sector aggregating to about ₹ 13 trillion i.e. over 90% of the total funding. NBFCs themselves get significant portion of their funding through commercial banks whose main source of funds is short term customer deposits. Thus, essentially short term deposits of retail investors have been used to fund long term infrastructure assets in India when ideally it should be long term investors like pension funds, insurance funds etc. who should fund this sector.

It is projected that in the next 5 years, the sector requires ₹ 51.5 trillion of funding out of which about 50% is projected to be financed by the private sector. Assuming a debt – equity ratio of 2:1, the total debt requirement would be ₹ 16.8 trillion, which will increase the exposure of banks and NBFC by around 130%, that too from a base that is already quite high, if no other investor class is roped in.

Clearly, this is not sustainable and hence, there is a need to attract new investor class in this segment.

At the same time, it is noteworthy that India has a large and vibrant pension and insurance industry, which has long term funds that can be invested in the infrastructure sector. However, for historical reasons this segment has stayed away from this sector leading to entire load of funding with commercial banks and NBFCs.

The insurance and pension fund industry in India is estimated to have a corpus of about ₹ 30 trillion as on FY 2014, growing @ 14% per annum. Most of this corpus is now invested in low yielding GOI securities which may not be able to deliver required return for this segment and thus, this "investor class" also needs a new "asset class" that can provide better risk adjusted return.

### Infrastructure Debt Funds

It was with this intent to channelize funds from domestic and international pension and insurance funds into the infrastructure sector that the Government of India conceptualized infrastructure debt funds (IDF). These are under 2 formats – NBFC format and Mutual fund format.

The regulatory and investment architecture of IDF – MF is akin to existing operating frameworks for other mutual funds in India and offers wide flexibility to the investors to access hitherto untapped and promising investment opportunities.

### Value Proposition to Investors

Today, capital market in India is bipolar in nature ---- on one hand, we have equity as an asset class with expected returns of around 20% and on the other hand, we have debt as an asset class which is mainly confined to Government of India securities and to a small extent, AAA corporate bonds with long term expected returns of about 8 to 9%. There is no asset class, which is in between these two in terms of risk and return profile.

IDF MFs would primarily target opportunities that lie in this void – it would invest in operational infrastructure projects, in the form of tradable debt security, when their ratings are in the range of BBB to A and then nurture it for some time. Once the rating is upgraded to the range of AA to AAA in 3 to 4 years, it would trade these assets with mutual fund / insurance or pension sector and earn handsome capital gains. These capital gains along with contracted high coupons commensurate with rating of BBB to A, when the investments are made would lead to superior returns for IDF MFs. Since typical fund tenure of IDF - MF is 10 to 12 years, it may be possible for them to have up to 2 cycles of capital gains leading to generation of attractive risk adjusted returns.

With the changing economic and political environment in India, as various implementation issues are resolved, projects in operating space would go up widening the investment horizon of IDFs. This will also help in development of the bond market in India, since with growth of IDF MF more and more bond issuance would happen across various rating bands and would get traded in the market.

Eventually, IDF MF would also be able to pursue mezzanine debt strategy for sophisticated investors were it could finance projects, needing last mile funding, with suitable debt instruments having equity kickers. This would be relatively high risk strategy with potential for equity like returns.

To summarise, IDF is a unique financial instrument in Alternate Asset Class space which can, not only provide long term investors a suitable investment avenue to generate long term stable returns with low correlation to traditional asset classes, but also provide infrastructure projects with additional Financing Avenue to optimize their debt structure. It is an initiative of national importance and can go a long way in helping meet the demands of the infrastructure sector in India.

The objective of this article is to provide information on the constitution of IL&FS Infrastructure Debt Fund ("IIDF") and update on the infrastructure sector to its recipient and not intended to form the basis of or to induce any decision regarding investment in IIDF.

Each recipient of this article must make its independent assessment of the IIDF/AMC and its sponsor with regard to the relevance and adequacy of the information contained herein, and should make independent investigation that it deems necessary, to determine its interest in participating in any investment. This article is not and should not be construed as an invitation or recommendation by the AMC. The views expressed in this article are that of the Author alone and neither the Author nor the AMC /IL&FS Financial Services Ltd (IFIN) /Infrastructure Leasing & Financial Services Ltd (IL&FS) nor any of their respective affiliates, advisers or representatives shall be liable whatsoever (in negligence or otherwise) for any loss howsoever arising by the recipient. Past performance is not necessarily indicative of future performance. Recipients are urged not to place any undue reliance on these forward-looking statements, which are based on the current views on future events.

For additional information on the fund, please refer to the Private Placement Memorandum (PPM) and Statement of Additional Information (SAI). Mutual Fund investment are subject to market risk. Please read all scheme related documents carefully before investing. ♦

Manish Chourasia, is the **Chief Executive Officer** of IL&FS Infra Asset Management Limited (IIAML), Mumbai IIAML is the AMC for IL&FS Infrastructure Debt Fund (IL&FS IDF), the first IDF – Mutual Fund in India.

View this article on the web:
http://www.ifinpanorama.com/article/infrastructure-debt-funds

## Supreme Court Judgement:

# A Roadblock In S.138 Recovery Route

Under Section 138 of the Negotiable Instruments Act, 1981 (**"NI Act"**), if a cheque issued towards payment of a debt or a liability is dishonoured due to lack of funds, then such dishonour will attract punishment including imprisonment extending for a term of two years. Section 138 was introduced under Chapter XVII of the NI Act in 1988 with a view to encourage the culture of using cheques and enhancing the credibility of the instrument.

The Supreme Court of India (**"Supreme Court/Apex Court"**) had, in its recent decision in *Dashrath Rupsingh Rathod v. State of Maharashtra & Anr.* , held that in cases of dishonour of cheque, only those courts within whose territorial limits the drawee bank is situated shall have jurisdiction to try the case. Indisputably, the Apex Court's judgment had significant and far-reaching consequences. Interestingly, the Supreme Court was not unmindful to the difficulties which banks, financial institutions and NBFCs will face in S.138 proceedings post the judgement, and noted:

> *"We are quite alive to the magnitude of the impact that the present decision shall have to possibly lakhs of cases pending in various Courts spanning across the country. One approach could be to declare that this judgment will have only prospective pertinence, i.e. applicability to Complaints that may be filed after this pronouncement. However, keeping in perspective the hardship that this will continue to bear on alleged accused/respondents who may have to travel long distances in conducting their defence, and also mindful of the legal implications of proceedings being permitted to continue in a Court devoid of jurisdiction, this recourse in entirety does not commend itself to us."*

Wikipedia

Upon substantial consideration the Supreme Court permitted only those cases where, post the summoning and appearance of the alleged accused, the recording of evidence has commenced as envisaged, to continue at the place where such cases were first initiated. Accordingly, all other category of cases/complaints were to be returned for filing in the Court having proper jurisdiction as per the exposition of law in the Supreme Court ruling in *Dashrath Rupsingh Rathod* (supra) – i.e the Court where the drawee bank is located.

The Supreme Court's decision had far reaching impact on the S.138 recovery strategy of banks, financial institutions and NBFCs. The key concern areas included additional delays, inconvenience and hardship on account of:

- Lack of efficient State level judicial machinery for dealing with S.138 cases (it may be noted that in some States, judges are yet to be appointed for hearing S.138 matters)
- Significant loss of time due to return of complaints for filing in the proper court, and additional travel by complainant to progress the compliant in a different court
- Considerably increase in litigation cost due to complaints being filed afresh, appointment of new counsels and representatives at local level to monitor the complaints

Various stakeholders wrote to the Ministry of Finance and the Ministry of Law and Justice, highlighting the difficulties faced post the Supreme Court judgement, and requesting intervention by either filing a review petition before the Apex Court for reconsideration of the issue, or by amending the statutory provisions contained in the NI Act.

Interestingly, within a month of the Supreme Court's decision in *Dashrath Rupsingh Rathod* (supra), the Bombay High Court in *Ramanbhai Mathurbhai Patel v.* State of Maharashtra held that in case of ***"at par"*** cheques (i.e cheques payable at "all" branches of the drawee bank) the Court, within whose jurisdiction the bank's branch that dishonours the cheque is located, will have territorial jurisdiction.

The Bombay High Court's decision substantially diluted the Supreme Court's judgement in Dashrath Rupsingh Rathod (supra), since "***at par***" cheques can be presented at any branch of the bank on which it has been drawn and can be cleared by that branch without sending them back to the local branch where the drawer of the cheque has his account. The euphoria created by the Bombay High Court decision was however short lived, as it was soon challenged before the Supreme Court vide a Special Leave Petition.

In a promising turn of events, on March 20th, 2015 the Special Leave Petition filed before the Supreme Court has been ***"dismissed as withdrawn"***. Accordingly, as regards multi-city ***"at par"*** cheques, as on date the Bombay High Court judgement will prevail and the Courts within whose jurisdiction the cheque has been presented and dishonoured will continue to have territorial jurisdiction.

The question therefore arises whether the controversy has been finally settled? Arguably not!

While as on date the Bombay High Court judgement in *Ramanbhai Mathurbhai Patel* (supra) will be the authority on territorial jurisdiction for dishonour of ***"at par"*** cheques, it is to be noted that the Special Leave Petition challenging the Bombay High Court judgement has been withdrawn by the petitioner without detailed arguments. Theoretically therefore, there continues to exist the legal possibility of a further challenge to the Bombay High Court judgement in *Ramanbhai Mathurbhai Patel*.

This matter therefore continues to be an area to be tracked, although for now withdrawal of the Special Leave Petition challenging the Bombay High Court judgement in a welcome development. ♦

Damini Marwah is the **General Counsel and Legal Head** for IL&FS Financial Services (IFIN), based in Mumbai She supports IFIN and its subsidiaries for all legal matters, including structured & corporate finance, syndications, corporate advisory, private equity, funds and litigation

View this article on the web:
http://www.ifinpanorama.com/article/recovery-route

# *Indian Infrastructure* – back on the international investors' radar

After a lull over the past few years with practically no appetite for Indian infrastructure, we once again see the beginning of international investor interest in the Indian infrastructure space.

Not only did the interest of off-shore investors in this space wane in the past few years, but the investments from the domestic private sector seemed to have also dried up with very few new investments. For domestic investors, the host of issues and obstacles from land acquisition to environment to lacklustre capital markets were the main deterrents, while for international investors, the perceived risk-reward relationship was not in their favour and not worth the trouble in the Indian environment. Other than the fact that past experiences which had seen some investments in the infra space go belly up, the foreign exchange volatility further aggravated the situation.

Some marquee international investments such as IDFC and Khazanah (the Malaysian sovereign wealth) entered into a JV to set up a dedicated infrastructure development company with a focus on the Indian road sector during early 2011. Significant investments were few and far between after 2011.

Another factor that went against India for Asian investors was the increasing promise of some of the other Asian economies appearing to make significant strides through various policy initiatives in the infra space. For example, Indonesia was the new darling of investors with a large potential pipeline of projects announced and a slew of measures on the financing side with the creation of the Indonesia Infrastructure Guarantee Fund (set up with support from the World Bank to provide government guarantees for infrastructure PPP projects in Indonesia) and the Indonesia Infrastructure Fund (sponsored by international heavyweights such as IFC, ADB, SMBC, DEG and SMI—a local Indonesian financing entity to provide long-term IDR financing for infra projects). China continued to be a large market difficult for investors to ignore, while the Philippines (after the elections and an upbeat sentiment) and Thailand also seemed promising with an offer of hope for future infra investments. As a result of its own action (or inaction) and the alternative opportunities available, India fell of the investor radar.

Luckily, we see the trend shifting once again in India's favour due to the same reasons that caused investors to shy away from the country. India is seemingly getting its act in order, while the promise of other economies has not exactly been as expected. For example, the IDR has also seen huge volatility over the past few years and the pace of awarding or getting projects off the ground in Indonesia has been dismal. The Central Java Power Project, one of the largest power projects bid out on a PPP basis in Indonesia and one of the first projects to get government guarantee, had seen huge foreign investor interests with a Japanese consortium securing the project. However, it has seen a slew of issues from land acquisition, environment and human rights issues, local opposition and cost overruns & thus its progress has been little. Thailand has also been volatile with its political issues. In the Philippines, the infra bidding remains slow and the projects awarded are cornered by the large Filipino families that own everything from banks to airlines to infrastructure to real estate to

IStock

casinos, leaving very little scope for foreign investment.

In the recent months there is increasing investor appetite for India and investments seem to be taking a slightly different hue. For example, private equity funds have dropped traditional investment styles (having minority stake in infra holding companies and trying to manoeuvre their way with the sometimes unscrupulous Indian promoters with significant leverage as well as padding up of costs and compromising on quality) and are increasingly looking at starting ground up on projects. This includes creating their own portfolios by hiring a professional team to manage investor aspirations of building world-class projects at the best cost and an optimal financing structure.

Two recent example of private equity funds that are successfully following this approach are Equis Funds Group and Actis. The Equis Funds Groups' Energon is a developer and owner of clean energy infrastructure assets in India. Energon which currently has 184MW of wind under construction, 54MW of which is operational; is targeting to develop a further 300MW by 2016. This is a platform owned 100% by an equity fund. Actis has set up Ostro Energy, which is committing USD230mn to create an Indian renewable energy platform and has built a strong team to lead the business.

Apart from private equity funds, we also have come across another class of investors in the recent past. Whereas traditionally these cash-rich foreign investors such as sovereign wealth funds and pension funds have looked at stable returns through investments in real estate in the US or Europe and infrastructure in stable economies such as Australia and Europe, we see the growing confidence of some large investors in Indian infrastructure. For instance, the Canada Pension Plan Investment Board (CPPIB) recently made an investment in India's infrastructure sector by entering into an agreement with L&T to initially invest approximately USD166mn in L&T's subsidiary L&T Infrastructure Development Projects Limited (L&T IDPL). L&T IDPL owns one of the largest toll-road concession portfolios in India as well as a power transmission line project, and a metro project in Hyderabad.

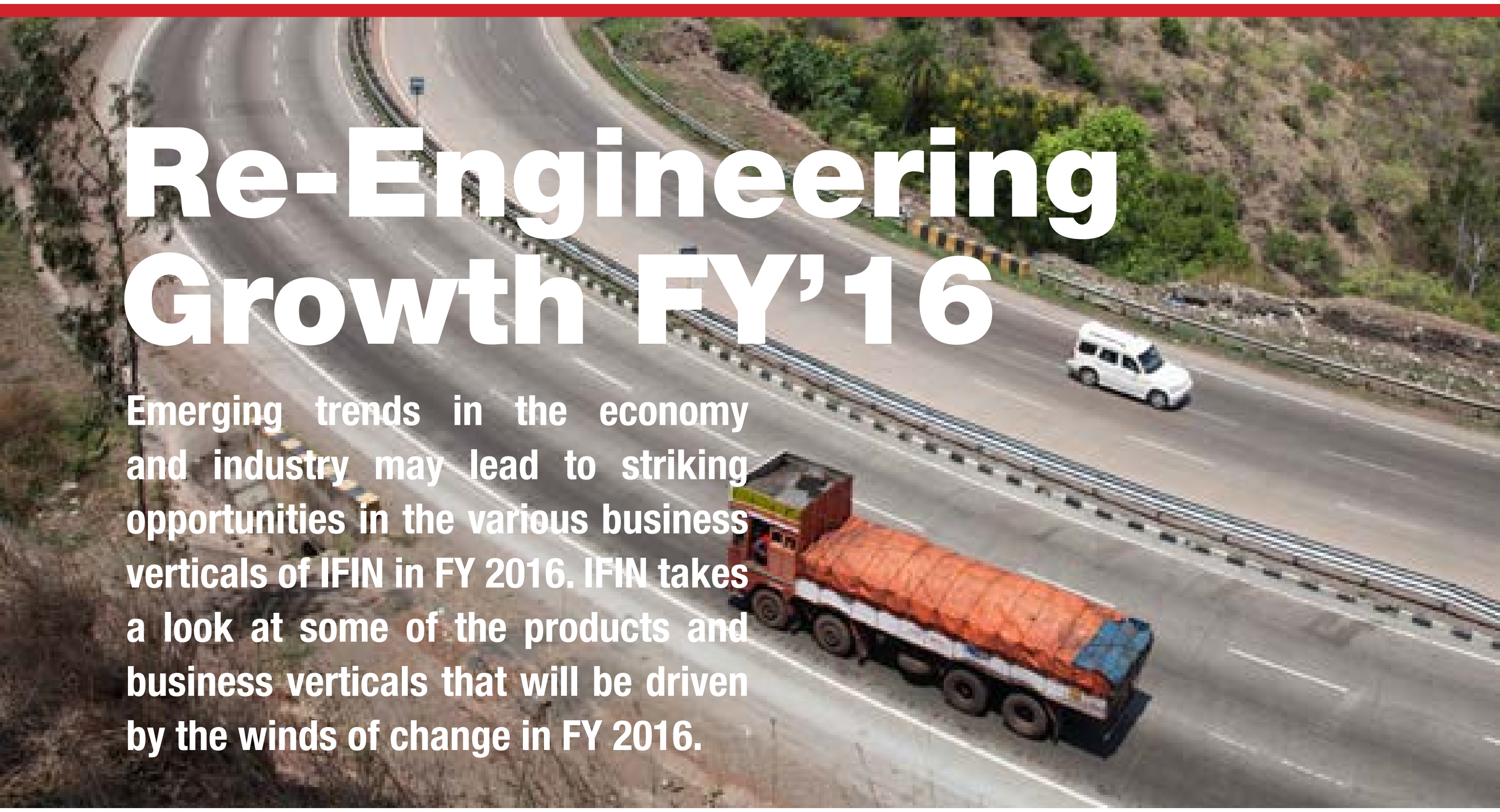
In what would be the first instance of a foreign strategic buyer for an Indian wind asset, Singapore's Sembcorp Utilities, which is a wholly-owned subsidiary of Sembcorp Industries, has recently agreed to pick up a controlling stake in Green Infra, a wind generation firm controlled by IDFC's PE arm.

We hope that this interest can be sustained with actual positive on the ground changes to facilitate these investments. ♦

Preeti Yardi is the **Chief Executive Officer-IGFSL,** Pte. Singapore. IGFSL,Pte is a 100% subsidiary of IL&FS Global Financial Services Pte, Singapore

Website:
http://www.ilfsifin.com/singapore/index.html

View this article on the web:
http://www.ifinpanorama.com/article/indian-infra



# Re-Engineering Growth FY'16

**Emerging trends in the economy and industry may lead to striking opportunities in the various business verticals of IFIN in FY 2016. IFIN takes a look at some of the products and business verticals that will be driven by the winds of change in FY 2016.**

A 100% subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS), IL&FS Financial Services Limited (IFIN) is a one-stop-shop for all the financing requirements of organizations for their funding needs. Ranging from tapping debt and equity capital markets to raising large debt funding on project recourse basis, from a highly structured and complex, niche kind of financing to finding a strategic partner / investor or accessing foreign markets, IFIN caters to every need of its client base. With a presence in key financial centres, worldwide such as Singapore, Hong Kong, London and Dubai, IFIN has developed a unique insight into the investor base with keen interest in India

With this broad and global perspective, IFIN is no stranger to the fact that the landscape of business is constantly changing and more prominently now, with decisive public mandate in India favouring change and economic growth. With a renewed promise of rapid growth and an overall upbeat mood, as India welcomes the new fiscal, IFIN takes a look at the defining trends for 2016 in various sectors.

## Credit growth

A robust and viable credit growth very often equals a vigorous functioning atmosphere and sturdy economic development. For a long sustained economic growth, the economy as a whole and the banking sector in particular, expects to see vibrant and lucrative asset formation. A key trend emerging in FY 2016 is that the proactive policy environment and thrust on 'Make in India' would result in a push for accelerated investments in infrastructure and in manufacturing segments, which is likely to result in significant credit growth in the system. IFIN through its asset book and a robust debt syndication desk is well positioned to contribute to this growth.

Further, a large portion of the credit growth would come from infrastructure sector where lending is much more complicated and requires expertise which is not widely available. Specialized lenders like IFIN who have expertise to lend to infrastructure sector would benefit from credit growth in this sector.

> "The top management team and Heads in the business of financial services are consistently engaged in innovating newer products for raising funds."

## Recovery and stressed asset management

Owing to a prolonged period of sluggish economic environment, the stress in the banking system is evident. The banks have been focusing on managing the stress. The government has been taking a number of steps to facilitate easing of this stress by introducing new provisions such as 5:25 schemes and allowing banks to issue long term bonds that are exempt from reserve requirement (targeted at the infrastructure sector). Easing of the stress is solving only a part of the problem. In the coming fiscal, credit recovery is expected to be the focus. For a number of debt laden groups, asset sale would be an effective way for debt reduction. In the recent budget, the government has announced steps for introduction of new Bankruptcy Code which would give further fillip to the recovery exercise by the banks.

Sale of infrastructure assets to PE and strategic investors would be key trend in FY 2016. In the wake of the Basel norms, as weaker banks struggle to shore up their capital, consolidation in the banking system could be on the cards. Other emerging trend in the M&A and PE space could be investments in the logistics industry due to GST and related reforms. E-Commerce space is already a hot sector and would continue to dominate the PE space in the coming fiscal. With wide network in the infrastructure sector, IFIN would see a significant activity from its corporate advisory space.

Extending this theme ahead, IFIN's capital market presence would provide its clients yet another medium by way of QIPs and IPOs to tap the capital for mature assets

## Emergence of the new investor class

Emergence of the new domestic investors in form of insurance funds and pension funds in addition to the banks and other traditional investors shall be the next trend in India. This trend would continue to play not only in FY 2016 but over the next few years. Insurance and pension funds, which are mainly yield based investors, are currently investing in only government securities and high rated corporate papers. While these papers expose to low risk, they also offer low yield. Over the next few years, as the corpus of the insurance and pension sectors grow, these investors would need to look for other products and would need to come down the rating curve to be able to generate alpha. Such credit migration is already visible to some extent. In addition to the domestic investors, large pools of foreign capital is already poised to enter the country as India's attractiveness amongst the emerging markets increases with economic reforms and the stability of the currency. The government is also facilitating this entry by removing tax and operating inefficiencies in structures like AIF as was announced in the recent budget. IFIN with its presence in capital markets, international markets and as a leading specialized asset manager in the country is all set to trigger these trends

## In conclusion

Wave of credit growth coupled with focus on recoveries in the system would pave the way for main themes of FY 2016. The stage is set for emergence of the new generation of specialized asset managers and rising flow of funds from non-conventional investors. FY 2016 could just be the beginning of the next economic growth cycle that the Indian economy has been waiting for. IFIN, always a trend setter, remains at the forefront influencing and shaping the impending trends of FY 2016. ♦

IFIN Panorama Editorial team

View this article on the web:
http://www.ifinpanorama.com/article/re-engineering-the growth

# Financing Hospitals:
# A Healthy Investment

iStock

## Current state of Indian Healthcare:

One of the factors a country's economy depends on is human capital. If you don't provide adequate access to healthcare, you lose at least half of your potential. Statistics from the World Bank reveal less than satisfactory state of affairs of the healthcare sector in India.

However, from a visionary perspective, this also makes healthcare an undeniably lucrative territory, filled with the potential growth opportunities. Indian healthcare sector, worth about USD 80 bn in 2012 is expected to reach about USD 160 bn by 2017. 50% of this is contributed by the hospitals segment alone. The income levels of average middle class Indians are rising each year, thus giving a boost to the standard of living and spending capabilities. Change in lifestyle leading to lifestyle diseases, increasing life expectancy, medical tourism and increasing penetration of health insurance market in the country are making the hospital sector a compelling investment proposition.

## Project Economics:

The cost of setting up a hospital depends on a variety of factors such as location, business model, financing structure and government incentives, and may vary widely from ₹ 2.5 mn to ₹ 6.0 mn per bed for a secondary hospital and from ₹ 8.0 mn to ₹ 12.0 mn per bed for a tertiary hospital. The cost of land and building comprises 30-50% of the total cost, thanks to skyrocketed real estate prices in the last ten years. Medical equipment constitute 30-40% of the costs, pre-operative expenses are 10-12%, while IDC and the other miscellaneous costs contribute the rest. Shown below is the project cost calculation for a sample project:

## Financing:

Similar to infrastructure projects, the hospital projects can

| | | |
|---|---|---|
| No of beds | 500 | |
| Area per Bed | 800 | Sq. ft. |
| Total Area | 400,000 | Sq. ft. |
| FSI | 3.0 | |
| Land Area | 3.0 | Acre |
| Assumed Unit Land Cost | 250 | Rs. Mn/Acre |
| Land Cost | 750 | Rs. Mn. |
| Assumed Unit Construction Cost | 4,000 | Rs/Sq. ft. |
| Construction Cost | 1,600 | Rs. Mn. |
| Equipment Cost | 1,500 | Rs. Mn. |
| IDC | 250 | Rs. Mn. |
| Miscellaneous Cost | 900 | Rs. Mn. |
| Total Project Cost | 5,000 | Rs. Mn. |

The hospitals have a long gestation period and can easily take 4-5 years after COD to reach optimum occupancy levels. A well-run hospital in a metropolis can get ARPOB of more than Rs. 20,000 per day and clock EBITDA margins in excess of 25%.

be highly leveraged and may have aggressive debt to equity ratio such as 70:30. From a lender's perspective, the long gestation period of the hospital may pose a challenge and the project may require sufficiently long loan tenor with adequate moratorium and ballooning repayment schedule. Also, the security structure may be weak in case of leased land due to limited marketability in case of default.

The healthcare sector has been a favorite among the private equity funds, mainly on account of its resilience to economic downturns. Emergence of specialized hospital chains and professional management having business orientation is set to bring a paradigm shift in the Indian Hospital Sector.

## In Conclusion:

The rapidly growing healthcare sector, especially in a populous, growing, and evolving nation like ours, is one of the few recession-proof options available for intelligent investment. The sector also faces lower regulatory hurdles compared to the other sectors. Carefully evaluated and risk-assessed investment in healthcare sector can generate attractive returns for the investor. In addition, it also offers something much more difficult to achieve as an investor: the satisfaction of participating in healthier and stronger nation building. ♦

Kapil Edke is **Manager in the Business Development team** at IL&FS Financial Services (IFIN), based in Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/financing-hospitals

# CAPITAL CREATIONS

## The Elixir for Future Growth

Companies, across sectors, may just want to build up their capital kitty, as the government gets its act together, and this could help lead to the next phase of serious capital creation, and thus, growth.

The headlines in the pink papers have been reminiscent of 2008 and even 2003, with all-time highs for Nifty and Sensex benchmark indices, and most stocks trading at record levels, with many looking at stock splits to make their stocks affordable to retail investors. But, there is a big difference in the headlines of today and of the bygone era. There is very little talk of companies rushing for initial public offerings to take advantage of the high indices. Bitten by the crash in 2008-09, the retail investor still remains away from investing in equity markets and has fallen back on safer investments such as deposits, postal savings and insurance.

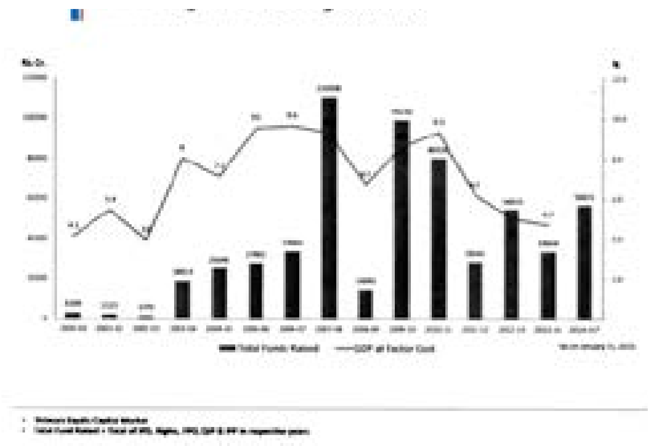
### A Good Investment Bet

The recent revised growth projections (which many consider ambitious) have pegged India as one of the best investment bets across the globe. This is also seen in the huge amounts of foreign inflows into Indian equity and debt, with government debt quotas being completely used up.

**SEBI & internal research data shows a direct correlation between GDP growth and the total funds raised in the country. This clearly indicates that GDP growth receives a fillip from fund raising and cyclically gives a fillip to such capital raising. The data tracks a total of capital raised via initial public offering, rights issue, follow-on public offerings, qualified institutional placements and**



IStock



**institutional placement programmes. A look at the data shows that in years since 2010, equity fund raising fell sharply, which led to a direct dip in the GDP growth over the next five years.**

In January, total investments through Participatory-notes including equity, debt and derivatives as underlying stood at 2.68 trillion Rupees, up over 13% from the previous month's 2.37 trillion Rupees, according to data from the Securities and Exchange Board of India. This quantum of investments through the P-notes medium is at a seven-year high, and is the highest since February 2008, when the capital market saw inflows of 3.23 trillion Rupees through this route. Participatory notes allow overseas investors, particularly hedge funds and high net worth individuals, to invest in Indian markets without being registered with the Securities and Exchange Board of India.

## Not Losing Out

With growth projections indicating greater spurt going ahead, it is imperative that more companies tap equity markets to raise funds for the next phase of growth, as banks continue to remain wary of lending following their own asset quality problems. If there is no regulatory push for equity issuances in the coming months and governmental support on the policy front, it is likely that India may have to look back at this phase in its history as a lost growth opportunity.

For example, banks remain strained for equity, with even state-owned banks not getting adequate capital support from the government, as higher Basel III norms kick in. With internal accruals muted due to the bad loan issue, banks have been forced to go cautious on credit growth, which has had a domino effect on other key sectors, especially the capital-intensive infrastructure sector. The recent increase in equity markets has presented an opportunity for many of these lenders to tap equity markets, but few have done so, with the exception of better-run private sector banks.

## Need Of The Hour

India needs capital creation, and a pick up in investments similar to the 2003 period, when many companies tapped equity markets and raised capital, which culminated in them achieving business and equity market peaks in 2008-09. However, the ensuing global financial crisis has spooked many of these players and there has been hardly any serious capital creation over the last 6-7 years. The initial public offerings have dried up, and even the divestment programmes of the government have seen public sector entities bailing them out despite being attractively priced. With the government promising reforms, it is expected that infrastructure creation will receive a boost, which will lead to greater demand from sectors such as petrochemicals, power, telecom and so on. These sectors need to see investment now to enable them to harness the growth opportunities that will come up as growth in the economy takes off. The capital raising that happened in 2008-09 was just a reflection of the demand that picked up from 2003 onwards and translated into 7-9% growth in the ensuing years.

**Bloomberg research shows that equity raising by banking and financial services dominated the fund raising trend from 2000-15, hitting a peak of INR 38,463 crore in 2007 but easing to INR 23,451 crore in 2014. This was followed closely by energy projects that raised equity worth INR 22,928 crore in 2010, but eased off over the last few years before rising to INR 22,613 crore in 2014. Utilities raised equity worth INR 19,870 crore in 2013, the highest after INR 19,769 crore in 2008. Infrastructure entities lagged in capital raising and the highest equity raised stood at just INR 8,393 crore in 2007, but have since remained muted with a high of INR 5,066 crore in 2014.**

This phase of capital creation has supported the growth over the last decade, but India must continue to take policy steps to ensure that it does not limit itself to the current growth trend, or worse, slip back towards the pre-liberalisation rate of growth of 2-3% per annum. Unfortunately, capital raising via equity markets especially through primary issuances has been dismal since 2011-12, which has raised questions on how future potential growth will be funded. While secondary equity markets have returned to peak levels since 2013, the primary market issuances remain stagnant.

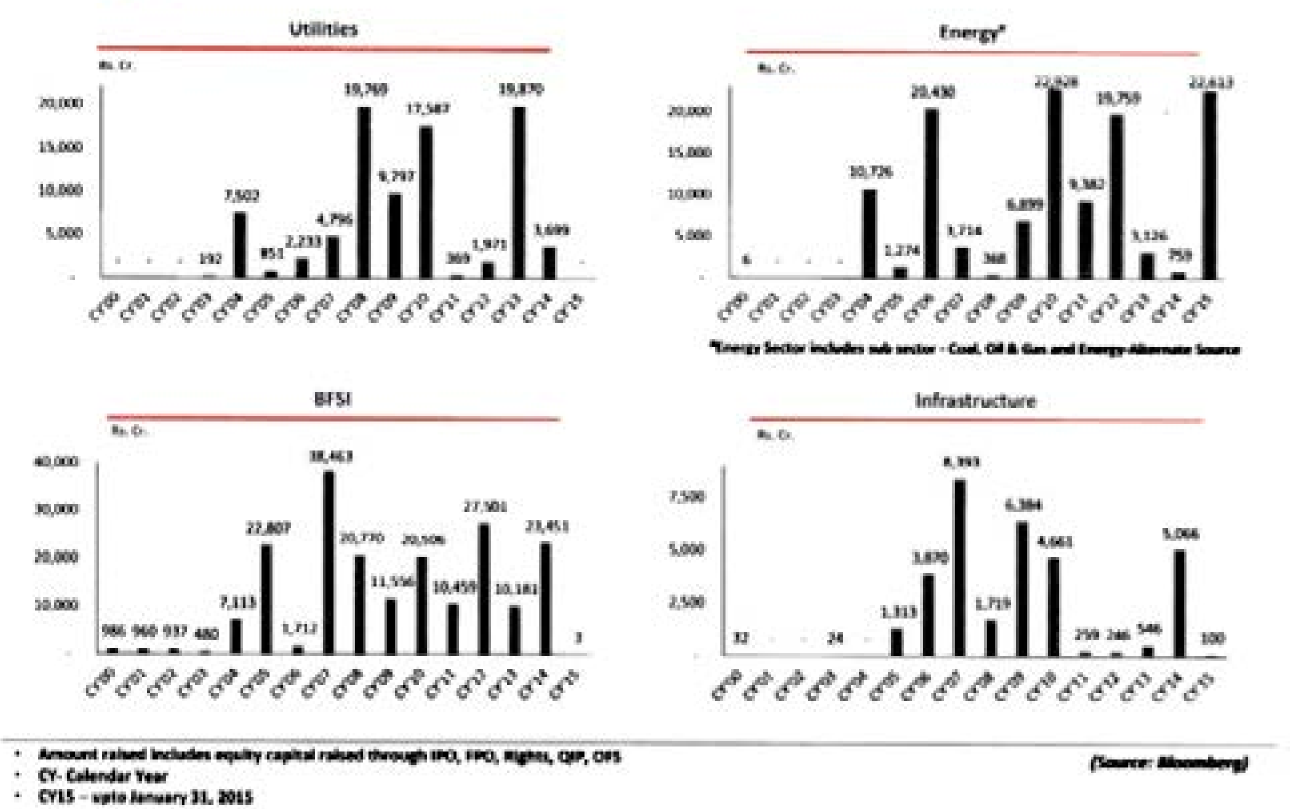
## Not Limiting Growth

Many of the existing projects that are named as stalled projects are stuck mostly due to capital constraints and cost overruns and it is necessary to support these projects with capital to enable them to quickly come online and spur future growth. While greenfield projects will take time to take off, it is necessary to raise capital to boost existing projects in the pipeline and also kick off brownfield expansion. The future growth trend and consumption projections indicate that there needs to be a build up in capacity in the country, and this can only be done through capital creation.

A sector-wise look at equity capital fund raising by Bloomberg, shows that infrastructure companies raised equity capital between 2004-2008 and then again from 2009-2011. After that, equity capital raising for infrastructure projects have plateaued out to levels similar to 2000-03.

**However, over the last two years, there is an indication that infrastructure companies are again aggressively looking at equity markets as a means to meet their growth requirements. Equity capital raising by the energy sector, closely linked to infrastructure, followed a similar trajectory till 2008 but has seen sharp spikes in 2009,**

### Industry-wise Equity Capital Fund Raising Landscape



**2012 and 2014.**

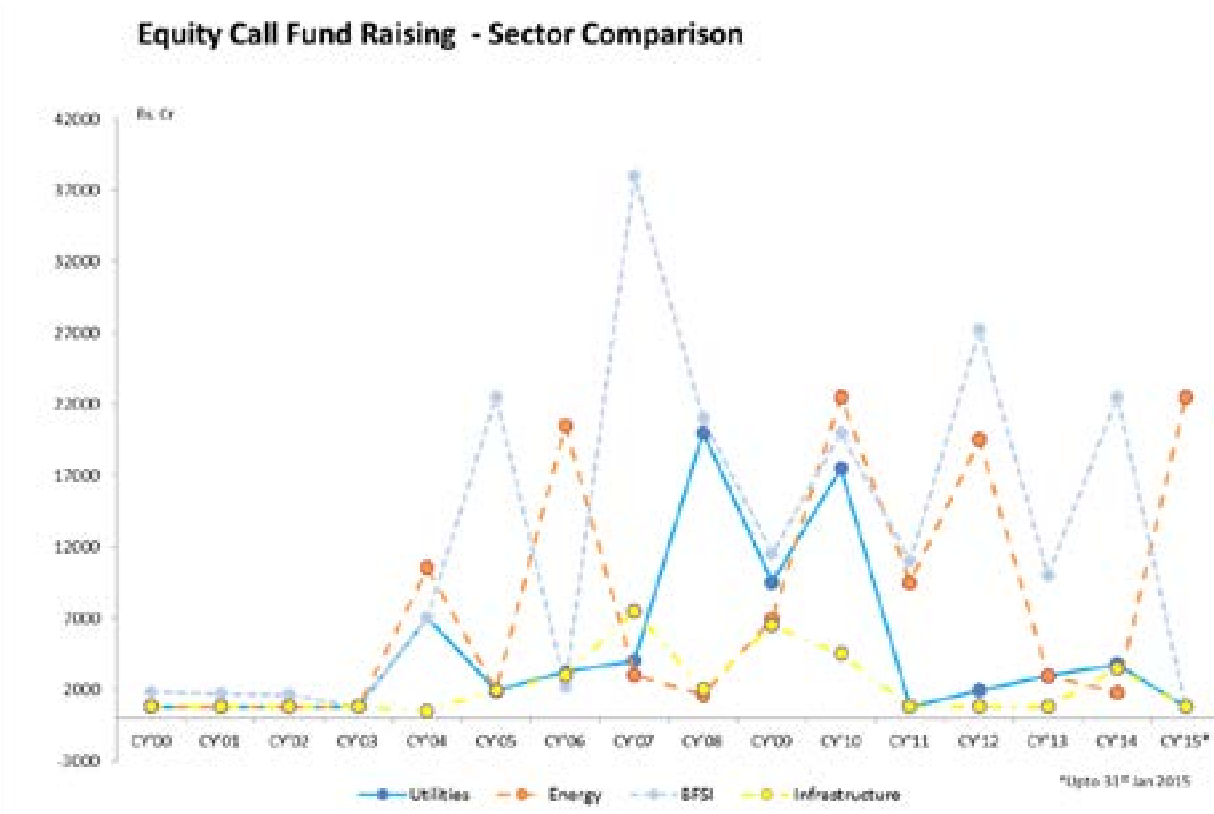
**India is growing and all the sectors in the economy will find themselves growing at a faster clip. Be it banks, warehousing, infrastructure, roads, ports, airports, power, logistics, oil and gas, telecom, or any other sector, there are clear growth opportunities in the offing and it is essential that they look at raising capital from equity markets at this juncture to remain capitalised for this growth. So far, the country continues to have a weak corporate bond market and a small private equity segment, and most of the fresh investments are driven through bank loans and through capital raised from equity markets. If India aspires for 9% and eventually double-digit growth, as recently indicated by even the Reserve Bank of India Governor Raghuram Rajan, then there is a dire need for funds.**

## In Conclusion

With growth in mind, the government needs to increase spends on productive sectors such as infrastructure, especially roads and power, along with creating supportive policies for investment and removing regulatory bottlenecks. Creative regulatory moves such as introduction of REITS (real estate investment trusts) and InvIT (Infrastructure Investment Trusts), can lead to capital creation without promoters losing management control. Markets tend to front-run actual happenings, and if the recent trend in equity markets is anything to go by, then the markets believe that the government will unleash a new set of reforms that will help India achieve its true growth potential.♦

Avdhoot Deshpande is the **Chief Executive Officer** of IL&FS Capital Advisors, based in Mumbai

View this article on the web:
http://www.ifinpanorama.com/article/capital-creation




[Source: Bloomberg]

# Broking Industry:

## On the cusp of explosive growth

Broking industry: On the cusp of explosive growth
The Indian stock broking industry has emerged from an extremely difficult 2.5 years during FY12–FY14. It was served a double whammy in the form of falling volumes as well as realisations. The Nifty and Sensex delivered negative returns during that time, while mid-caps were in worse shape. Nifty earnings growth slowed down to single digit levels, reaching a low of 3.4% y-o-y in FY13. While the frontline broking names reported a fall in profits ranging between 50% and 95%, the smaller players went into losses.

Poor market returns was the primary driver of the volume decline and to some extent the fall in brokerage rates. Cash volumes in the market were down over 30%. Negative market returns led to redemption by investors, leading to continuous selling by domestic institutions, though FIIs were net buyers in the market providing some support. Flight to safety leading to limited churn, a fall in speculative interest and drop in quality offering from primary market further contributed to the decline in volumes. While F&O volumes remained largely flat, a significant part of those started shifting to direct market access (DMA), limiting the role (and revenue) of brokers in executing orders.
We estimate average brokerage rates (institutional) were down over 30% during that time. While the fall in brokerage rates is keeping in line with global trends as markets mature and volumes grow, the decline that time around was too steep and ran against the trend. At some level it was triggered by increasing competition with brokers bidding it lower for blocks, baskets and divestment. However, the SEBI regulation capping brokerage rates that mutual funds can pay at 12 basis points (-bp) was a huge blow, lowering the benchmark for other clients too, who promptly followed through. The shift to DMA/ALGO trades also meant that the effective brokerage pool shrank significantly, as rates for trades put through them plunged to as low as 4-bp to 6-bp.

Chart 1: Quarterly profits of broking outfits Chart 2: Stock performance of broking companies

While the pick up in market volumes, following the optimism and reform orientation of the new government, has changed the outlook of the broking industry, challenges due to technology (DMA/ALGO trades) and the lower brokerage rates remain. Both these factors have pegged domestic players at a significant disadvantage to global players (like Citi, UBS and Credit Suisse).



IStock

DMA entails significant capex in terms of the best technology and algorithms, where global players are at a significant advantage over domestic players, given the ability to procure and offer the same services across markets, making it a lot more viable/profitable. In the downturn, this helped protect revenues of some large global players, since DMA quickly notched up a market share in excess of 35% from almost zero, which continues to sustain. For a domestic player, procurement at high costs to service just a single market makes it less profitable.

Chart 1: **Quarterly profits of broking outfits**

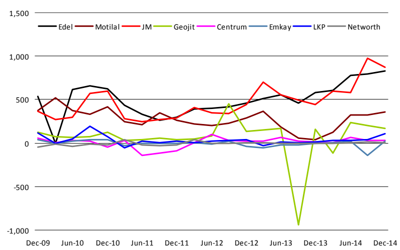
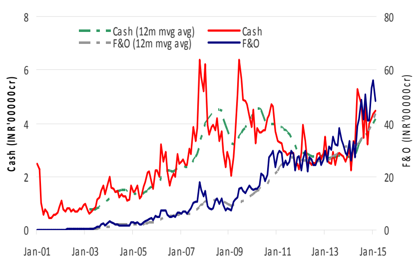



Chart 3: **Market volume trend (incl. 12-mth mov avg.)**




SEBI's capping of the mutual fund brokerage rate too affects domestic brokerages more than the foreign firms, since domestic firms are more dependent on mutual funds than foreign players. Though proportions might vary, most domestic brokerages would have a revenue mix, which is skewed towards domestic mutual funds vis-à-vis foreign funds. Thus, the capping hurts the domestic firms' revenue more than that of foreign firms.

While, these two structural challenges are likely to remain, the pick up in market volumes is a huge boost for the industry. Domestic brokerages have the ability to bring in new investment ideas, which are very valuable in a bull market. Their continuous engagement with the industry participants provides them with the outreach to research and highlight new investment ideas. This would have helped them bridge the gap created by DMA and lower brokerage rates to some extent, in the rally which started about 12 months ago.

India remains a very large growth market holding huge potential. To put this in perspective, the past three months' average cash turnover of the two exchanges (BSE and NSE) was 5.7x of 4QFY03 and the corresponding F&O turnover was 100.6x. This is a clear indication of the potential, though as discussed earlier, the brokerage rates tend to fall as volumes rise. We believe the turnaround we saw in the past 12 months is indicative of the market potential, though evolving technology will continue to challenge the business and competition is likely to increase given the growth potential. The two factors that are likely to contribute to an explosive growth in equity volumes in India are:

Chart 2: **Stock performance of broking companies**

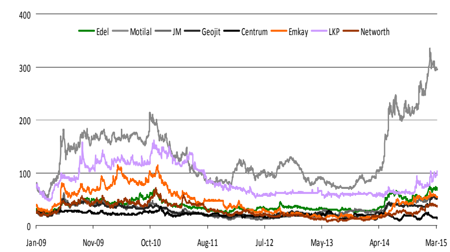
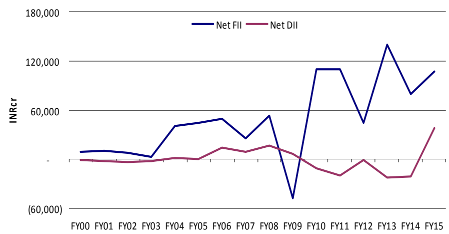



Chart 4: **FII & DII flow annual (fiscal)**




1. The likely accelerated economic growth and structural changes such as GST that is likely to lead to a much higher corporate sector growth than GDP growth.
2. Given the demographics of the country, risk appetite is likely to increase, channelling more savings into equity, thus benefiting the domestic mutual fund industry and in turn the brokerages. ♦

Vartharajan S is **Head Research** for IL&FS Broking Services Private Limited, based in Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/broking-industry

# INDIA MUST LOOK OVERSEAS

India is on the cusp of a growth boom, as indicated by recent growth estimates that peg the 2014-15 GDP at 7.4% and many expecting the 2015-16 GDP to breach the 8% mark. With such growth in the offing, it is imperative that India look at large investments in infrastructure to plug the supply bottlenecks.

A study by CRISIL and industry body PHD Chamber of Commerce and Industry estimates India's infrastructure needs over the next five years at INR 26 crore lakh to meet the 7-8% growth projections. With this amount close to 30% of current bank deposit levels, it is imperative that India looks beyond its borders to attract overseas funds.

## Wary banks

The primary lenders i.e. commercial banks, have grown wary of lending to infrastructure following the rise in bad loans and asset-liability mismatch issues Infrastructure finance companies have been facing asset quality stress, infrastructure debt funds are at early stage of growth and the corporate bond market remains at a nascent stage.

Government has taken a number of initiatives to facilitate reengineering the finances for Indian corporates such as letting the banks extend 25-year loans for infrastructure, with permission to refinance these loans every 5-7 years and allowing banks to issue long-term bonds that are exempt from reserve requirements, specifically aimed at funding infrastructure projects

## Government initiatives

Recognizing the need to complement the boost to domestic banks with foreign aid, the Government and RBI have taken various steps to ease the flow of capital into the country.

In recent times, the government has eased foreign investment for the construction sector with rules simplified for investors to enter the market, sell or transfer assets and repatriate project proceeds. The minimum capital requirement has been cut to $5 million from $10 million earlier. Recent norm changes allow core-investment companies to raise foreign funds for special purpose vehicles. Other regulatory changes include a broadened definition for infrastructure, and ECB proceeds usage for domestic loan repayment. ECB commercial borrowers can also place such proceeds in term deposits ahead of utilisation, and RBI has also allowed large NBFCs to raise ECB to finance infrastructure equipment imports.

In addition to direct inducements to foreign capital, government has taken up a number of new initiatives that boost the investor confidence. Initiatives such as streamlining the process for government clearance, introduction of the National Building Code-2015 (that will be finalised by September 2015) to enable a single window clearance for construction projects would facilitate better structuring of projects and would thus boost confidence of the international lenders.

## Finance from Multilaterals: possible with right structuring

In November 2014, the World Bank's finance arm IFC raised INR 10 billion via offshore rupee bonds, which it invested in Axis Bank's infrastructure bonds. Thus, the multilateral agency was able to tap the infrastructure project potential in India. As of June 30, 2014, IFC's committed portfolio in India stood at $4.7 billion, making India IFC's largest portfolio exposure.
Similarly, Asian Development Bank, Japan International Co-operation Agency and Multilateral Investment



iStock

Guarantee Agency have also been selectively tying up with companies, or state governments or local lenders to invest in the infrastructure space in India. Starting 2014, Asian Development Bank has indicated that it will provide $7-9 billion over three years. ADB had approved 210 loans amounting to $31.5 billion, $173.8 million for 10 grants, and $262 million for 348 technical assistance projects in India as of December 31, 2013.

Many Indian companies believe that the high regulatory requirements, human rights norms, equator principles and other issues such as land acquisition and habilitation, tend to be the topics that these multilateral agencies have a tough due diligence on. This makes it a long-winded process for Indian companies to source funds from such agencies. So despite being long-tenure and subsidised funds, raising finance from these agencies is not perceived as a first option for Indian projects.

However, the right kind of structuring and right risk mitigations mechanism would surely bring home the benefits of cheap money in a very efficient manner.

### Overseas funding - bonds

Another source of funds can be bonds denominated in US Dollar, Chinese Renminbi or other foreign currencies but such avenues have so far been tested only by top Indian companies owing to strict regulations and shallow hedge market.

In 2011, the RBI had allowed Indian companies to bring in Chinese Yuan-denominated external commercial borrowings within the overall cap of $1 billion. IDBI was the first Indian company to borrow in Chinese Yuan, through CNH Bonds in November 2011. This was followed by ICICI and the IL&FS group. IL&FS has tapped the CNH Bond market twice, in April 2012 and July 2014.

In the recent past, easy global liquidity conditions and a strong demand for India paper has enabled many Indian companies to raise capital from overseas bond markets to meet infrastructure needs. Many companies have raised them through arms in overseas territories, which helped them avoid some of the stricter regulatory norms. The popularity of India as an investment destination has also enabled pricing of such issuances at 4-10% (pre-hedge), rather than the traditional pricing for loans at 12-15% to such companies in India.

In 2014, offshore issuances by Indian firms touched a record high of $18.6 billion, and is expected to cross $20 billion in 2015. India has already seen $2.53 billion worth of offshore issuances from the beginning of 2015.

### Rupee attractiveness, norm changes

A stable Indian rupee over the last few months has made it attractive for global investors to look at investments via debt or equity, in India. However, the higher cost of hedging currency risks continues to act as a strong deterrent. With most of these bond issuances for 3-5 year tenures, there will always be a hedging or swap rollover risk that such issuances carry and that is why it is imperative that hedging costs come down to make such funding attractive.

Indian Promoters traditional outlook with respect to hedging needs to undergo a change wherein forex exposures are mostly left unhedged. This can make foreign currency denominated loans a ticking bomb on the balance sheets of infrastructure companies that do not have a natural hedge.

RBI has recently emphasized the need for hedging and is seeking to prevent the growing complacency that India is currently experiencing on account of easing inflation and a narrowing current account deficit. Data for July-August 2014 suggest that the hedge ratio for overseas loans and foreign convertible debt had halved to around 15%.

### In Summary

India is embarking on a high growth phase, a phase which will not be possible without investment in infrastructure. Recognizing this need, the RBI and the government are easing norms and improving efficiencies in order to attract overseas investors. Offshore market for Indian companies could see deepening going ahead, which could in turn help bring down the hedging costs and make overseas finance more attractive. ♦

Anita Ferreira

**Head-International BusinessInvestment**

heads International Business Group at IL&FS Financial Services (IFIN), based in Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/india-must look-overseas

# NBFCs: Looking forward to better regulatory framework with revised norms

The Reserve Bank of India (RBI) on November 10, 2014, has issued the revised regulatory framework for non-banking finance companies (NBFCs). The rising importance of NBFCs and their growing interconnectedness with banks as well as issues like the risk management framework for the sector, regulatory gaps and arbitrage, compliance, and governance issues have driven the RBI to make certain regulatory changes. These changes aim at better addressing the risks in the business, enhance regulatory coverage, standardise regulations and improve governance standards.

The revised regulatory NBFC framework is aimed at addressing foregoing regulatory gaps and arbitrage arising from differential regulations, within the non-banking finance sector as well as in relation to other financial institutions, primarily banks.

The revised norms are to be implemented in a phased manner over the next three financial years, i.e., FY16–FY18.



Istock

## The Key Changes And Their Broad Impact On NBFCs Are As Follows:

| Key norms | Impact on NBFC sector |
|---|---|
| Increase in tier-I capital to 10% from current 7.5% for a deposit-taking NBFCs (NBFC-ND) and non-deposit taking systemically important NBFC (NBFC-ND-SI) | Such increase is in line with the RBI's intent of improving the NBFCs' loss absorbing capacities; while this would increase the capital requirement for NBFCs in the long run, it would leave these companies with healthier balance sheets |
| Revision in threshold limit for defining systemically important NBFC to asset size of INR500 crore from INR100 crore | This relieves smaller NBFCs from regulatory and compliance requirements and facilitates effective supervision by the RBI of larger NBFCs, which are as the name suggests 'systematically important' |
| NBFCs that are part of the same corporate group or floated by the common set of promoters will not be viewed on a standalone basis | This is an important provision for increasing accountability of corporate groups and operational transparency under a common management; practices adopted by corporate groups to advance their interest by adopting opaque practices would be curbed by this regulation |
| NPA recognition norms changed to 90 days overdue from 180 days overdue for loans and 360 days overdue for hire purchase assets | This change impacts the profitability of NBFCs due to higher provisioning requirement with an increase in NPAs and interest reversals in the near future; with a 90-day norm for provisioning, NBFCs have been brought up at par with banks, as far as provisioning is concerned |
| Provision on standard assets increased from 0.25% to 0.40% | While this change would impact the profitability of NBFCs in the short term, it is in line with the RBI's objective of strengthening the balance sheet of NBFCs in the long run by increasing delinquency absorption capacity |
| NBFCs registered prior to April, 1999, to raise their net owned funds (NOF) to INR2 crore by March, 2017 | This clause is brought about to ensure that the only entities with an adequate equity base are functional and entry of any unscrupulous players is restricted |
| Implementation of stricter corporate governance and disclosure norms, including constitution of an audit, nomination and risk committee by NBFCs | Broad initiatives proposed under this category go a long way in improving corporate governance and accountability for NBFCs by bringing in more transparency |
| Introduction of leverage ratio (total outside liabilities/owned funds) of 7 for NBFC-ND with assets less than INR500 crore | This change aims to restrict the leverage of non-systemically important NBFCs, which are otherwise subjected to lesser scrutiny and regulatory compliances |

Deepak Pareek is the **Chief Financial Officer** of IL&FS Financial Services (IFIN), based in Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/nbfcs

The cheerleaders adding vibrancy to the event

The Run to Win

Grit and Determination - order of the day


IL&FS Financial Services , Bank of Baroda and Bank of India – our relation grows year on year

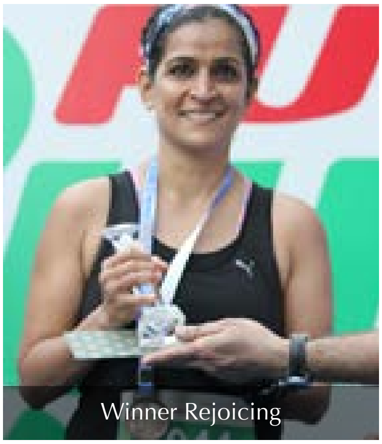
**IL&FS Financial Services**, hosted the third edition of its I Run for Fun at the Bandra-Kurla Complex on Sunday February 22, 2015

First held in 2013, the initiative has steadily gained popularity and the 2015 edition was bigger than ever before with over 4000 running enthusiasts from across the corporate world took part in the event.

Flagging off for a cause by Mr Ramesh Bawa

Walk the Talk - Mr Ramesh Bawa, Mr. Arun Shrivastava and Mr. Ranjan Dhawan

Winners one and all



Winner Rejoicing

Team IFIN enthusiastic as ever

Ms Pooja Ruparel accepting the token of appreciation from Mr Ramesh Bawa


Age no  bar at I Run for Fun


The podium finishers


Runners embracing fun and fitness with open arms

# India's Preparedness For Urbanisation- Challenges And Solutions

**India likely to Register High Multi Decadal Growth Rates in Urbanisation**

As per the last census conducted in 2011, 31% of India's population was residing in urban areas contributing ~63% of the country's GDP. Among the emerging economies like China (45% urbanisation), Brazil (78% urbanisation) there is a more direct co-relationship. For India, to break the inevitable "middle income trap" of per capita income of USD 1,200 p.a and to achieve relatively more equitable distribution of wealth, we have to reduce the dependence of GDP on agriculture and allied activities, which contribute ~25% of the GDP and increasing their reliance on incomes from economic activities in urban centres

Additionally, factors like rural-urban migration and reclassification of rural settlements will "push" India into increasing urbanisation. This likely scenario is echoed in the report of a committee set up under the erstwhile Planning Commission which projected that the proportion of urban population will rise to at least 40% by 2020

### Need for development of urban infrastructure to keep pace with urbanisation

For Indian cities to become growth oriented and productive, it is essential to achieve world class urban infrastructure systems. Some 2,500 "new towns" have emerged in the decade up to 2011, which have no urban statutory status with any right to collect taxes and are governed by non progressive State Panchayat Acts. These towns do not have common urban infrastructure systems like tap water, sewage system, public transport, etc. Equally challenging is the story of our better known metros like Mumbai and Bengaluru

With such speed and scale of urbanization, it is of paramount importance that such new towns/ emerging urban centres are governed by an organised framework of town planning and execution to prevent unplanned development. Investments in urban infrastructure will be required not only to bridge the existing requirement but also to meet growing urbanization. Government of India has recognised this as the core challenge to be addressed while aspiring to facilitate initiatives like establishing 100 smart cities with robust infrastructure in waste management, urban transportation, water supply, sewerage treatment etc.

### Diversify Urbanisation and Reduce Dependence on Tier 1 and Tier 2 Cities

As per the census of 2011, 53 Metropolitan cities with population of > 10 lakh accounted for about 43% of India's urban population. Further Class-I cities (excluding Metropolitan cities), with population between 3-10 lakh accounted for about 13% of the urban population and cities with a population ranging from 1 lakh to 3 lakh accounted for 14%. Hence, there is a need to develop a diversified portfolio of urban centres across the country and look beyond the Tier 1 (Metros) and Tier -2 cities for

123rf.com

accommodating urbanisation to provide a good quality of life for its citizens

### The Investment Challenge and Possible Solutions

An investment of Rs. 39.2 lakh crore (at 2009-2010 prices) is required over the next 20 years to meet the capital funding requirements in urban infrastructure. A majority of Urban Local Bodies (ULBs), barring some in Tier 1 and Tier 2 cities, are not able to generate any substantial revenue surpluses to fund capital expenditure. Hence, ULBs have relied heavily on grants and subsidized funds provided by the Central, State Government and some bi-lateral and multi-lateral funding

In order to broad base the sources of funding, private sector investments needs to be attracted to urban development programmes using Public-Private Partnership (PPP) model. Further, ULBs should be encouraged to access finance by way of issuance of long-term bonds, bank borrowings, etc. Other measures like monetisation of land resource, increase in user charges, should be made an integral part of the financing framework of ULBs. Pooled Municipal Debt Obligation Facility (PMDO), an initiative by 16 leading Indian financial institutions, are well positioned to address this. Similarly, some states like Tamil Nadu, Karnataka, West Bengal, etc. have taken initiatives to float Special Purpose Vehicles (SPVs) to raise financial resources for ULBs. However, some basic requirements of attracting commercial financing need to be put in place. These are enumerated in the subsequent sections

### Increase User Fees to Attract Sustainable Capital Investments

A change in mindsets is required both at the user/citizen level to pay more for the services availed and at the level of politicians and bureaucrats to take hard decisions to tax citizens and not get influenced by narrow political considerations. By paying appropriately for civic services availed, the viability and bankability of entities developing and providing urban infrastructure services will improve. This improved viability will attract investments, which in turn will set off a virtuous cycle of continuous capacity creation

To ignore the rising levels of prosperity in India, especially amongst the upper and middle income classes, and to not tax these segments, should be avoided to upgrade and overhaul urban infrastructure. Cross subsidisation is a reality in an unequal society and hence users who can afford more have to pay more. Hence, cross subsidisation of basic services which have a wider user base like water supply and sewage treatment, through higher levies on services like property, entertainment, professional taxes, etc. will remain as an important tool to be used by ULBs to improve their underlying viability to attract sustained investments

Further the Federal structure of the country, multiplicity of agencies is to some extent inevitable. However, from an investor's perspective, any step that can be taken to reduce red tapism has to be addressed on a priority basis. Return expectations of both debt and equity in India are generally higher due to higher risk factors. Compounding the same due to delays on account of numerous agencies and co-ordination issues between them are clearly avoidable

### Conclusion

While, everyone acknowledges the existence of significant demand-supply gaps in service delivery and the challenges posed to general quality of life in cities and towns, improvements are required to be carried out on a significantly larger scale, given the prognosis of high multi decadal growth rates of urbanisation in India. As a sector too, Urban Infrastructure has also lagged behind reform measures as witnessed in other sectors like power, roads, oil and fertiliser etc.

There have been some notable initiatives for development of urban infrastructure like the increased public spending through schemes like the erstwhile JNNURM and tapping into private spending through PPP models. However, learning's from these needs to be implemented on a much larger scale. This will need the collective energy and intellect of policy makers, town planners, investors, and developers to contribute to building quality urban infrastructure. ♦

**Shashi Johnson** is the **Chief Executive Officer** of IL&FS Urban Infrastructure Managers Limited, based in Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/indias-preparedness-for -urbanisation

# IMPACT OF OIL PRICES

Istock

In June 2014, crude oil was trading at $115 a barrel, riding a nearly five-year-long wave of relative stability. Within six months, oil prices halved, undercutting global markets and re-defining the economic context for countries in the Gulf Cooperation Council (GCC). The sharp fall in prices was mainly driven by a combination of excess supply and weakened global demand. Despite this, the Organisation of the Petroleum Exporting Countries (OPEC) decided in November 2014 not to cut production in response to declining prices.

The slide in oil prices has wide-ranging effects for the GCC region. Despite increased competition from shale gas producers in North America, the Middle East remains central to the global oil market. Conversely, the oil market is the core driving force behind many Middle Eastern economies. In the GCC, hydrocarbons represent more than 50% of the GDP and 80%–90% of government revenues. With the price of oil collapsing by 50% in the past six months, the most since the 2008 financial crisis, the IMF estimates that oil export losses in 2015 will reach $300 billion, or 21 percentage points of the GDP, in the GCC. Low oil prices are also expected to lead to a slowdown in remittance outflows from GCC countries to the rest of the region, including India, as per the World Bank.

In light of market volatility, companies in the GCC region are placing IPO plans on hold until the markets settle. Businesses in oil producing countries depend on economic activity stimulated by government spending, which in turn is driven by oil revenues. In the near term, governments should be able to limit any severe spending cuts due to the substantial fiscal reserves they have built up, thanks to years of high prices. However, governments will face significant losses in exports and revenues, if prices stay low for a sustained period. According to the World Bank, the combined fiscal surplus of around 10% of the GDP (in 2013) could turn into a deficit of 5% of the GDP (in 2015) for GCC countries.

Stock markets in several Middle Eastern countries, including Kuwait, Saudi Arabia, and the United Arab Emirates (UAE), declined sharply in late 2014 on rising concerns about how their economies will be affected by lower oil prices. The IMF estimates that growth in the GCC will be around 3.4% in 2015, a downward revision of 1 percentage point relative to their forecast in October 2014.

Despite a recent rally in the oil prices, analysts are hesitant to suggest that a prolonged rebound is on the horizon. Jeffrey Currie, Global Head of Commodities Research at Goldman Sachs, said recently that the benchmark price could drop to as low as $42 a barrel. Furthermore, Citi and Barclays recently forecasted a renewed plunge in prices, in respective notes to clients. According to Barclays' Kevin Norrish, the oil price will average $40–$50 a barrel for the year. If that is the case, most GCC countries will need to reassess their spending plans in the medium term.

There are signs that regional governments are already beginning to rethink their policies. Saudi Arabia is planning to increase energy and fuel prices, and improve efficiencies in non-oil revenues. Lower prices have prompted the UAE to look for other sources of income such as a tax on remittances.

Although most GCC countries have made improvements on diversifying their economies away from oil production over the last decade, budget revenues are still vulnerable to continued price changes. Structural reforms to diversify the revenue base away from oil, and policies encouraging growth and job creation will become increasingly important for the GCC economies. If lower oil prices persist for a prolonged period, these countries will have to adjust to the new realities of the global oil market. ♦

Murugan Shankaran is **Chief Executive Officer** of IL&FS Global Financial Services ME Ltd, Middle East. IGFSL,ME is a 100% subsidiary of IL&FS Financial Services.

Website:
http://www.ilfsifin.com/Dubai/index.html

View this article on the web:
http://www.ifinpanorama.com/article/impact-of-oil-prices

# CULTURE AS A STRATEGIC TOOL

Culture is an infinite term, and lays the foundation of an organisation, builds and nurtures it, defines its purpose, guides its strategies, behaviour of its people and ultimately delivers results. In this context, we need to understand the key cultural drivers in the evolution of Infrastructure Leasing & Financial Services Limited (IL&FS)

Today, 60% of the employees of the Group were either not born or were in school when IL&FS began in 1988, and this article is dedicated to this group of people who may not be fully conversant with the Cultural threads which have seen the Group build a brand and reputation, manage turbulent times and exploit opportunities over the years. It will also serve as a tool for all of us to mould businesses and teams for effective results, and an enjoyable journey ahead

IL&FS opened its innings to create a mark in the development of infrastructure and financial services with a paid up capital of USD 1 million and had only 20 employees. Twenty seven years ago, the landscape was very different in terms of the prevalent regulatory frameworks, competitive forces and scale of operations. To give a perspective, there were no clear laws which defined public private participation in infrastructure as the concept was alien to most. The financial markets were underdeveloped with a few dominant financial institutions and public banks & cartelised players in the capital market and advisory space. The average lending deal in IL&FS was Rs 10 million

Today IL&FS has become a large and diversified Group which operates across various businesses in over 12 countries, has around 2000 family members and invested more than USD 15 billion. This journey of creating a brand, scale and profitable growth was tough but fun and enriching for stakeholders. The one thing which drove this was a unique Culture- which has weaved each part of the Group

So, the key questions are, (1) What is the unique Culture and DNA of IL&FS which has helped transcend various business cycles and helped build the Group into what is truly unique and valuable (2) In the current context do we need to fine tune this Culture to ensure consistency and growth in value and performance

The Culture has and will outlive the various people who have been part of this journey. The beauty of this culture is that it is unique to IL&FS and lives with you even after you have left the family. This permanent indoctrination is corroborated not only by ex-family members, but even by competitors and associates alike. Go to a party and you can feel it. Of the various elements of culture the 5 most dominant ones are **Camaraderie, Entrepreneurship, Trust & Relationships, Risk Taking and Innovation**

These traits are displayed in multiple situations in everyday life in the Group and become second nature. Each one of us would have heard of or experienced them without feeling or realising the underlying strategic cultural trait behind the project, deal or behaviour. It is further not visible to us because it is never overtly communicated to anybody. This may be our folly. Let me take the liberty of narrating two specific real life instances demonstrating an amalgam of these traits and the impacts, one which was told to me by an external associate and one which I have experienced myself

## CASE 1 : The Creation Of National Stock Exchange

A few years after being born in 1988, IL&FS wanted to enter into the Stock Broking business and sought a Broking License with the Bombay Stock Exchange (BSE), a monopoly which was run by traditional broking houses. Broking licenses traded at a premium. There was no institutional member in the BSE, and after a long wait for 1 year, the application was de facto rejected. Over a drink one friend of IL&FS jocularly said "IL&FS will never get a license, it is better you guys should start your own exchange". The comment stuck, and a stray conversation was converted into a business proposition. This was radical entrepreneurial innovation. Obviously being a midget in the financial industry, IL&FS could not pull this off alone on the strength of its own limited financial capital. IL&FS drew upon its Trust & Relationship card and put together a Consortium of Banks and Financial Institutions who also had similar idealogies on the subject and pooled in capital

# "Once an IL&FS , IFIN guy Always an IL&FS, IFIN guy"

to start the National Stock Exchange (NSE). IL&FS led the initiative and wrapped it around with a strong management team and an advanced technology platform. The rest was history. As you know today NSE is the dominant exchange, and has created enormous value for all the investors. Further, even after the creation of NSE, quite a few attempts were made to start exchanges, but none have scaled the heights of the NSE

Leading Questions : What would you have done in place of IL&FS? Was the journey easy? Why is it that there is nobody else who could replicate NSE? How you develop and sustain these cultural traits to exploit opportunities? How would a similar initiative work in today's environment?

## Case 2 : The NBFC Experience

Taking sabbaticals is a healthy practice for self- discovery and exploring the world. I took an 18 month one with a multinational NBFC in 2004. It helped me learn and unlearn a few things. Like most multinationals it was a very siloed and target driven company with great international strengths and products. Over a period of time, it had assimilated 6-7 IL&FS guys in various capacities. Three of us were business leaders chasing similar deals, and at times the same deal! Funny but real. It confused teams as well as customers, and many a times we were fighting internally than externally leading to sub-optimal results. My team (Corporate Finance) and the Financial Institutions Group (FIG) were at loggerheads on an aircraft finance deal. FIG was headed by an IL&FS guy. We both were behind our respective budgets, just like everybody always was! The teams were undercutting each other and was turning ugly. This went on for over a month and our teams tried to play me with the other guy. Little did they know that we were bound together through a common culture of selfless Camraderie which was well beyond territories and targets. A three word conversation between us saying "aare let it go yaar" was enough to end the crisis. This approach to conflict resolution was alien to the prevalent culture. My team congratulated me, and the other team said my colleague was too soft. We both knew what it meant. One thing happened though, we were labelled as "The IL&FS Gang" and nobody ever tried to play

with us till the end of our sabbaticals. Anybody who has spent at least 5 years in IL&FS will always be an IL&FS guy, wherever he is and will be bound together for life.

Leading Questions : Would you have experienced this with any of your ex-colleagues? Do you experience the same with your colleagues in IFIN? What stance would you have taken in a conflict situation of personal goal vs personal friendship?

The above Cases provide an outline of the key traits of the IL&FS culture and also points to certain leading questions. I am sure each one of us has experienced similar business or personal situations at work. Many of us may feel that the above traits are just theoretical as we have not experienced and realised the benefits. Some of us feel that these cultural traits may not work in all situations. There is no right or wrong. The solution has worked in the past, may need to be modified for each situation in the present environment, but surely it is a very potent strategic tool to create opportunities and fun in our working and personal lives. We should create metrics to measure how these cultural traits help us consistently create more wins than losses, more profits than losses and more pride than shame.

In summation, Culture is the soul of any organisation. The purpose of its existence, its direction, activities; all are based on its culture. Ultimately it is reflected in performance and

builds the image of the organisation. So, organisational culture sets foundation of the organisation, builds its pillars, act as compass and finally acts as barometer which detects the organisation's achievements. Incremental change in organisational culture is a positive sign of successful organisations but in some cases its sudden change is required, if the performance of the organisations starts decreasing due to inability of organisation's culture to cope up with external environment. Lastly, a study of organisational culture, gives solutions to most of the organisational problems, on the other hand can be used as a strategic tool to improve effectiveness. ♦

Mr Milind Patel is **Joint Managing Director** of IL&FS Financial Services (IFIN) and driving the people's agenda of the organization is very close to his heart

View this article on the web:
http://www.ifinpanorama.com/article/culture-strategic-tool

**Tell us a bit about your journey at IFIN**

*It has been great working 20 years with the IL&FS group. I have been witness to an atmosphere of action, innovation, new ideas and lateral thinking that was emerging at the time when I joined and continues to evolve. The first 10 years of working here has been great fun to learn and the next ten has been about reaching one milestone after another as a team. So far the journey has been exciting.*

**How do you build an organization that is excellent?**

*The teams have to be excellent. To make the teams excellent, the people have to be excellent. We encourage individual excellence. Many times we have seen that in that endeavour of nurturing and encouraging individuals, individual objectives have run contrary to team objectives. This needs to be handled sensitively. We make a conscious effort to balance individual and team objectives and I think we have been successful thus far. Above all the atmosphere we have created here is that of fun and this keeps us highly motivated.*

**What is the best way to run teams?**

*Mentoring is an important part of handling teams. The process of mentoring is not formal in IFIN; it could be over a drink in the evening or a cup of coffee. We have an effective mentoring process on a matrix basis, i.e., across the organisation that is not on paper but several young entrant gets mentored. There are many examples of mentor, mentee both flourishing. This is one of the key reasons why people including youngsters stay on for a long time with the organisation and make truly rewarding career with us.*

**Did you go through a process of mentoring and how was your experience?**

*I remember when I was being mentored during my initial years at IL&FS, and the feedback would really make me upset. However, when I look back now, I can say one thing for sure that pain was not in vain! In the initial years of mentoring, the amount of effort you put in to learning, shall pay off at some time, definitely!*

***How do you define IL&FS or IFIN culture?***

*Innovation and a continuous ideating culture in not just the area of infrastructure development, but also in other areas that we work on, this is IFIN culture. We have created an excellent organisation collectively.*

**In conclusion, where do you see yourself 20 years from now?**

*Speaking for myself, I am still as motivated as when I first began working here, this has not changed. I look forward to spending another 20 years of exciting times with the IL&FS Group!*

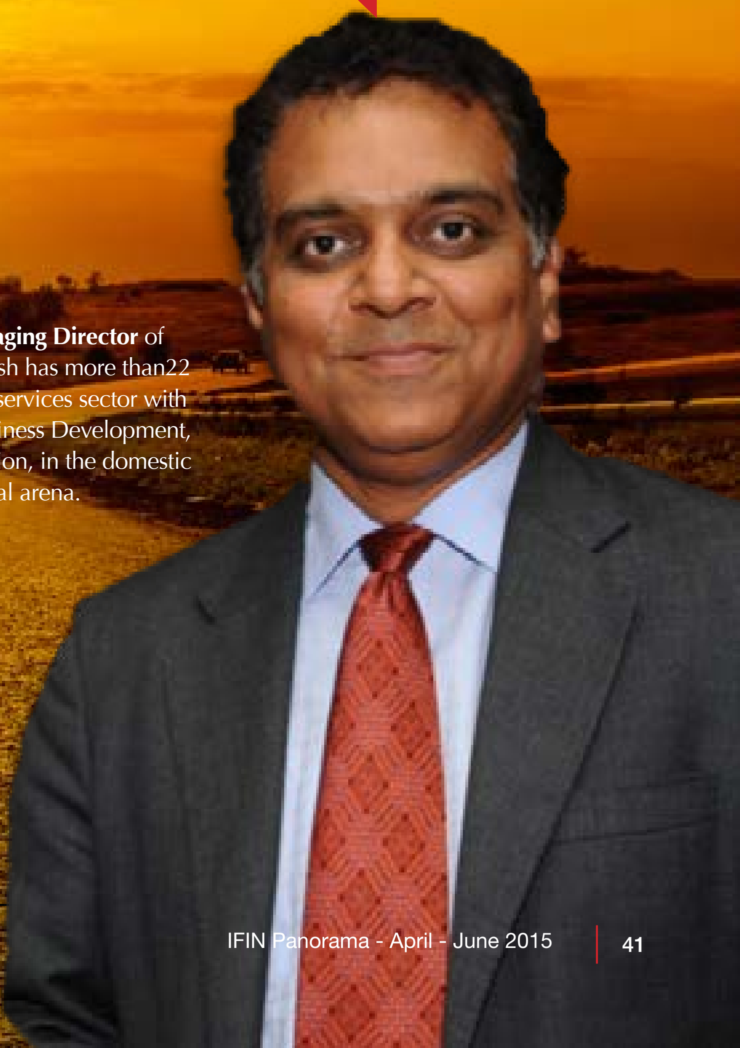


iStock

# “Looking forward to the next 20 years of exciting times with IFIN....”

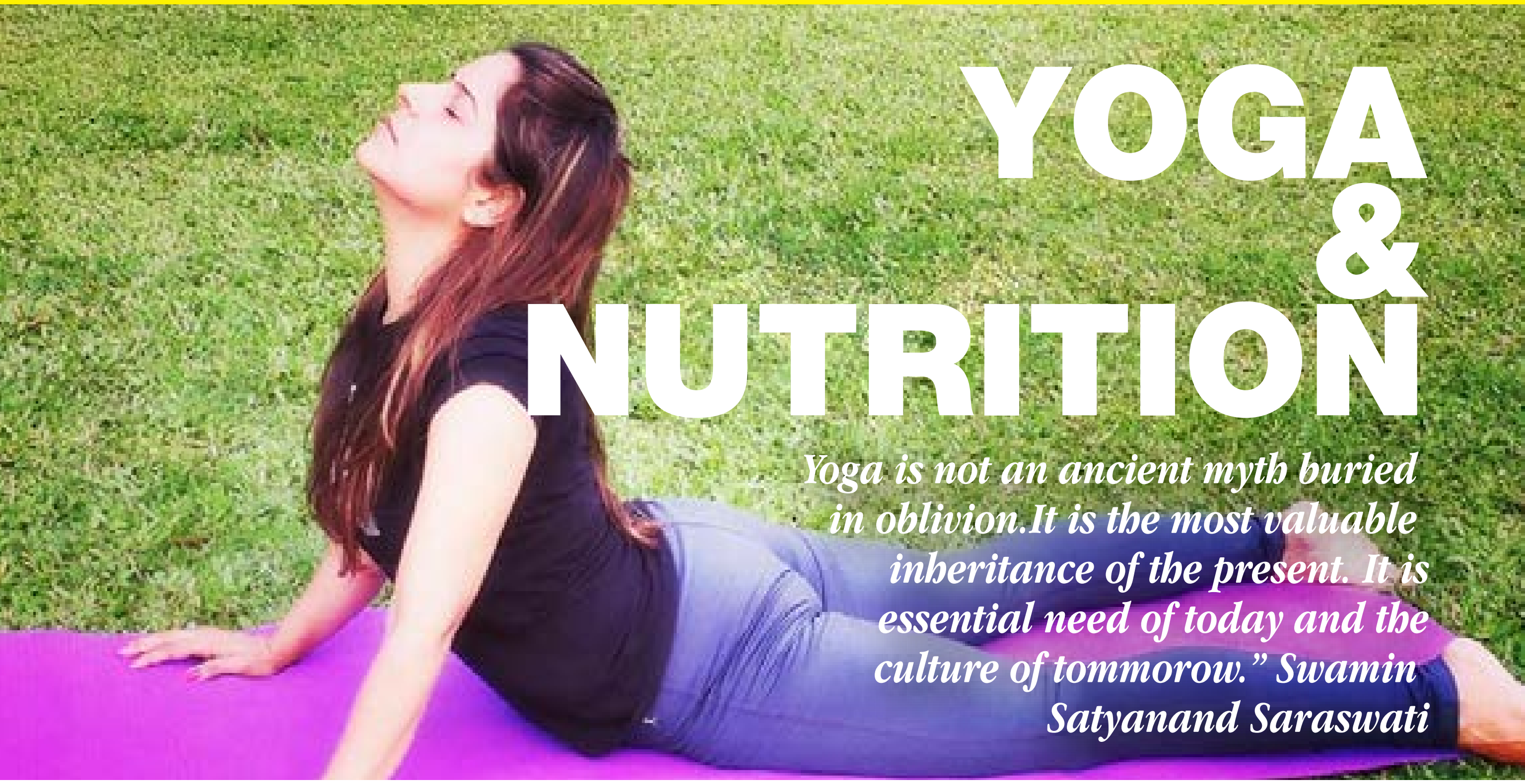
## - Rajesh Kotian

Deputy Managing Director, IL&FS Financial Services



**Mr Rajesh Kotian** is **Deputy Managing Director** of IL&FS Financial Services (IFIN). Rajesh has more than22 years of experience in the financial services sector with diverse range of roles, including Business Development, Project Financing and Debt distribution, in the domestic as well as the International arena.

View this article on the web:
http://www.ifinpanorama.com/article/down-memory-lane



# YOGA & NUTRITION

*Yoga is not an ancient myth buried in oblivion.It is the most valuable inheritance of the present. It is essential need of today and the culture of tommorow." Swamin Satyanand Saraswati*

Yoga is not just about exercise. It's a way of life. From physical levels Yoga moves on to mental and emotional levels. Yoga is a means of balancing and harmonizing your BODY, MIND AND EMOTIONS.

For the corporate world with fast paced life, I would recommend few basic stretches every day, which can be done easily sitting on a chair.

**ASANAS - done easily sitting on a chair**

**1) GREEVA SANCHALANA** (neck movements) All neck movements to be done very slowly, making sure that your shoulders are relaxed. Take your head back, then sideways and then slightly twist.

**2) MUSHTIKA BANDHANA** (hand clenching) Open your palms wide, stretch the fingers wide, making a tight fist with your thumbs inside. Repeat it a few times.

**3) MANIBANDHA NAMAN** (wrist bending) Stretch your arms in front of the body up to your shoulder level. Bend the hands forward from wrist s so that fingers point the floor. Don't bend the knuckles, joints or fingers.

**4) MANIBANDH CHAKRA** (wrist joint rotation) - Make a fist with your thumb inside, facing downwards and rotate clock and anti-clockwise

**5) SKANDH CHAKRA** (shoulder socket rotation) Place your fingers on your shoulders and fully rotate the elbows at the same time making large circles.

All these stretches relieve stress from continuous office work or driving. They maintain the shape of your shoulder joints and stabilize your breathing patterns.

Other, very basic, stretches which can be done at home can be walking on the toes and heels. This helps in stretching your muscles, ligaments, the rectus, abdomen muscles and the intestines.

**PRANAYAMA** is the conscious, deliberate control and regulation of the breath (Prana means breath, ayam means to control, to regulate). As per Yoga, with each breath we absorb not only oxygen, but also Prana. Prana is the cosmic energy, the divine power in the Universe that creates, preserves and changes.

**5 BASIC RULES FOR HEATHY LIFE:**

**(1)** Exercise to stimulate your blood circulation, this can be done in any form of exercise but the best exercise is provided by Hatha Yoga.

**2)** Proper breathing, to absorb a good supply of oxygen, to fuel the body and deliver amply supply of Prana.

**(3)** Relaxation for both your body and mind. Good sleep, ample rest during the day and meditation.

**(4)** Natural and wholesome food, preferably organic and Sattvic.

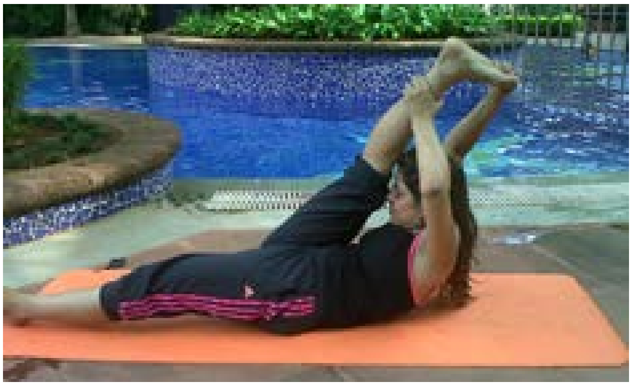
**(5)** Clear thinking and natural concentration of the mind.

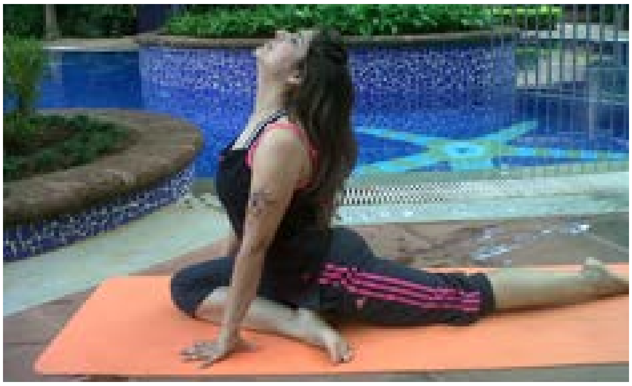
## NUTRITON

Basic rule to remember is, to eat small quantities. Eat at regular intervals. If you get busy with work and miss your meals, try compensating it with handful of nuts, chew some flax seeds, chana, or sprouts. Fruits need to be eaten before 2pm in the afternoon, as it contains fructose. All those who want to lose weight, should avoid carbohydrates after 7pm in the evening. Eat proteins and vegetables (grilled chicken, egg whites, a bowl of daal) with salads. PROTEINS is a crucial ingredient in your everyday diet. Calculate your protein intake. 1 gram per kg of body weight i.e. if your weight is 50 kgs your protein intake should be around 50gms (for non-vegetarians its 0.75grams per Kg of body weight). Make sure you fulfill that need with paneer, tofu, soya, quinoa, pulses etc. For proper protein absorption try to have a healthy intake of vitamins. There is no harm in popping a multi vitamin and drink enough water.

Having FAT cells is not bad. Bad fats increases cholesterol and risk of certain diseases, while good fat cells protect your heart and support overall health. In fact, good fat—such as omega-3 fat—is essential to physical and emotional health.

Lastly, just eat healthy, exercise regularly, be positive and smile more often.. BE YOGIC !! ♦





**Karishma** is a yoga trainer specialising in pranayama, meditation, relaxation and more. She believes that yoga is more of a 'way of life' and making it more enjoyable and acceptable.

View this article on the web:
http://www.ifinpanorama.com/article/yoga

# INDIA'S LEADING HOLISTIC HEALTH GURU, MICKEY MEHTA TELLS YOU "HOW TO COPE WITH STRESS"

Due to the complexity of today's world, stress is experienced by everyone in some form or the other. Stress can result from many things: a high pressure job, relationship problems, financial issues, loneliness etc. While stress is inevitable, the way people react to it is what causes a host of problems. Anger, irritability and loss of control that follows a stress attack raises one's blood pressure, increases heart beats, stimulates overproduction of adrenalin, impairs digestion and depletes our body of vital nutrients like vitamin C, A and B complex vitamins. Sleep deprivation and depression also lowers the immune responses and causes a build up of toxins leading to many health problems.

Stress can also sometimes trigger good responses and can stimulate or motivate you to be in control of your life where you are able to find solutions that can help you deal with your problems. We all have the ability and resilience in us to accept and tackle challenges.

While you cannot eliminate situations that cause stress, you can certainly change your perspective on stress and foster positive reactions with these guidelines listed below:

1. **De-stress** with productive physical activities and mindful eating. Stress can accelerate aging.

2. **Meditate** regularly for 10 to 15 minutes. It is one of the most effective ways to relax and alter your minds and body's destructive reactions.



IStock

**3.Do yoga**. Yoga helps heal, rejuvenate and regulates the internal organs, glands, nerves, muscles, bones and keeps our system in radiant health.

**4. Do conscious breathing** exercises or pranayam. It has tremendous health benefits that help you stay young, improves cell oxygenation, has detoxifying effects and keeps skin radiant.

**5.Rest and relaxation:** To live a stress free and wholesome life rest and a good night's sleep act as panacea. It has healing properties, reduces stress and tension, induces calmness and tremendous peace of mind. Bring a little discipline into your own life by following the principles of "early to bed and early to rise"!

## Diet guidelines for stress:

The foods we use to soothe stress whichvv v v are often the ones that get us deeper into problems. The worst stress-inducers are sugary desserts, tea, coffee, caffeinated soda, salty snacks and alcoholic beverages. Good anti stress foods include cow's milk or low fat milk, herb tea, fruits, salads and vegetables. Stress can deplete your stores of vitamin A resulting in lowered immunity, 'B' complex vitamins that contribute to the smooth functioning of the nervous system and vital components that help activate enzymes and help neutralize the free radicals that are released into the blood stream during stress. Food has a great influence on your moods, thoughts, attitudes etc.
1.Eliminate all junk foods with refined flour, oil, sugar etc.

2.Eliminate foods like excess intake of chocolates, desserts, soft drinks, fruit juices, milk shakes etc.

3.Incorporate loads of vegetables, salads, sprouts, whole grains and whole fruits.
4.Drink adequate amounts of water and other liquids like soups, vegetable juices etc for keeping the body detoxified.

5.Incorporate 5 to 6 small meals per day instead of 2 or 3 large ones to step up your metabolic rate.

6.Avoid crash diets or fad diets that often upset your mood.

7.Include stress reducing tea made from equal proportions of herbs like chamomile. Steep ½ tsp in 1 cup of hot water for 5 to 7 minutes and have this twice a day.

8. A glass or two of warm water with cardamom powder also helps to alleviate stress.

9.Brahmi oil is also good for relaxation and can be rubbed on the soles of the feet or on your scalp.

10.Take up a hobby. They are great for relieving stress.

Stress is an integral part of everyone's life and most of us are vulnerable to it. To emerge as a victor, one's attitude, views, perspectives and clarity play crucial roles in creating and developing a practical and realistic course of action. It is your positive attitude that opens up pathways to deal with extreme challenges and make you successful in all walks of life. ♦

**Mickey Mehta** is a wellness & fitness guru as well as a TV and Radio presenter and columnist for various publications and websites. He preaches the concept of holistic health and equipment-free workouts, besides establishing a chain of Mickey Mehta Wellness Temples across Mumbai.

View this article on the web:
http://www.ifinpanorama.com/article/mickey-mehta

# A New Rule for the Workplace

## Internationally acclaimed business consultant and leadership coach **Peter Bregman** outlines the new rule at workplace

A few months ago my wife Eleanor came home upset after an incident with one of the parents at our daughter's school. That afternoon, when Eleanor said hello to Michelle, Michelle completely ignored her. Thinking maybe Michelle hadn't heard her, Eleanor said hello again, this time louder. Again, no response. Michelle wasn't speaking on the phone or in a conversation with another parent. She was able to respond, she just refused to. Eleanor was getting the silent treatment. Not one to give up, she said hello a third time. Finally, Michelle mumbled something without looking up and walked away.

Eleanor wasn't friends with Michelle. They had only spoken a few times in the past, most notably when she called Eleanor to complain about something our daughter did. Still, she was thrown off balance by Michelle's cold shoulder. It was one of those small things that's hard to get out of your mind. She wasn't expecting it.

We are constantly shocked by the things other people say and do or by the things they don't say and don't do. How can my boss have ignored me? How can my colleague have taken the credit? How can my employee have made that mistake? Can you believe my manager said that to me in front of all those other people? How can my partner be so inconsiderate? Why doesn't my spouse appreciate what I do for her?

When I coach executives or mediate conflicts between leaders, each person is always amazed at how the other people behave. This has led me to a very simple conclusion.

The problem is not us. And it's not them. The problem is our expectations.

It's not that people behave well or badly. It's that we expect them to behave differently than they do. Even when they have proven our expectation wrong time and time again.

At this point, should you still be surprised when your boss for the 100th time doesn't invite you to a meeting? Or when you send a colleague a nice email and it goes unanswered? Again.

Here's my advice: don't go to a hardware store and get upset when they won't sell you milk.

In this case, the answer to frustration is acceptance. It's amazing how changing your expectations can change your experience.

Because the world is more global and organizations are more diverse, the likelihood we will interact with people very different from us is increasing exponentially. And people who are different from us do things we don't expect or want them to do. Sometimes they don't look at us when we speak to them. Sometimes they talk back. Sometimes

iStock

they don't talk at all. They defy our expectations, and we feel frustrated.

Remember the golden rule? Treat other people the way you'd like to be treated? Forget it. It doesn't apply anymore, if it ever did. Try this new rule instead: Treat other people the way they'd like to be treated.

If you don't like to be micromanaged, for example, you probably try to avoid micromanaging others. But there are some times and some places where that would be a mistake. Like India, for example.

According to Mike Schell, co-author of the excellent book, Managing Across Cultures: The 7 Keys to Doing Business with a Global Mindset, Indian workers prefer — and expect — to be micromanaged. Mike told me recently: "That ultimate sin of Western managers is the best way to get things accomplished in some cultures. Once you begin to treat people the way they want to be treated, you'll find the results much more rewarding. When operating in a new country, we don't just need word translators. We need people translators."

In some cultures it's important for meetings to start on time. In others, it makes no difference. In some cultures it's rude to interrupt. In others, it's simply the norm. Understanding other people's expectations can help you reset your own. And that helps you work with them more effectively

When I'm sitting in a meeting with Yukiko, my Japanese partner, and she doesn't speak, I might assume she agrees with what I'm saying. But I'd be wrong. It's not that she agrees with me, it's just that she would never disagree with me in public. If I understand that, I won't be surprised when she doesn't follow through.

Still it's almost easier to understand Yukiko because I'm from New York and she's from Tokyo. I expect her to be different.

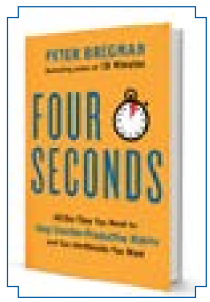
But Chris in the office next door? Who's also from New York? That's a different story. I shouldn't need instructions on what to expect from him.

But I do. Because each one of us is, in effect, from a different culture. We have different parents, different teachers, different experiences, different hopes and dreams, successes and failures. Even if we understand the same words, we're still speaking different languages.

So instead of getting frustrated with other people, learn their rules of engagement. If you pretend each person is from a foreign country you don't fully understand, you'll be more open to accepting him or her.

Think of every interaction as an experiment that explains a little bit more about the individual you're dealing with. Then, when someone defies your expectations, don't get mad. Just change your expectations to more accurately align with reality. Once you understand your colleagues' operating instructions, you might decide to approach them differently. Use different words. Be more or less aggressive.

Or you might decide to leave — to go and work somewhere else with other people. Because once you accept your colleagues, once you realize you simply can't buy milk at a hardware store, you might decide you don't want to be in a hardware store at all. I'm not saying people can't change. I'm just saying you're setting yourself up if you expect them to.




"Do you think I should call Michelle to talk with her about this afternoon?" Eleanor asked me, still stewing over getting the cold shoulder.

"That depends, " I answered, "will you be OK with it when she blows you off?" ♦

**Peter Bregman** is CEO of Bregman Partners, a company that strengthens leadership in people and in organizations through programs (including the Bregman Leadership Intensive) coaching, and as a consultant to CEOs and their leadership teams. Best-selling author of 18 Minutes, his forthcoming book is Four Seconds (February 2015).

**Website:** www.peterbregman.com

View this article on the web:
http://www.ifinpanorama.com/article/new-rule-for-workplace

# COFFEE, TICKETS & COPA DO MUNDO

*A conversation, an idea, a rush to bring it to fruition, it is only beginning of an unexpected yet adventurous turn of events that eventually leads him and his friends to Brazil World cup 2014*


**Part 1**

**It all began over a casual coffee table conversation…**

## Prelude

Take a late, cold, December evening, add three Bengali friends and stir it up with coffee. What do you get ? Conversations that revolve around football, food and more football! And of course, ideas that evolve into adventure. It was just such an evening that brought my friends, Rony and Gourav and myself together to chat about World Cup Football. The buzz around the table was the upcoming WC 2014 and the possible outcomes. I, being a hardcore Brazilian fan, was naturally betting for the five-time WC winners and was desperately trying to explain to Rony (a hardcore Argentine fan), why they did not have a chance. Gourav kept interjecting with his favourite Italy, but Neymer and Messi were calling the shots that night

It was at that point of time that a wild thought occurred to us. How about going to Brazil for the games? It was like a defining moment for me, a 'bucket list' wish coming to life: "Witnessing the Brazilian team play a Soccer match amidst Brazilian fans!" and the forthcoming WC 2014 perfectly fit the bill. The first match was scheduled to be held in Sao Paulo between Brazil and Croatia on June 12. Talk about fate dealing us the perfect run. So began our dream project, a wild one at that, if statistics were anything to go by. (a) Brazil is 26 hours from Kolkata by flight (another few hours and one would have actually reached somewhere near the moon); (b) Tickets for the matches were being sold by FIFA through their website, which for some strange reason could not be accessed from India, whatever hour of the day one tried (at one point in time, I had deployed 4 people to try reaching the ticketing site on a 24/7 basis, continuously for 5 days, without any luck). The site would invariably say 'searching for a suitable ticket option' and the little round circle would go on and on and on ; (c) News channels and web mags were abuzz with bad press. Apparently, the common Brazilian was not in favour of the games. The hefty spend on the preparations, especially with the economy reeling under a financial crisis, had not gone down well with the common Brazilian. Infrastructure facilities for the games were also underprepared and running much behind schedule. In fact, FIFA was pondering with the idea of changing a few match venues, as the grounds were not ready per their standards. Doomsday prophets were predicting a very chaotic WC event. The list of negatives just went on and on and there just didn't seem even one good enough reason to go for the Cup. But a fanatic beating heart drove the will to tick this off my bucket list. Against all odds and a huge family showdown (which had every element of an evening soap opera), the three of us decided to follow the Nike motto (go for it)

First things first - match tickets. After the futile efforts on the FIFA website, we switched to the other commercial sites, selling match tickets at a high premiums. The sites did not guarantee any tickets. However, once confirmed, delivery will be effected only a few days before the respective matches, by when we would already be in Brazil. Thus arose the question of where should we have the tickets delivered, as our whole schedule was uncertain. As luck would have it, Rony got hold of an old acquaintance of his, Mr Gupta, an erstwhile Satyam Computers employee. Incidentally, Satyam had designed the current FIFA website and our friend was head of this Project, by virtue of which he knew a few top FIFA officials. (Incidentally, if one is not aware of, the FIFA officials very strangely do not seem to ever retire; only till 'death does them apart'). Based on Mr Gupta's assurance, we went ahead and made our travel plans and stay arrangements

The d-day was approaching. With no tickets in hand, we were all very nervous. Imagine going all the way there and being confined to watching the matches on television! What about all our expectations and excitement? Rony, being a heavy blogger, had already started collecting photos of the match venues and used his morphing skills to create appropriate backgrounds with them. He wanted them handy so as to post regularly through his Facebook, once we are there. To add to our woes, our visas had been under processing in the Brazilian embassy in New Delhi for some time. For some strange reason, Mr Gupta wasn't answering our call either. What a complete recipe for disaster was being cooked up for us!

It was the week before our departure and we were arguing whether to cancel the trip and dicussing the financial damages involved. The persistent ringing of my phone added to this cacaphony. "Mr Gupta here," the voice on the other end said. "Actually, I was travelling overseas and could not reach you guys. Your tickets are ready. Please go to the Sony Max office at Malad and collect your tickets from Mrs Braganza (the MD's secretary)." I was too shocked to move. For a couple of seconds everything went blank. Then the enormity of the situation rushed in. Senses restored, I cancelled my lunch appointment and rushed to Malad instead. Truly, there existed the Sony Max office (incidentally, Sony Max was the official broadcaster of the WC in India) and by a stroke of luck, so did Mrs Braganza. After producing the required identity proof, she handed over the tickets. I took the tickets and held them with trembling hands. I couldn't get out of the office fast enough as I rushed out to call my other two comrades to share the good news.

Flight tickets - Check. Stay - Check. Match tickets - Check. Visas? Still to arrive. Apparently, the Brazilian embassy in Delhi was in 'slow-mo' and Visa issuances were taking more than the normal time. It was time to take destiny in our hands. Plans reworked, we rebooked our airline tickets from Delhi, so as to get an extra day, should things get delayed. A very wise decision in hindsight, as the scene outside the embassy was nothing short of a fish market and no one had a clue of what was going on inside. Every half hour, the security guard would call out four names who were allowed to go inside. The time arose again to shape destiny. Desperate calls were made to all and sundry, who we thought could contact and influence the embassy staff. Finally, around evening, our names were called and we came out brandishing our passports, as if it was the World Cup we were holding. Brazil here we come…♦

**To be continued...**

**Asesh Jyoti Dutta** is **Chief Operating Officer** of IL&FS Financial Services Ltd, based in Mumbai

View this article on the web:
http://www.ifinpanorama.com/article/been-there-done-it

# Ladakh, much more than a scenic galore

Ladakh, literally meaning the land of high passes, is a region in Jammu and Kashmir known for its remote mountain beauty that almost makes it look surreal. It is the highest plateau of the Himalayan state with much of it being over 3,000 m. It's a natural paradise with three beautiful mountain ranges of mighty Himalayas, Ladakh range, the Zanskar range and the Karakoram. Remember that beautiful lakefront where Aamir Khan proposes to Kareena Kapoor in the concluding scene of 3 Idiots?

Ethereal cold desert comprising of clear blue waters of Indus, Shayok and Zanskar rivers has some of the pure landscapes, the sights of which are enough to draw a visitor for an adventurous experience. Its rugged, remote terrain along the Indian border with china has kept many of its secrets under wraps. Said to exist from long pre-historic times, it has a fascinating culture and is sometimes called 'Little Tibet' for that strong influence it carries from its neighbor. Majority of Buddhists in the region make it a peaceful place. It is a land that seldom fails to baffle or surprise.

Leh, Capital of Ladakh, is the major town in Ladakh region and is the popular base for a tour or a trek. Topographically, the whole of the district is mountainous with all three parallel ranges. Those seeking adventurous journey can arrive by road from Srinagar or Manali, through rugged, high altitude, hilly terrains. Else, one can arrive by a flight to Leh.
An easy walk through the market in the evening makes fascinating revelations on local culture and cuisine.

Next morning, drive along upstream Indus to Tsomaoriri. Shey Palace complex with Shey Monastery, located on a hillock in Shey, 15km south of Leh, has been the summer capital of Ladakh in the past. Thiksey and Hemis Monasteries are influential places of worship for local people. The Tibetan style Thiksey Buddhist monastery is also located on a hill-top, 20 kilometres east of Leh. It is noted for its resemblance to the Potala Palace in Lhasa, and is the largest one in central Ladakh.

The monastery is located at an altitude of 3,600 metres (11,800 ft) in the Indus valley. It is a 12-storey complex and houses many items of Buddhist art such as stupas, statues, thangkas, wall paintings and swords. Key point of interest is the Maitreya (future Buddha) Temple which is installed to commemorate the visit of the 14th Dalai Lama to this monastery in 1970.

One further passes by beautiful Alchi, Likir and Spituk monasteries before stopping at Chumathang to be surprised

by hot water of natural sp rings. Immerse in the hot springs amidst cool surroundings. Proceed to Tsomoriri (4,595m), the largest high altitude lake in the Trans-Himalayan range located in Changthang area. The large expanse of water is filled with bright blue waters. Scant precipitation makes Ladakh a high-altitude desert with extremely scarce vegetation over most of its area.

Located in the slope above the lake is the Korzok village, the night halt camp base dotted with guesthouses offering minimal basics. There's a monastery and a few gompas for people of the village. Watching the lake through the day and dusk is a sheer pleasure. Walking across the Changthang plateau and watching herders is fascinating too.

If you are game for a trek, you'll have the opportunity to witness wonderful view of colorful mountains and amazing landscapes. The small isolated villages and hamlets and friendly people on the way greeting you with Juley (hello) makes your trek memorable.
A trip to Pangong Lake (4,350m), 134km long lake extending from India to Tibet can be fascinating too. The lake is located 150 kms away from Leh city at around 5 hours journey. More than half of Pangong lake area falls in Tibet. The journey through the rough road is tiring but the sight of the beautiful paradise like lake and the surroundings make you forget all the trouble. The lake with pure dark blue waters is lined with plain earthy hillocks that further reveal snow capped mountains, making it an amazing, out-of-the-world view.

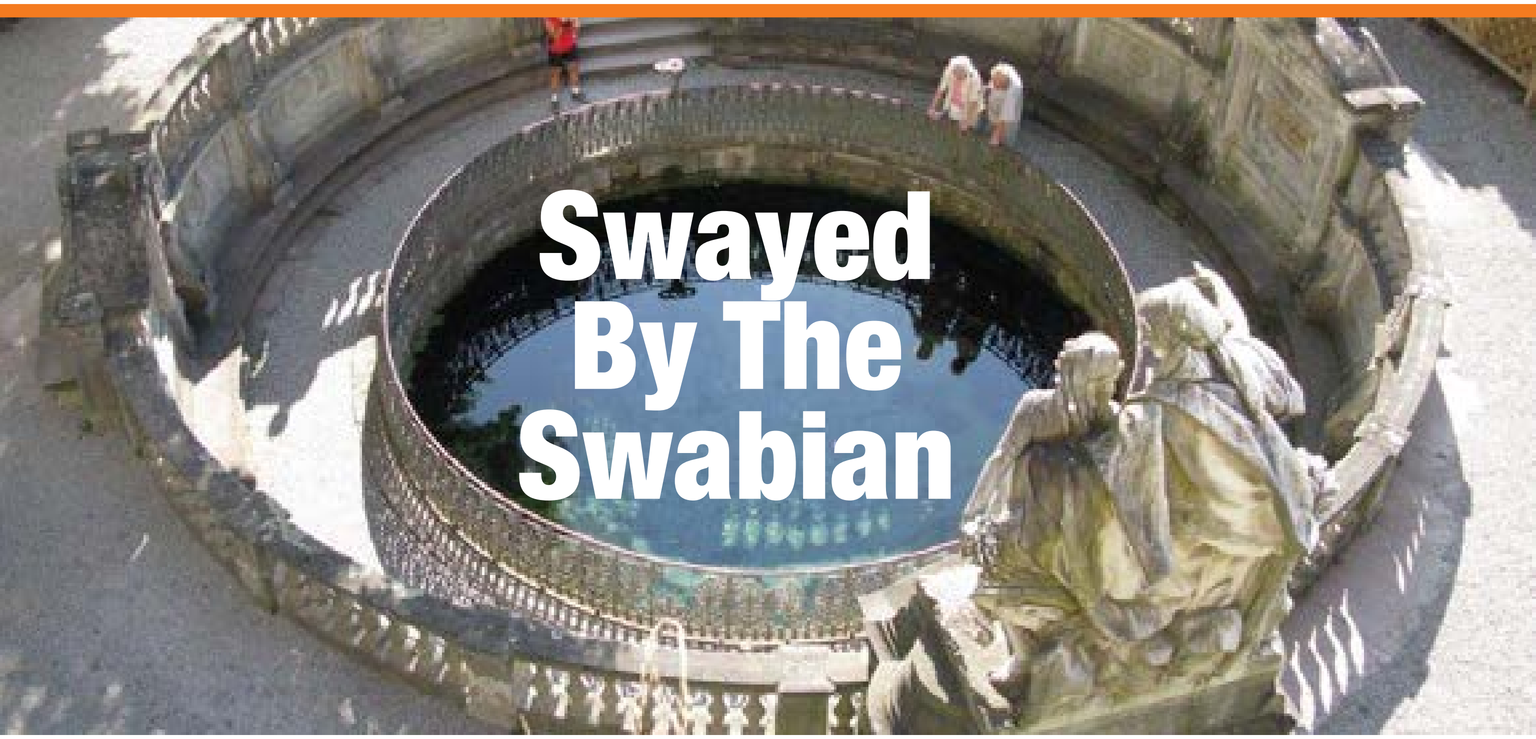
A line of actual control passes through the lake. Nubra Valley also known as valley of flowers is located to the north east of Ladakh valley, 150km from Leh. One can enjoy double hump camel ride on sand dune here. White river rafting is possible on Zanskar River.

Stok Kangri is the highest peak seen from Leh. Stok village offers experience the life of Ladakhi rural life. Ladakh's former royal family lost its power to rule in mid 19th century and are now said to live their time divided between a private mansion in Manali and the stately Stok Palace. The white palace with colourful window frames, up the hills makes a beautiful picture. Several rooms in the palace are converted to a museum and the stylish palace cafeteria has a great open terrace.

Where ever you go, it's always a pleasant sight in Ladakh.♦

IFIN Panorama Editorial Team

View this article on the web:
http://www.ifinpanorama.com/article/ladakh



# Swayed By The Swabian

The beautiful region of Baden Wurttemberg (also called the Swabian region) in South Germany is a less trodden place by tourists compared to other parts of Germany. That makes it more inviting for its attractions like the black forest, thermal waters, vineyards and wineries, castles, Baroque architecture and the museum of Mercedes Benz and many more.

## Black Forest

Our first stop at black forest was at Europa Park. The amusement park was a good introduction to Europe-its architecture, lifestyle and cuisine. Park owners' original business is of rolling out roller-coasters to various venues across the world. Naturally, Europa Park is the first place to experience the latest roller coaster introduced by its owners. You only need to be a brave heart and be headstrong (we banged our heads in ecstasy) for the thrills. You can always brim with pride while showing your picture (they have installed automatic cameras) to others later. It's a family affair-those young at heart can take the monorail ride for an aerial view of the entire theme park. The park on 85 hectares of land has manicured lawns and gardens where one can have a picnic with home-packed food. The restaurant housed in the castle serves multi-cuisine including local Swabian cuisine along with puppet show and other entertainment. They can arrange a party or a conference at the park or even a wedding at the Finnish chapel within the park.

It was a champagne welcome on arrival at Hotel Hofgut Sternen in Black Forest at the historic border of Austria and France where Princess Mary Antoinette had once crossed. The manager at the cuckoo clock shop explained us on the way cuckoo clocks are made. All their Cuckoo Clocks are handmade from local Black Forest bass wood and the movement is made of solid brass.

Peter Drubba, of the Drubba family that owns the hotel, cuckoo shop and the boat rides at Titisee (see means lake in German) told us during a donut boat ride that ninety families were engaged at their cuckoo clock factory. Black forest has many skilled people on woodworking. These carvings are used in decorating the clock that makes these special.

A glance at any direction revealed coniferous fur trees forming a thick green cover of the surrounding mountains on the warm day. There was plenty of potable water at the Titisee to quench thirst. Strict rule of plying only battery operated boats leaves the water fresh.
The Black Forest is part of the continental divide between the Atlantic Ocean drainage basin (drained by the river

Rhine) and the Black Sea drainage basin (drained by the river Danube, that originates in the region).

## Hohenzollern castle

The castle located on top of Mount Hohenzollern at an elevation of 855 meters in the Swabian Alb looked majestic from our bus. We stopped at a level below the mountain from where the private bus belonging to the castle took us to the top. The imposing architecture of the Neo-Gothic style castle was visible as we made through the steep climb onto its huge gate.

Our guide Derick said that the castle was rebuilt for the third time during 1846-1867 after it was destroyed twice earlier. It was not regularly occupied, rather it was used mostly as a show castle Thus it is a monument to the ideals of the German Romanticism movement and incorporates the idealized vision of what a medieval knight's castle should be and is one of the most visited castles. Hohenzollern Castle was the ancestral seat of the Prussian Kings and German Emperors as well as the Swabian branch of the Princes of Hohenzollern. The castle has been filled with art and historical artifacts, from the collection of the

Hohenzollern family. The crown of Wilhelm II studded with precious diamonds and pearls is housed along with other rear personal objects.

We climbed the 200 odd spiraling stairs to the tip for a stunning panorama of the picturesque landscape of the Swabian albs.
Germany has about 22000 castles and a visit to Germany is incomplete without the visit to a castle.

## Stuttgart

After the natural retreat of the blackforest we arrived at Baden Wurttemberg's capital Stuttgurt.
The city seemed a continuation of its natural surroundings. It is spread across a variety of hills, valleys and parks –

unusual to our presumption of it as a typical industrial city for its reputation as the "Cradle of the automobile".

Our modest hotel Reiker and was located conveniently in the city centre. Right opposite was the main railway station and at a walking distance to the city square on the right side and lush vinyards on the left side at less than 400 meters.

The main train station is an imposing redstone structure with a rotating logo of Mercedes Benz on its main tower. One can't miss Mercedes in Stuttgurt whether it is a logo, a stadium, the factory, museum or a bus, car, tractor or a fire engine.

The station tower looks into the King Street, the main street that leads to most of Stuttgart's architectural attractions. A walk on the stoned pathway led us to Schlossplatz or the Castle square.

There is more to Germany then it meets the visitors eye. People, culture and locales talk of rich history and European way of Life.♦

IFIN Panorama Editorial Team

View this article on the web:
http://www.ifinpanorama.com/article/swayed-by-the-swabian


How do we react to our problems? This is a question we seldom ask ourselves. We, because of nervousness and anxiety of facing a hostile situation, increase the magnitude of the problem mentally and decrease our capacity to diffuse it. Whenever we talk of our issues and problems, we subconsciously increase the trauma while speaking of it. We all do it, I am giving benefit of the doubt to a lot of us by saying subconsciously.

Very few people have the courage to look in the eye of the problem and say to themselves **"I have the courage and I can survive this"**. Do not judge my point and say it is preaching, as what I am saying has a deeper meaning than visible. I am talking about the very first phase of preparing, the phase where you condition your mind to be ready to go through the pain.

I remember 4 years ago when my mother was diagnosed of Ovarian cancer, like all of my family, I was broken too. 3rd stage, said the doctor, out of 4 stages. Have you ever fathomed the weight of this word "cancer"? It crushes the morale of the very best. The initial feeling was a strange mix of disbelief and fear. The biopsy report had the word Metastasis all over it. I quickly searched the internet and was shattered to find out it means "spread of a cancer or disease from one



IStock

organ or part to another not directly connected with it".
I cried, alone, for a long time. Tried to face my mother with a poker face but could not. There was a lot of fear looming in the air. I had this ever growing fear of losing my mother to this disease. Do you know the hardest question I have ever been asked? "Why me Vikram, why me?" my mother asked. My parents, specially my Father, needed me the most. We had been to the Tata Memorial Hospital once and the sheer sight of the place can be devastating to the most of us. The OPD section was filled with people, I think it was holding an attendance more than 3 times its actual capacity. There were patients all around us, I still remember the look on my mother's face. Terrified and fearful she was dropping tears silently. Painful it was. We saw the doctor, after about 4 hours of wait.

I cannot describe those ten minutes in the doctor's chamber. My fear was growing. My Father had fear and helplessness both coupled together in his eyes. The doctor confirmed it was a critical case but she will do her best, she said. I wanted to ask the doctor few questions, hard ones, but not in front of my parents. Luckily I got the chance. "I am her elder son and would like to know the true facts" I told her. "Please be honest to me as I need to be aware. What are her chances of survival" I asked. "How much time she has?" Then came the most awakening answer in my life "why are you talking like this, let us give it a try, she can be treated. Please don't lose hope." The answer changed the way I was looking at this issue. Her words made me realize my mistake of giving up hope and giving up on God. The fact that I was making this problem bigger by looking at the consequence and not a solution.

The doctor had advised that my mother would go through 6 cycles of chemotherapy with a surgery after the first 3 cycles. I was now looking beyond the word Cancer. There was a sense of purpose, and I was trying to conditioned my mind to stop being sad and get on with her treatment. I used to present myself as the most optimistic person in front of my family and friends. "She has no option but to get well" is what I used to tell them.
Our visits to the hospital became frequent, leave aside the chemo drugs, the experience of going to the hospital was itself a very difficult. My mother was still fighting her own battle. A patient of cancer is constantly watching the hour glass in everything he or she does. Every moment the ticking clock blocks your vision. The disease creates a vacuum between the patient and the outer world making it hard for them to communicate.

Her 1st cycle of chemo started, it was a painful experience for her. We were all very sad watching helplessly let her go through this. Her family, her sons, and above all her husband, watched her go through this trauma. Nothing we could do. Two more chemo cycles passed, the doctors said she was responding to the drug. We were praying to god, to give her strength and purpose to us. The doctors were now ready to perform surgery and remove the tumor. It was a big moment, we were scared. But the operation was successful.

After the surgery, she went through another three cycles of chemotherapy. It was tough. But finally came the day when her cancer marker count was in the normal levels. We had won the battle, we were happy to bring her normal life back. She was happy and relieved. We were blessed again.

The power of belief that I had developed helped me to take charge and not let the problem take over. Let us take a while and think, how many times small issues deter us? How many times we make problems big? The key, my friends, is the conditioned mind. It's all in the mind. If you condition your mind and make it believe that you will wither the storm, then you would. A calm mind channelizes energy and actions in the right direction.

As I said we won the battle against cancer, but the war is still on. My mother had a relapse of cancer and she is fighting it out today as well. She is stronger, she is resolute and she has conditioned her mind to believe that **"she has the courage and she will fight it out."** ♦

**Vikram Khanna** works with the HR Team at IFIN and is responsible for the talent development.

He likes travelling and is an avid blogger. You can visit his blog at khannavikram.com

View this article on the web:
http://www.ifinpanorama.com/article/ibelieve-ican-fly

# GAMES WE USED TO PLAY: a forgotten legacy?

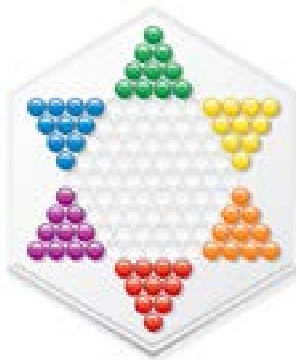
Playing a game is an integral part of early life. It is the cradle to a child's learning ways. It is through playing these games that a child starts learning socio-cultural nuances and develops skills. Confidence, teamwork, thinking differently, creativity, curiosity, flexibility and communication skills to name a few. These games inculcate learnings for life and develop a blue print of adulthood. The child also develops emotional intelligence and a sense of achievement or failure.

As we grow and misplace ourselves in the bustling locomotive called life, we tend to forget those innocent games and what they contributed to us as adults. We have become so busy in collecting honey for our beehives, that we forget the very source of the skills we use. How many of us remember the games that we used to play when we were kids. The games, which used to be fiercely competitive and a matter of extreme self-respect, have been long forgotten. These games defined our childhood and our early learnings. We wish to take you, if you would like to, back to those wonder years and help you revive the glorious and innocent memories of our top 5 childhood games:

**Ludo:** is a board game for two to four players, in which the players race their four tokens from start to finish according to die rolls. Like other cross and circle games, Ludo is derived from the Indian game Pachisi, but simpler. The game has been loved and played by families across generations. The very essence of the game is strategy, teamwork and the competitive spirit which got embedded in us.

Chinese checker: is a strategy board game which can be played by two, three, four, or six people, playing individually or with partners. The objective is to be the first to race one's pieces across the hexagram-shaped game

board into "home"—the corner of the star opposite one's starting corner—using single-step moves or moves which jump over other pieces. Who can forget those countless fights and competitive looks we used to have. Strategy, anticipation and choosing the right time for your action were engraving skills one could get from Chinese checker



**Name Place Animal Thing:** One of the most entertaining memory and word games that I remember playing as a child. Improved memory, vocabulary, knowledge, awareness and above all loads of fun were the benefits of playing this game

**Book Cricket:** Who can forget the flipping of pages and scoring runs with book cricket? Today also whenever I am in stress of any kind, I grab a book or a magazine and play book cricket to revive those lovely memories.


**Snakes and Ladders:** A number of "ladders" and "snakes" are pictured on the board, each connecting two specific board squares. The object of the game is to navigate one's game piece, according to die rolls, from the start (bottom square) to the finish (top square), helped or hindered by ladders and snakes respectively. The game is a simple race contest based on sheer luck, and was more fun .The learning being you will fall a number of times in life but make the most of the next opportunity to succeed.

These are a few of the most played games when we were kids. Let me take this opportunity to ask all the parents reading this, how many of these games would your children know, or have been introduced to? It is likely that few of them would be playing the digital or video versions of these games. But as it is said that the grace of analog world can seldom be found in the digital world. The skills which we developed playing these games, the camaraderie and off course the fun we had can never be replicated.

In today's digital world our children are exposed to a whole lot of knowledge, whole lot of advanced aids to learn but simplicity and innocent learning used to be the success of the Games we used to play – a forgotten legacy.♦

IFIN Panorama Editorial Team

View this article on the web:
http://www.ifinpanorama.com/article/games-we-used-to-play

*It's summer, that amazing time of year when fresh produce abounds. There's fresh, delicious and healthy choice of fruits and vegetables with many health benefits. Summers are welcome despite the heat because of the delicious Mango, king of fruits. Tomatoes, melons and cucumber abound too. Summer fruits and vegetables contain more vitamin C than fruits or vegetables produced during fall and winter and help in fighting infections.*

**Mango**

Mango is a gift of nature in summer, not just for its delicious taste but also for plenty of health benefits. Mangoes are rich in nutrients like vitamins, minerals and antioxidants. It also contains traces of magnesium, manganese, selenium, calcium, iron, and phosphorus that are very useful for our body functioning. It is high in energy and beta carotene that is an important antioxidant that helps to prevent major illnesses like cancer and tuberculosis.

**Milkshake and Lassi**

Mango is a pulpy fruit high in carbohydrates. When added with milk, it helps in gaining strength and weight. Diabetics need to control and monitor their carbohydrate intake to maintain blood sugar level but considering the nutritive value of mango, diabetics can also have mango, in moderate amounts. Mango lassi (without additional sugar) is a healthy choice for diabetics.

Mangoes contain vitamin A and E which are good for the eyes. 100 grams of mango provides a quarter of recommended daily levels of vitamin A that is important for good vision. These vitamins also help in making the skin soft and shining.
Abundant minerals like potassium and magnesiumand traces of copper keep blood pressure under control.

Sensory taste receptors are affected by weather thus making food tastes in summer less defined. It is also well known that one should avoid alcohol owing to the effect of hot temperature and humidity affect the absorption.



**Watermelon**

Watermelon keeps the body cool. 92 percent water content in watermelon helps in staying hydrated and in keeping memory sharp with a stable mood. It also helps keep the body cool (by sweating) during hot summer months. Fewer calories and more water of the fruit contain weight gain. Water melon juice doesn't require any additional sugars if made without adding water.

**Tomatoes**

Abundantly available in summer, tomatoes actually help reduce sunburns. The carotenoid that makes tomatoes red protects body skin from sunburn. It has plenty of vitamin c, phosphorous and calcium. Lesser amount of carbohydrates renders this fruity vegetable as a healthy option for diabetics. Tomato actually helps in fighting infections. Its juice helps in combating acidity. It is also good in curing tuberculosis.

Tomato juice is simple to make, tasty and healthy. Cut tomato into pieces, add a few mint leaves and blend in a mixer/juicer. Add a spoon of honey and sip the frothy juice.

**Cucumber**

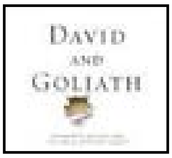
Although cucumber is an all time vegetable, it comes as a blessing during summers. It soothes the system and provides extra water content. Tender cucumbers, variety of those, should be eaten raw as salads or blend into a juice, with a few mint leaves.

Tasty cucumber chat can be made by mixing crushed coriander, green chili and a pinch of black salt to diced cucumber pieces.

**Tips**

You feel you have had too much of mango? Don't worry; eat a piece of the mango skin. Nature comes in a package and the remedy is within.

A dash of mint enhances the flavors in juices and helps in digestion too.

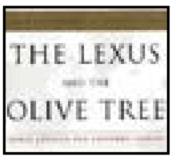



### David and Goliath
**By Malcom Gladwell**

We all know that underdogs can win–that's what the David versus Goliath legend tells us, and we've seen it with our own eyes. Or have we? In David and Goliath, Malcolm Gladwell, with his unparalleled ability to grasp connections others miss, uncovers the hidden rules that shape the balance between the weak and the mighty, the powerful and the dispossessed. Gladwell examines the battlefields of Northern Ireland and Vietnam, takes us into the minds of cancer researchers and civil rights leaders, and digs into the dynamics of successful and unsuccessful classrooms–all in an attempt to demonstrate how fundamentally we misunderstand the true meaning of advantages and disadvantages. When is a traumatic childhood a good thing? When does a disability leave someone better off? Do you really want your child to go to the best school he or she can get into? Why are the childhoods of people at the top of one profession after another marked by deprivation and struggle?

Drawing upon psychology, history, science, business, and politics, David and Goliath is a beautifully written book about the mighty leverage of the unconventional.

---




### The Lexus and The Olive Tree
**By Thomas Friedman**

is a 1999 book by Thomas L. Friedman that posits that the world is currently undergoing two struggles: the drive for prosperity and development, symbolized by the Lexus, and the desire to retain identity and traditions, symbolized by the olive tree. He says he came to this realization while eating a sushi box lunch on a Japanese bullet train after visiting a Lexus factory and reading an article about conflict in the Middle East.

---


### Before Happiness
**By Shawn Anchor**

In Before Happiness, Shawn Achor provides simple, scientifically sound strategies built around three key factors most of us undervalue: where we choose to put our attention, how much social support we build into our lives, and whether we view stress as a challenge rather than a threat.

---

The List of Books have been compiled by **Anish Marfatia**, **Head of Sales Trading**, Institutional Equities


### The Rational optimist
**By Matt Ridley**

Life is getting better—and at an accelerating rate. Food availability, income, and life span are up; disease, child mortality, and violence are down — all across the globe. Though the world is far from perfect, necessities and luxuries alike are getting cheaper; population growth is slowing; Africa is following Asia out of poverty; the Internet, the mobile phone, and container shipping are enriching people's lives as never before. The pessimists who dominate public discourse insist that we will soon reach a turning point and things will start to get worse. But they have been saying this for two hundred years.

Yet Matt Ridley does more than describe how things are getting better. He explains why. Prosperity comes from everybody working for everybody else. The habit of exchange and specialization—which started more than 100,000 years ago—has created a collective brain that sets human living standards on a rising trend. The mutual dependence, trust, and sharing that result are causes for hope, not despair.

This bold book covers the entire sweep of human history, from the Stone Age to the Internet, from the stagnation of the Ming empire to the invention of the steam engine, from the population explosion to the likely consequences of climate change. It ends with a confident assertion that thanks to the ceaseless capacity of the human race for innovative change, and despite inevitable disasters along the way, the twenty-first century will see both human prosperity and natural biodiversity enhanced. Acute, refreshing, and revelatory, The Rational Optimist will change your way of thinking about the world for the better.

---


### The Power of Habit
**By Charles Duhigg**

Pulitzer Prize–winning business reporter Charles Duhigg takes us to the thrilling edge of scientific discoveries that explain why habits exist and how they can be changed. Distilling vast amounts of information into engrossing narratives that take us from the boardrooms of Procter & Gamble to sidelines of the NFL to the front lines of the civil rights movement, Duhigg presents a whole new understanding of human nature and its potential. At its core, The Power of Habit contains an exhilarating argument: The key to exercising regularly, losing weight, being more productive, and achieving success is understanding how habits work. As Duhigg shows, by harnessing this new science, we can transform our businesses, our communities, and our lives.

Vol - 1, Issue - 1

# PANORAMA

An initiative by IL&FS Financial Services

The *e-version* of IFIN Panorama is available on www.ifinpanorama.com

## Inaugural Edition of IFIN Panorama

It hosts more than 50 articles authored by industry experts and internationally acclaimed authors



## Kaleidoscope of Life images

Through videos & text

Please reach out to us on ifinpanorama@ilfsindia.com