

# Services PMI Hits 4-Year Low in Sept

OUR BUREAU  
NEW DELHI

India's services sector activity slipped further in September, dropping to its lowest in more than four years, a private survey showed, suggesting biggest sector of the economy had not yet bottomed out. HSBC's seasonally adjusted purchasing managers' index (PMI) for services fell to 44.6 in September from 47.6 in the previous month, data released on Friday showed.

Five of the six sectors, except post and telecommunications, reported lower output. This is the lowest reading on the index since April 2009.

It was for the third consecutive month that the services activity index remained below the 50-point mark which separates expansion from contraction. Service sector accounts for 60% of the country's economy.

"Service sector activity contracted further in September, with the index dropping to its lowest reading in more than four years as tighter financial conditions and heightened macroeconomic uncertainty weighs on growth", said Leif Eskesen, chief economist, HSBC India and ASEAN.

The index is based on a survey of 350 service providers and is compiled by Markit. The HSBC's composite index, which takes into account both services and manufacturing fell to 46.1 points in September, against 47.6 points in August, the lowest mark in four and a half years. "These extremely weak survey readings suggest that downside risks to Indian economic growth are continuing to crystallise rapidly," Richard Iley, Chief Asia Economist, BNP Paribas said in a note on Friday.

# US Middle Class Courts Indians for Legal Help

Indian lawyers with online shops spot a big business opportunity; offer assistance at far cheaper rates than American peers

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BANGALORE

As legal help becomes exorbitantly expensive in the United States, an increasing number of middle-class Americans are reaching out over the internet to lawyers in India for advice and assistance.

A growing community of Indian lawyers is finding an opportunity helping Americans prepare legal documents. Compared with the \$150-300 (₹1,150-18,450) an hour that US lawyers charge, enterprising Indian counterparts with online shops are offering their services for as little as ₹7-20 (₹400-1,200) an hour. "This is proving to be lucrative as requests from US clients increase," says advocate Mitul Desai who runs a six-member, Ahmedabad-based outfit called Mitul Desai & Associates. Desai and his team of lawyers draft legal petitions, conduct legal research and dig out precedents of cases, ranging from child custody claims and divorce petitions to property disputes.

Firms like Vivek N Mapara & Associates charge about \$75 for a simple non-disclosure agreement — a legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another, but wish to restrict access to by third parties. — while an American lawyer would charge \$200 for the same, says Vivek Mapara, who said his business has doubled over the past two years.

"More than 65% of our business comes from such small projects — mainly individual requests from foreign clients as well as small firms," said Mapara. "Each of these small legal-related research projects is in the \$200-500 range," explained Mapara. Mapara's team of lawyers have done trademark and copyright infringement cases as well as helped individuals meet the legal requirement while opening websites. The three-partner firm based in Gujarat has branches in Ahmedabad and Jamnagar has also drafted paperwork for clients who have filed for trade infringement cases and

want to present themselves in US courts.

Similarly, Chennai-based vakilsearch.com offers services for as low as \$5 an hour. "We usually charge for the entire work which is ₹1,500-2,000 for a five-hour work (about \$5 an hour)," says Rishikesh Datar, cofounder of Chennai-based vakilsearch.com, which has a staff of 37. "We have done legal research work for US citizens and are open to taking up more such work as long as the local laws of the country they belong to, allow us to do so," says Datar.

The Indian arms of some US law firms are also seeing demands from individuals in the US who seek legal help, but cannot afford the rates in US. "The client contacted me on email regarding research for drafting a divorce petition. The client wanted to present this himself in court," said Vidya Devaiah, MD of the Indian unit of New York-based law firm, SmithDehn. Her firm charges \$50 an hour for such work, against \$300 in the US, she said.

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## Necessity Knows No Law

Cost of Legal help in US <b>\$150-300</b> (₹1,150-18,450) per hour	Cost of legal help in India <b>\$7-20</b> (₹400-1,200) per hour
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Typical cost to prepare a non-disclosure agreement in US  
**\$200**

Cost in India **\$75**



### Services Offered by Indian Lawyers

- Preparing case details
- Doing research and digging up case studies

### Legal Validity

While Indian attorneys cannot represent US citizens in US courts or offer legal advice on a case, nothing stops them from doing background work, especially for those Americans who wish to represent themselves in court.

**SIDING WITH DOT PANEL** Telecom Commission returns suggestions and seeks clarifications on a host of issues

# Plan Panel Backs Trai Proposals, But Telecom Body Not Convinced

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NEW DELHI

The Planning Commission has strongly supported the Telecom Regulatory Authority of India's (Trai) recommendations for cutting the reserve price of 2G spectrum by 60% and has backed all other proposals including a flat usage spectrum charge, trading of spectrum and of withholding the spectrum in the 800 MHz band for consideration as an extended GSM band.

However, the Telecom Commission the highest decision making body in the telecom department, on Thursday seems to have overruled the Planning Commission's views in returning most of the recommendations back and seeking clarifications on a host of issues.

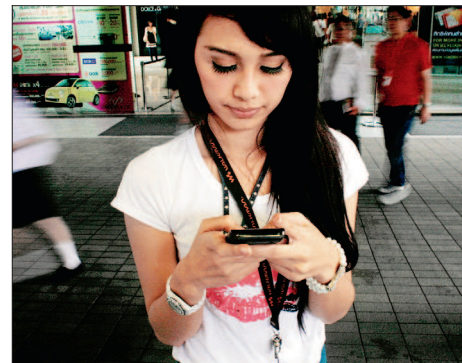
The Planning Commission was convinced that the Trai's recommendation on spectrum pricing was well researched, thoroughly explained and in line with international practices.

"The principles, underlying logic and analytical for arriving at a reserve price through valuation based on a top down approach from licence service areas (LSAs) to a pan India price have been exhaustively discussed in the recommendations chapter," the Planning Commission wrote to the telecom department on September 30.

However, the Telecom Commission on Thursday seemed to have differed with the planning commission's views. Instead, it broadly concurred with the views of the DoT committee, which had been set up to review the regulator's recommendations submitted on September 9.

The DoT committee had suggested that the telecom commission must ask the telecom regulator to reconsider the pricing of spectrum in both the 1800 MHz band as well as the 900 MHz band as the regulator had suggested more than 50% in the original floor price suggested by in 2012. It had picked faults in implementing a flat spectrum usage charge, supported auction of airwaves in the 800 MHz and suggested that the regulator give a more detailed framework for trading of spectrum before it was to be adopted.

The views of the DoT committee were then circulated among the members of the Telecom Commission. The Commission, which is headed by the DoT secretary MF Farooqui has the commerce secretary, the secretary if the IT de-



partment, secretary Planning Commission and secretary department of economic affairs among its other members. While the view of other ministries couldn't be ascertained conclusively, according to a letter written by Planning Commission to the DoT before the TC meeting strongly supports the Trai's views.

Soon after the agenda note for the Telecom Commission meeting was circulated before the members, the Planning Commission wrote a two-page letter to the telecom department expressing full support to the Trai's recommendations and jinking the DoT committee's views. The Planning Commission also supported the regulator's view that the telecom department must at on allow trading of spectrum between operators. "The Trai is unequivocal in asserting that without these supportive policy decisions (of guidelines in mergers and acquisitions, sharing of spectrum and spectrum usage charge) any discussion on the valuation and reserve price would be incomplete and inconsequential.

Supporting the regulator's view on including the guidelines on trading of spectrum in the auction design, the letter has said, "the Planning Commission strongly supports and insists that the Trai recommendations on spectrum trading need to be adopted and included in the auction design". The DoT committee on the other hand had suggested that agreeing to the regulator's recommendation could have an 'unintended result' on the spectrum auction.

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# SC Asks CBI to File More Cases Based on Radia Tapes

OUR BUREAU  
NEW DELHI

The Supreme Court on Friday nudged the CBI to register more corruption cases on the basis of the contentious Niira Radia tapes. NGCPL lawyer Prashan Bhushan said the tapes, which are being scrutinised by the CBI, include recorded telephone conversations about alleged corporate role in the appointment of former Director General of Hydrocarbons, VK Sibal.

Some of the tapes have not been made public yet, but the conversations were leaked in 2010 on the controversial allocation of airwaves to telecom companies. The court has directed a CBI probe into the issue.

"Cases must be registered by the CBI under the Prevention of Corruption Act. They are throwing light on something else, not only spectrum, but wider," Justice GS Singhvi said sitting on a two-judge bench.

Justice Singhvi also asked CBI to scrutinise the rest of the Radia transcripts within three months to check for any further criminality impinging on national security.

The court also asked the CBI to share the report with the income tax department. The court will pass some orders on whether to make the tapes public on next

Tuesday. The rest of the issues will be dealt with on October 22.

Bhushan wants the court to order the government to make the tapes public, except the purely private conversations. He has alleged that the DGH, the key government figure in monitoring oil and gas contracts with companies, was appointed at the behest of a corporate house.

The DGH is appointed by the appointments committee of the Cabinet led by the prime minister. The appointment of the DGH has often been mired in controversy. The current DGH RN Choubey became the first IAS officer to head the DGH — the tech arm of the oil ministry.



Niira Radia

# Allow Aadhaar for Transfer of LPG Subsidy: Govt to SC

Move to help identify bogus claims, prevent diversion of cylinders into black mkt: Govt

OUR BUREAU  
NEW DELHI

The government on Friday urged the Supreme Court to permit use of Aadhaar cards for direct cash transfer of LPG subsidies which amounted to ₹39,558 crore in 2012-13. The government hopes that insisting on Aadhaar, the unique identification number assigned to every citizen, would reduce this subsidy burden by identifying bogus claimants and preventing diversion of subsidised cylinders into the black market.

Currently, subsidies can be claimed only on nine cylinders per year on one LPG connection per household. While the market price of a cylinder is ₹943.36, the subsidised price is ₹410.50.

Under an ambitious scheme of the ministry of petroleum and natural gas, all consumers will eventually have to buy LPG at market rates. Those seeking to avail of the subsidy will get the subsidy amount transferred to their Aadhaar-linked bank accounts if they furnish the information to both their gas distributor and the bank.

On Friday, the government, through Solicitor General Mohan Parasaram, told the court to change its earlier September 23 order asking it to delink Aadhaar cards from social welfare benefits and permit the government to make it mandatory only for those entitled to avail of LPG subsidies and not for all

LPG consumers. "... while no one may be denied domestic LPG cylinders at market rates in absence of Aadhaar cards, the card may be allowed to be mandatorily sought to make subsidy payments to those entitled to it under the scheme to eliminate diversion of subsidised cylinders into black market," the government said.

"The (Sept 23, 2013) order has the effect of staying the direct benefit transfer for LPG scheme launched on June 1, 2013, and currently in operation in 54 districts as it mandatorily requires the beneficiary to possess a unique identification number assigned to every citizen, would reduce this subsidy burden by identifying bogus claimants and preventing diversion of subsidised cylinders into the black market."

The government argued that not all LPG consumers have to produce the Aadhaar card. Those wishing to purchase cylinders at market prices are not required to provide Aadhaar cards and only those seeking subsidy on up to nine cylinders per year have to produce the card, it said.

"The scheme has been launched to ensure that the LPG consumers' entitlement is not diverted and to prevent leakage in the LPG subsidy," the government explained.

# Govt Push May Not Spur Demand for Two-wheelers

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MUMBAI

The government's move to infuse ₹14,000 crore into public sector banks to stimulate demand in the two-wheeler and consumer durables space is unlikely to have a major impact, say industry officials.

ET learns, in a two-wheeler financing market, of the ₹1,000 crore-1,200 crore a month, the share of the PSU banks is a minuscule 3-5%. People tracking the sector say, none of the banks have an active sourcing model of getting business in the two-wheeler space and even the process of getting a loan sanctioned can run up to 7-30 days in some cases against 2-3 days by private bankers and NBFCs.

Over a million units are sold in a month, of which only 30% purchases are financed and they are largely done by leading private banks such as HDFC Bank, Industrial Bank and NBFCs such as Fullerton, Shriram among others. K Srinivas, president, two wheelers at Bajaj Auto, the country's second-largest motorcycle maker told ET, "PSU banks hardly do any financing in the two-wheeler segment, hence I am not very clear, how this move is going to benefit the industry. Further the interest rate cut has to be substantial for it to make any great impact."

What is not clear is the quantum of funds and the timing of its disbursement. The only impact from the announcement would be improving the sentiment a wee bit.

According to YS Guleria, vice-president, sales & marketing at Honda Motorcycle & Scooter India, the move by the government is a good "sentiment booster" for the sector. The actual translation into sales depends on when the government releases its budget and the quantum and level of interest rate reduction.

# Merc Widens Lead Over Audi

MUMBAI After inching ahead of Audi in July, the maker of three pointed stars — Mercedes Benz India has strengthened its lead by re-claiming the pole position in the month of September by selling over 1,011 units. Mercedes Benz India has reclaimed the number 1 position for the month and for the September quarter. Mercedes Benz India sold 2,696 units in July to September of 2013, against 2,417 units sold by Audi in the same period. Audi still leads, for the period January to September 2013.

"The move is likely to help our rural customers more than urban buyers. They are much more inclined to buy during auspicious occasions than our urban buyers. It is also in line with the crop pattern. The kharif crop has already hit the market and most of the farmers have an account with a public sector bank than a private bank," said Guleria.

Though two-wheeler sales grew 15% in September, in the first five months of FY14, it remained flat at 5.75 million units.

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### SHORT TAKES

#### Rail Passenger, Freight Tariffs to Rise this Month

**NEW DELHI** The Railways ministry has decided to increase passenger fares from this month due to rising fuel prices. The increase, which is based on the fuel adjustment component (FAC) announced in this year's Rail Budget, will be the second hike in passenger fares this year. Freight tariff will also go up by 1.7% across all commodities and both hikes will come into effect from the second week of October. "The second-class segment for sub-urban and passenger trains as well as monthly passes will be exempt from this hike," said the railway ministry spokesperson.

#### DSQ Soft, Promoter Barred from Capital Mkt for 7 Years

**MUMBAI** Market watchdog Sebi has barred DSQ Software and its promoter Dinesh Dalmia from capital markets for seven years on charges of fraudulent trading in 1998 that had led to a sharp rise in the company's stock price. The Sebi has found that DSQ and Dalmia made misleading statements "which had the effect of inducing purchase of securities by public which, in turn, increased the market price of the shares of the company".

#### MF Cos Allowed to Use Bourse Infra for Transactions

**MUMBAI** Market watchdog Sebi on Friday allowed MF distributors to use the infrastructure of stock exchanges for purchase and redemption of mutual fund units directly from assets management companies on behalf of their clients. This would be in addition to the existing channels of mutual fund distribution. The move is aimed at leveraging the stock exchange platform, which would eventually help MF distributors to improve their reach.

#### HC to Pass Order on NSEL Bullion Settlement on Oct 7

**MUMBAI** The Bombay High Court on Friday said it would pass order on October 7 on whether the settlement of e-series bullion contracts at the troubled NSEL should be aggregated with that of the paired contracts being overseen by the Forward Markets Commission. Meanwhile, in a startling development, the Economic Offences Wing of Mumbai police has found half of the warehouses it raided empty, while four storage buildings existed only on paper.

# Kendriya Vidyalayas Turn Cupid for Single Employees

KV Sangathan's home page includes a matrimony icon, which leads to a list of prospective brides & grooms



DEVINA SENGUPTA  
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Kendriya Vidyalaya Sangathan, which oversees the functioning of Kendriya Vidyalayas — schools run under the ministry of Human Resource Development — is trying to marry off its single employees using its own home page. Prominently displayed along with 'citizens charter', 'employment notice', 'FAQs', etc, there is an equally prominent icon titled Matrimonial that takes you to a list of employees — KVS's prospective brides and grooms.

The details put out on the website (<http://www.kvsangathan.nic.in/Index.aspx>) include the names, designations, home towns, current posting, date of birth, mobile numbers as well as email IDs.

Santosh Kumar Jha, computer teacher in Bhagalpur, Bihar, gave all his details in the KV matrimonial site beginning of this year. There is a prescribed format in which teachers give out their details. According to teachers, it is entirely an employee prerogative.

"It is free of cost and a nice way of engaging with the institute. Tomorrow if they

need any of our details, then our records are available to Delhi officials," said the 31-year-old teacher. He refuses to put his details up on any other matrimonial sites and has received calls from parents of prospective brides. "I got calls from Mughalsara (Uttar Pradesh), Varanasi, Allahabad and Jorhat (Assam). Details were exchanged, but nothing has materialised yet," added Jha. He has scanned a list of teachers mentioned in the list, but did not make the call because they do not belong to his caste.

Another teacher Leela Dhari Sharma gave his details on a lark when he was posted in Surat (Gujarat) in 2010. "The clerk had asked me and my colleague for our name, address, contact number and date of birth. My colleague found his match and since she is also a KV teacher then they probably got in touch through the site," said the 32-year-old librarian. He too got calls from Bangalore, Haryana and Delhi, but since he hails from Jammu, wanted a spouse from the same state. Today the librarian is posted in Sringeri and although his number given in the list has been deactivated, that of his brother is still there and active. "He still gets calls ev-

ery few months, but I have not put up my details anywhere else," added Sharma.

Ajay Singh Bisht was a junior stenographer in Dehradun (Uttarakhand) when he put up his details on the site in 2010. "We were asked by headquarters to provide our details and I followed suit," said Bisht who now is a senior stenographer in Lucknow and married. However, his was an arranged marriage and not through the website, said the 29-year-old stenographer.

The phone numbers of women employees (ET spoke to) on the KVS site actually belong to their brothers or fathers. Says father of Ruchi Sharma (he did not divulge his name): "We are not that advanced yet 'ki hamari betiyaan apne rishte ki baat khud karein' (that our daughters entertain calls on their own marriage proposals).

He has a grouse though. His daughter got married in April 2013 — not through the KVS site — yet, her name and other details have not been deleted yet. "We are being inconvenienced. In spite of our repeated request, they are not updating the list."

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(Additional reporting by Indu Nandakumar)

**WATCH OUT FOR**

India Gem and Jewellery Awards

GJPE4 page pullout in today's

THE ECONOMIC TIMES