

Quick View



Aurobindo Pharma recalls 80 lots of BP drug in US market

AUROBINDO PHARMA USA is recalling 80 lots of tablets used for treatment of high blood pressure and heart failure from the American market due to presence of impurity that may cause cancer in humans, the company said. The voluntary recall of Amlodipine Valsartan tablets USP, Valsartan HCTZ tablets USP and Valsartan tablets USP to the consumer level is due to the detection of trace amounts of an unexpected impurity found in the finished drug product, according to a release by the company posted on the website of the US Food and Drug Administration (USFDA). “The impurity detected in the finished drug product is N-nitrosodiethylamine (NDEA), which is a substance that occurs naturally in certain foods, drinking water, air pollution, and industrial processes, and has been classified as a probable human carcinogen as per International Agency for Research on Cancer (IARC) classification,” it added.

JSPL names Naushad Ansari as joint MD

STEELMAKER JINDAL STEEL and Power (JSPL) on Tuesday named Naushad Akhter Ansari as the joint managing director of the company with immediate effect. Earlier, Ansari was the CEO of company’s steel business. “Nausad Akhter Ansari has been elevated as joint managing director. Ansari, the current CEO of steel business will assume the role of joint MD of the company with immediate effect,” the company said in a statement. Ansari joined JSPL group as executive director at Patratu unit in September 2008. During his tenure at Patratu, he commissioned two rolling mills of combined capacity of 1.6 MTPA (million tonne per annum).

Avan Motors lines up six electric scooters

STARTUP ELECTRIC SCOOTER maker Avan Motors plans to introduce one new product every six months starting from this year, eyeing total sales of around one lakh units within three years, a top company official said. The company, which has a pipeline of six products, expects to introduce these in the market at a price range of ₹45,000-80,000. “In the year 2019 we have a plan to sell around 25,000 units pan India and in the coming 2-3 years we are targeting to sell one lakh per annum depending upon market,” Avan Motors COO Hridesh Thakur told PTI. The company had recently showcased its six electric scooters equipped with lithium ion batteries with top speed of up to 45 kmph.

CCI clears Renascent’s stake buy in Prayagraj

THE COMPETITION COMMISSION on Tuesday said it has approved Renascent Power Ventures’ acquisition of 75% stake in Prayagraj Power Generation. In November, Renascent Power, a wholly-owned subsidiary of Resurgent Power Ventures, said it would acquire 75.01% stake in Prayagraj Power Generation Company (PPGCL). In a tweet, the Competition Commission of India (CCI) said it has approved acquisition of certain equity shares and optionally convertible redeemable preference shares of PPGCL by Renascent Power.

CMI bags ₹107-crore contract from Railways

CABLE MANUFACTURER CMI on Tuesday said it has bagged a ₹107-crore contract from Indian Railways for supply of cadmium catenary wire. “CMI has secured L1 (lowest bidder) position for supply of cadmium catenary wire to East Coast Indian Railways for a value of ₹106.64 crore. The tender was decided through a reverse auction process,” the Delhi-based company said in a filing to BSE.

NCLT RULING

Govt to reopen IL&FS books

It is the first instance of the government invoking Section 130 of Companies Act, which empowers it to reopen accounts only on a court/tribunal’s order

PRESS TRUST OF INDIA
Mumbai, January 1

THE NATIONAL COMPANY Law Tribunal on Tuesday allowed the corporate affairs ministry to reopen the books of the crippled IL&FS Group and its subsidiaries for the past five years under Section 130 of the Companies Act, to ascertain financial mismanagement. For the first time, the government on December 21, 2018, had invoked the powers under Section 130 of the new Companies Act of 2013 to reopen the books of a company. The government wants to check the balance-sheets of the crippled group and its two listed subsidiaries — ITNL and IL&FS Financial Services for the past five years (FY13-FY18) and the move comes after the Serious Fraud Investigation Office (SFIO) and ICAI reports indicated that the accounts were prepared fraudulently and negligently in the last five years by the previous management.

Ola to raise ₹14 crore via preference shares to Eternal Yield Intl

FE BUREAU
New Delhi, January 1

ANI TECHNOLOGIES-OWNED domestic cab-hailing firm Ola is in the process of raising ₹14 crore by way of issuance of preference shares to Eternal Yield International, according to documents sourced from business signals platform paper.vc. In a meeting of board of directors held on Monday, the company passed a resolution stating 9,684 preference shares are to be allotted at an issue price of ₹14,603 per share to the investor, the documents show. Directors, chief financial officer and company secretary, jointly “are/is hereby authorised to take all necessary/relevant steps as may be deemed expedient for giving effect to the above resolution for and on behalf of the company,” as per the document. The fund raise comes amid media reports that Ola is scouting for new investors to reduce dependence on largest shareholder SoftBank Group. Ola, which has forayed into international markets and is investing in new verticals like food delivery business, has so far raised close to \$3 billion, according to Crunchbase. The company, which raised over \$1.1 billion in 2017 from China’s Tencent Holdings and SoftBank, said it was in



The statutory bodies, including the Reserve Bank, markets watchdog Sebi and the Income Tax Department gave their no objection for restating the accounts. However, the auditors Ernst & Young owned SRBC & Co, Deloitte Haskins & Sells and KPMG affiliate BSR Associates opposed the move citing that they had no role in the alleged frauds. The financial accounts are made by the company and not the auditors, they argued.

To this, the government informed the tribunal that the Institute of Chartered Accountants of India (ICAI) had sent a showcase notice in relation to the alleged frauds at IL&FS to the auditors. The auditors argued that the ICAI probe is at a nascent stage and cannot be the basis of recasting of financial accounts. Hearing the petition, the two-member NCLT bench of judges VP Singh and Ravikumar Duraisamy observed that

Paytm Payments Bank resumes KYC for bank, wallet customers

PRESS TRUST OF INDIA
New Delhi, January 1

PAYTM PAYMENTS BANK (PPBL) has said it has resumed Know Your Customer (KYC) process as well as onboarding new customers after receiving a formal nod from the Reserve Bank of India (RBI). PPBL in June last year was asked to stop adding new customers after an audit by the RBI that made some observations about the bank’s KYC processes. In July last year, its then chief executive officer (CEO) Renu Satti resigned from her position and took on the mandate of heading Paytm’s retail initiative. The bank had roped in veteran banker Satish Gupta as its managing director and CEO in October. “PPBL has received a formal nod from the RBI to start onboarding new customers while resuming KYC for the bank as well as wallet customers starting from December 31, 2018,” PPBL said in its latest statement. The statement added that potential customers would now be able to open their savings or current account with PPBL. Payments banks can accept deposits from individuals and small businesses up to ₹1 lakh per account. PPBL aims to acquire 100 million additional customers by the end of 2019, the statement said.



“PPBL is on a mission to facilitate the last-mile delivery of banking services to each and every Indian. It also envisions catalysing the digital adoption and acquainting more people with the touch-of-a-button experience,” Gupta said. Paytm commenced its payments bank operations in 2017. Paytm founder Vijay Shekhar Sharma holds the majority share in PPBL, with the rest being held by Alibaba-backed One97 Communications. However, the Chinese entity does not have a direct shareholding in the payments bank.

Air Carnival goes for liquidation as no investor finds it airworthy



SAJAN C KUMAR
Chennai, January 1

THE CHENNAI BENCH of the National Company Law Tribunal (NCLT) has ordered liquidation of Coimbatore-based beleaguered regional airline Air Carnival. The order comes on the heels of failed attempts to find an investor for the now-grounded airline company. Taking cognisance of the resolution of committee of creditors (CoC), recommending for the liquidation of the company, Ch Mohd Sharief Tariq, member (judicial), NCLT, ordered liquidation of the company. NCLT had ordered commencement of corporate insolvency resolution process against Air Carnival in second week of November 2017, admitting a petition filed by its erstwhile employee Murali Sundaram (operational creditor) alleging default of wages to the tune of ₹48 lakh by the company. The first meeting of the CoC was held on November 22, 2017 and it was noted that the asset value of Air Carnival was found insufficient to cover the outstanding of Syndicate Bank (financial creditor) which is amounting to ₹12.79 crore. According to CoC, operation of the company as a going concern was found not possible and liquidation was seen as the only viable alternative. However, in the second meeting held on February 7, 2018, one of the suspended directors of the company requested the committee to grant two months’ time for exploring revival chances, subject to availability of any investor. Subsequently, in the last CoC meeting on May 2, 2018, the director informed that he was unable to bring any investor despite his best efforts. He further informed CoC that in his capacity as a guarantor, the land and building shown in the audited financial statement of the company, though stands in his name, belongs to the company and expressed his willingness to include the said land and building as part of the liquidation asset. The CoC had deliberations on the revival issue, and found that since the company is an aviation firm, neither has an aircraft nor a valid licence from DGCA and concluded that pumping of investment towards hiring an aircraft was commercially unviable. Accordingly, CoC passed a resolution for the liquidation of the company. Based in Coimbatore with a hub at the Chennai international airport, Air Carnival was founded in 2013 as a charter airline.

PSU divestment hits record high of ₹77,417 crore in 2018; Air India sale next on agenda

PRESS TRUST OF INDIA
New Delhi, January 1

THE GOVERNMENT RAISED a record ₹77,417 crore from sale of its stake in public sector units in 2018, and the disinvestment programme is headed for another blockbuster year in 2019 with planned privatisation of national carrier Air India. The BJP-led NDA, which in its previous stint privatised the most number of PSUs ever, continues to shy away from the outright sale of bluechip state firms to the private sector in the present regime and is instead pursuing a new-found strategy of merging companies to meet its revenue targets. While big-ticket disinvestments, including ONGC’s acquisition of HPCL, CPSE ETF, Bharat-22 ETF, and Coal India stake sale, along with 6 initial public offerings (IPO) brought ₹77,417 crore to the government coffers last year, while the year was marred by botched attempt of the government to sell 74% stake in Air India. The government has now firming up a fresh plan for the sale of the airline. As part of the plan, it will sell subsidiaries, like Air India Air Transport Service (AIATSL), Air India Engineering Services (AIESL), and land and building assets of Air India separately to help trim ₹29,000-crore debt burden of the national carrier. Alongside, the government will continue to infuse funds into the airline to keep it viable, and finally sell it after extensive deliberations with potential investors to ensure that the airline gets the best valuation.



The subsidiaries and assets alone are expected to fetch the government close to ₹9,000 crore. The first off the blocks in strategic sale plan for 2019 will be Pawan Hans where the government holds 51%, while oil major ONGC holds the remaining stake. The sale of helicopter service provider Pawan Hans is expected to be completed by March. Besides, buyback programme of as many as 10 CPSEs, including ONGC, Indian Oil Corp, Oil India, NLC, BHEL and NALCO, are on course, which could fetch about ₹12,000 crore to the exchequer. CPSE (Central Public Sector Enterprise) merger and acquisitions will be one of the focus areas of the government this year as it waits to see PFC’s (Power Finance Corporation) plan to buy out government stake

in Rural Electrification Corporation (REC) for an estimated ₹15,000 crore fructify. The next such M&A deal will be NTPC, buying government stake in SJVN for about ₹6,000 crore. These M&As are being planned in the lines of ONGC-HPCL deal, which happened in January last year. ONGC bought government’s entire 51.11% stake in oil refiner HPCL for ₹36,915 crore. Budget targets for disinvestment proceeds are fixed for the financial year beginning April and ending in March. The ONGC-HPCL deal helped the government cross the magical ₹1 lakh crore mark in disinvestment mop-up in 2017-18 fiscal, up from ₹72,500 crore target. For the ongoing 2018-19 fiscal, which ends in March 2019, the target has been set at ₹80,000 crore.

NBFCs still lost deep in the woods, says Kotak

PRESS TRUST OF INDIA
Mumbai, January 1

VETERAN BANKER UDAY Kotak on Tuesday said even though non-bank lenders have received a breather since the crisis late last year, the sector is more “fragile” than it was a year ago. Kotak, who has been tasked to lead the efforts of saving the debt-ridden infra lender IL&FS, said we need to carefully watch the space going forward. “Hopefully, the NBFC sector which saw significant pressure in October-November last year is beginning to breathe a little better now. “However, I do believe that the sector is more fragile than what it was one year ago,” Kotak said in an annual message to employees at Kotak Mahindra Bank. He attributed the stress in the (NBFC) space to the liquidity concerns emanating out of the rise in interest rates as the high growth in financial savings post-demonetisation began to go back as currency in circulation. IL&FS, which has a debt of over ₹94,000 crore, was the “first major default” and led to questions over whether the nation would have a “Lehman-like mini crisis”, he said. Kotak, the executive vice chairman and managing director of Kotak Mahindra Bank, said he took up the task of heading IL&FS on a request from the government as a “national duty”. He exuded confidence that the finan-



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cial sector will weather the current storm with corrective actions like consolidations in bank balance sheets and steps taken at ensuring stability. Kotak said all the businesses he heads are in very good shape fundamentally and very well positioned for growth but expressed disappointment over the bank scrip rising only 20%, exhorting the employees its biggest strengths to ensure for a faster growth in 2019. Going ahead, the challenge for the economy is to accelerate growth to beyond the 7%, he said, adding this is essential given the large population.