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ETPrime.com
New FDI policy is reminiscent of the licence raj

Upstart makes a high-decibel impact in the headphone market

China cleans up its financial ecosystem

BRANDS: CREATING DESIRE >>> 5

Inside story

CAG Rafale Report Likely Soon, to be Tabled During Budget Session

A crucial report on the Rafale fighter jet deal is likely to be submitted by the Comptroller and Auditor General (CAG) in the coming days and a redacted version is set to be tabled in Parliament during the upcoming session. >>> 3

Govt may Share Employers' Maternity Leave Payout

The government is likely to clear a proposal to fund half of the paid leave amount that employers give in the extended maternity leave benefit scheme before the interim budget, as part of a bouquet of benefits planned for women voters ahead of the general election. >>> 4

Green Energy Cos, Discoms Fear Funding Crunch Over REC-PFC Deal

Renewable energy firms and state power discoms fear a funding crunch in the power sector due to the takeover of REC by Power Finance Corp, even as the state-run firms started meeting stakeholders to allay their concerns. >>> 14

Lower Refining Margin, Inventory Loss Pull Down IOC Q3 Net by 91%

IndianOil reported a 91% slump in quarterly profit on lower refining margin and inventory loss. Net profit for October-December 2018 fell to ₹717 crore from ₹7,883 crore a year ago. Revenue from operations rose 22% to ₹1,60,138 crore. >>> 14

Market Tracker

	LAST	% CHANGE
Nifty	10,651.80	0
Sensex	35,591.25	0
BSE Midcap	14,499.48	0.22
BSE Smallcap	13,815.39	0.78
Re/US \$	71.13	-0.02
Gold Std*	33,450.00	0.45
Silver (₹/kg)	41,200.00	2.23
Brent (₹)	61.48	1.05

*₹/10gm | Compiled by ETIC Database

ET INSTA POLL

Does India have the fiscal space at this point for UBI or guaranteed minimum income?

21% YES | 75% NO | 4% CAN'T SAY

TODAY'S QUESTION: Is it right to cast doubt on India's macro economic data?

www.economicstimes.com

Niche Funds Helping Startups to Jump Start

Theme-based funds with early-stage focus hoping to act as feeder funds for larger VCs

Pratik Bhakta & Biswarup Gooptu

Bengaluru | New Delhi: Are you heading an early-stage startup needing venture funding? Still not big enough to get the large venture capital funds interested? Instead of waiting for friends and family to chip in there's a new crop of investors who could help.

Niche venture capital funds are ready to invest in a pre-series A round, pick up a small stake in the company and also handhold founders directly on scaling up, if needed. These include Pi Ventures, meant specifically for investments in artificial intelligence-based startups, Bharat Innovation Fund, for

intellectual property (IP)-driven companies with a financial inclusion theme, and Mycelio, dedicated to electric mobility. They are ready to give any where between a few hundred thousand to a million dollars to provide an initial jumpstart. They could also bring other investors in to make it a \$3-5 million round series A round.

The overall aim is to act as feeder funds and help these small companies grow to a series B or C level where they could get a good exit and also help larger VCs to come in.

While it's early days yet, the emergence of thematic funds is also a sign that investors, particularly in the early-stage space, are looking to stand apart from peers in a landscape populated by too much dry capital, chasing too few investable opportunities, experts said.

"There are lots of sector-agnostic funds, particularly in the technology sector. The important thing is to differentiate ourselves from the others, not only from a limited partner point of view, but also from a founder's point of view," said Kunal Khattar, managing partner of AdvantEdge.

Handholding to Grow

Name	Sector	Fund Size
Bharat Innovation Fund: Deep tech cos with focus on generating IP and driving inclusion	Deep Tech	\$100 million
Mycelio: Electric mobility	Electric mobility	\$20 m
Spring Market Capital: Consumer cos, especially branding of early-stage cos	Consumer	\$30 m (targeted)
Fireside Ventures: Consumer brands	Consumer	\$47 m
AdvantEdge Founders Fund-II: Mobility	Mobility	₹300 crore

Investors Enthusiastic >>> 12

ICICI BANK TO TREAT EXIT OF FORMER CEO AS DISMISSAL

Kochhar Violated Code of Conduct: Srikrishna Panel

Lender says Kochhar flouted guidelines on disclosure of conflict of interest

Our Bureau

Mumbai: ICICI Bank's internal inquiry found that former chief executive Chanda Kochhar violated disclosure norms on conflict of interest and her October exit won't be treated as a normal resignation but as dismissal, the board of directors said. The bank will also seek to claw back bonuses handed out over her tenure as CEO and she stands to lose all dues as well as stock options that would have accrued to her.

She separately faces criminal charges brought by the CBI over loans to the Videocon Group, with which her husband had a business relationship.

"The enquiry report, with the scope period of April 1, 2009, to March 31, 2018, concluded, primarily on account of ineffectively

Strong Action

Bank's board sacked Kochhar instead of treating her exit as a mere resignation

Lender will seek to claw back bonuses handed out over her tenure as CEO

She also stands to lose all unpaid dues, increments & stock options

Questions likely over previous board's clean chit under chairman MK Sharma, and Cyril Amarchand Mangaldas' decision to withdraw report

Bonus Paid to Kochhar (₹ crore)

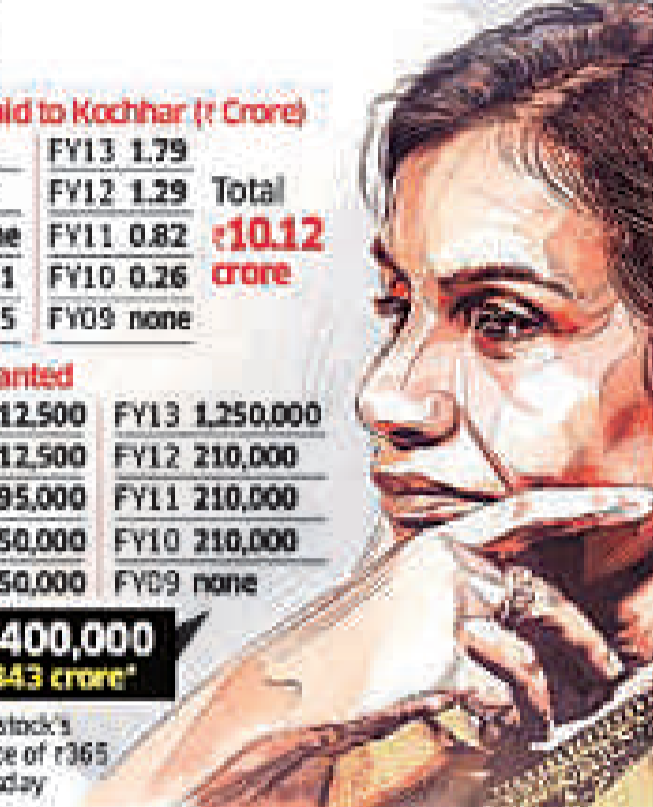
FY	2018	2017	2016	2015	2014	Total
0.2	2.2	none	2.01	1.55	1.79	10.12
FY13	FY12	FY11	FY10	FY09	none	
1.29	0.82	0.26	none	none		

Esops Granted

FY	2018	2017	2016	2015	2014	Total
1,512,500	1,512,500	1,595,000	1,450,000	1,450,000	none	9,400,000
FY13	FY12	FY11	FY10	FY09	none	
1,250,000	210,000	210,000	210,000	none		

Total 9,400,000 Value: ₹343 crore

*Based on stock's closing price of ₹365 on Wednesday



Report Won't Impact CBI Case

The Srikrishna committee report indicting ICICI Bank ex-CEO Chanda Kochhar for violating the lender's code of conduct will not have any bearing on the criminal case registered by CBI, reports Raghav Ohri. >>> 15

- Disappointed, Shocked and Hurt, Says Kochhar >>> 15
- Ex-CEO may have to Repay Bank About ₹350 crore >>> 15
- ICICI Bank Q3 Net Falls 2.7% on Higher Provisioning >>> 9

dealing with conflict of interest and due disclosure or recusal requirements, that Ms Chanda Kochhar was in violation of the ICICI Bank code of conduct, its framework for dealing with conflict of interest and fiduciary duties, and in terms of applicable Indian laws, rules and regulations," the bank said in a statement after its board met on Wednesday.

Justice BN Srikrishna's inquiry found that her actions had made the bank's processes ineffective. The previous board, however, had given her a clean chit after an inquiry that was not made public.

In a late night statement on Wednesday, Kochhar said she was "disappointed, hurt and shocked" by the bank's decision to sack her, and that she had not been gi-

ven a copy of the report.

Asserting that none of the credit decisions at the bank are "unilateral", she said these "involve committee-based collective decision-making". "The organisation design and structure obviate the possibility of conflict of interest," Kochhar added.

'Internal Processes Weakened' >>> 12

Airtel Africa to Raise \$200m from QIA

Funds raised via fresh share issue will be used to cut debt; move may dilute Airtel's stake to 67.24%

Our Bureau

Kolkata: Airtel Africa will raise \$200 million, or around ₹1,420 crore, from Qatar Investment Authority (QIA) through an issue of primary shares, Bharti Airtel said in a statement on Wednesday.

The funds will be used to reduce the Africa unit's debt, thereby also strengthening Bharti Airtel's con-

solidated books. It will help the UK-based holding company of Airtel's Africa operations cut its net debt to roughly \$3.5 billion, the mobile phone operator counted among the world's top three by subscribers said.

"We are excited to welcome Qatar Investment Authority as a long-term strategic equity partner... This transaction will not involve any sale of shares by existing sha-

reholders," said Airtel Africa, which operates in 15 countries in the continent. QIA said it looks forward to "supporting Airtel's vision in building a world class business in the African continent".

In November, Airtel Africa had raised \$1.25 billion, or about ₹9,200 crore, through a placement of shares to six global investors, including Warburg Pincus, Temasek, Singtel and SoftBank Group Inter-

national, in the runup to an Airtel Africa IPO likely around June this year, through which the telco plans to garner an additional \$1.5-1.6 billion.

The follow-up fundraise is estimated to dilute Airtel's stake in its Africa unit to 67.24% from roughly 71.5%, said a senior sector analyst who did not wish to be named.

Robust Show >>> 12

INDUSTRY BODY APPROACHES DIPP

Restaurants Seek Clarity on Ecomm FDI Rule Tweak

Want to know if aggregators like Zomato, Swiggy and UberEats are covered

Ratna Bhushan @timesgroup.com

New Delhi: Restaurants in India have asked the government to clarify whether online food-ordering entities such as Zomato, Swiggy and UberEats are covered by the policy on foreign direct investment (FDI) in e-commerce.

The National Restaurant Association of India, which represents over 100,000 eateries, had asked the Department of Industrial Policy and Promotion earlier this month to state if online food companies should comply with the guidelines, which prohibit them from influencing prices and operating inventory-based models, including their own kitchens.

The norms issued by the DIPP at the end of December to provide clarity on the FDI policy are due to come into effect on February 1 and all attention so far has been on online marketplaces Flipkart and Amazon, which have been drawing buyers away from brick-and-mortar stores. They have sought

Lot to Chew on

Restaurant association represents 100,000-plus operators

Disputes between service operators and cos over:

- Deep discounting
- Inventory-based models including in-house cloud kitchens
- Data masking
- Private labels

WHAT'S IN STORE

FOOD SERVICES MARKET: ₹5.5 lakh crore by 2021

VOLUME OF TRANSACTIONS: 77 billion (by 2022); 28.5% increase since 2017

CHALLENGES: Real estate costs, taxation, employee attrition



more time to comply with the rules, which disallow them from owning equity in vendors, controlling the inventory sold on their platforms and influencing their prices.

Some online food companies operate as marketplaces, others are inventory-based, and some do both. The NRAI has already said that online food companies are making their consumers "discount addicts".

'Need to Protect Small Business' >>> 12

'Internal Processes Weakened' >>> 12

CALCUTTA HC STAY ON REGULATOR'S ORDER

Tariff Order: Trai Seeks Relief

Trai on Wednesday filed an application in the Calcutta High Court, seeking a vacation on stay imposed by it on implementation of the new tariff order till February 18. >>> 20

UAE Hands Over Another Agusta Accused to India

Rajeev Saxena likely to be produced in court today; agencies also get hold of lobbyist Deepak Talwar

Raghav.Ohri@timesgroup.com

New Delhi: India's investigative agencies made another breakthrough in the VVIP helicopter scandal probe, with the UAE handing over an accused, Dubai-based businessman Rajeev Saxena, to them on Wednesday.

As per information, Saxena will likely be produced before a Delhi court on Thursday after bringing him to India from Dubai on Wednesday night. He is alleged to have played a pivotal role in laundering kickbacks from the Indian Air Force's deal with British manufacturer AgustaWestland to buy a dozen helicopters for use by VVIPs.

Corporate lobbyist Deepak Talwar, who is accused of concealing income of more than ₹1,000 crore as well as facilitating civil aviation contracts during

Probe Booster

Saxena is associate of lawyer Gautam Khaitan and is alleged to have played a key role in hiding kickbacks in VVIP chopper deal

Deepak Talwar is accused of concealing income of more than ₹1,000 crore as well as facilitating civil aviation contracts during the UPA regime

Both will be grilled by probe agencies after seeking their custodial interrogation from court

CBI and ED had last year managed to bring Christian Michel, a British national who was allegedly a middleman in the VVIP chopper deal, to India from the UAE

the UPA regime, is also being brought to India from Dubai and is expected to be produced before the court on Thursday, said people in the know.

The CBI and Enforcement Directorate (ED), which are probing the VVIP chopper case, had last year managed to bring Christian Michel, a British national who was allegedly a middleman in the deal, to India from the UAE.

'Illegally Extradited' >>> 12

AIRLINE SAYS IT'S IN DISCUSSIONS WITH LESSORS

Flight Cancellations Temporary: Jet

Cash-strapped Jet Airways described flight cancellations as a "minor disruption" in operations and said these were of a "temporary nature", adding that it was in active discussions with lessors. >>> 8

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