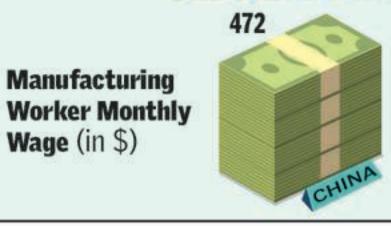


China's manufacturing wages are now the highest in emerging markets. India's is just half of China

# TIMES BUSINESS

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# Farm loan waivers impact credit culture, says RBI guv

Manufacturing

Wage (in \$)

### 'Will Consult All, Including Govt, But RBI Will Take Final Call'

TIMES NEWS NETWORK

New Delhi: RBI governor Shaktikanta Das on Monday warned against farm loan waivers, saying a generalised loan waiver adversely hits the credit culture and suggested that states should look at their fiscal position before announcing these amnesty schemes.

"Elected governments have the constitutional mandate to take decisions with regard to their finance but every state government, before taking decisions on any kind of farm loan waivers, has to very carefully examine its fiscal space," he told reporters amid loan waiver announcements by a dozen states, which add up to around Rs 2.3 lakh crore.

Any infusion of liquidity will have to be carefully considered and has to be need-based. Therefore, caution and care have to be exercised by the RBI so that excess liquidity. ... sometimes have adverse consequences, that is not created -SHAKTIKANTA DAS

Das joined his predecessors Raghuram Rajan and Urjit Patel in warning against the impact on borrower behaviour, although states have taken a political call and gone ahead in rewarding loan defaulters, citing farm distress.

The governor, who was in the national capital to meet representatives from MSMEs, made it clear that he will consult all stakeholders - including the government - but the central bank will take the final decision, in what was seen as a message that he will exercise his independent judgment on key issues. The statement signals Das' bid to emerge as an independent central bank governor and shrug off charges of being close to the government.

Das said that the steps taken by the central bank in recent weeks had helped meet the liquidity requirement of the economy but the RBI will continuously monitor the

market conditions and take immediate steps, if required. "At the same time, I must also add the RBI would not like a situation where liquidity becomes a kind of loose money ... "

Tight liquidity was one of the key reasons for the government's unhappiness with Patel, who quit before his term was to end in September.

The new RBI chief appeared positive over the recent improvement in the NPA situation in public sector banks but cautioned that the trend needs to continue. He also said that there was discussion around governance reforms in banks but sought to comfort bankers by suggesting that the RBI did not intend to take

# ChrysCap raises \$850m in record 4 mths

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Mumbai: ChrysCapital clinched the fastest fund-raising by any India-bred private equity firm, closing its \$850-million eighth fund in under four months. The speedy closure suggests global risk capital providers remain positive on India amid growing macro-economic uncertainties worldwide.

The four partners of the asset manager pumped in about \$75 million from their side, taking the overall corpus closer to \$925 million. TOI last month reported that ChrysCapital, the country's oldest private equity manager, was finalising its latest fund at \$850 million.

ChrysCapital received commitments topping \$2.1 billion, or 2.5 times more than the targeted corpus, but decided not to increase the fund size. The latest fund takes ChrysCapital's asset under management to over \$4 billion -also the largest India-focused private equity investor.

"The fund-raise benefited from our track record of \$5.5 billion in realisations through 70-odd exits. All major existing investors continued their commitment to ChrysCapital, leading to a very high re-up rate (the proportion of existing investors by number or value — who commit to a new fund). The fund, which was significantly oversubscribed within four months of the launch, also saw strong demand from several marquee new investors.

We closed the fund in just 100

days, to be precise," ChrysCapital MD Gaurav Ahuja, who leads fund-raising and investor relations, said.

Former Temasek heavyweight Manish Kejriwal co-founded Kedaara Capital hadraised \$795 million for its second fund in under eight months in 2017 —one of the fastest fund-raises in Indian private equity business. Sovereign wealth funds,

#### **FASTEST BY** AN INDIAN PE

large public pension funds, university endowments and major insurance companies are among the risk capital provi-

ders to private equity business. ChrysCapital managing partner Kunal Shroff said,

"The firm will keep the funnel

broad from an investment size

perspective. We can write equity checks of more than \$200 million, and can look atdeals as large as \$500-600 million co-investments from our global sponsors".

ChrysCapital had a hectic 2018, which included a return to Mankind Pharma with a \$325-million investment along with its sponsors. The deal—in which ChrysCapital trumped global peers Advent and Carlyle — was instrumental in Asian Private Equity and Venture Capital Association naming its partner Sanjiv Kaul as the private equity professional of the year: On the exit side, ChrysCapital sold IT services company LiquidHub to Capgemini for \$500 million, besides cashing out of City Union Bank and Torrent Pharma.

## SC issues contempt notice to Anil Ambani

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New Delhi: The Supreme Court on Monday sent a notice to Reliance ADAG chairman Anil Ambani and other officials of the group on



a contempt petition filed by Ericsson, accusing the debt-stressed Reliance Communica-

tions (RCom) of flouting the SC's August 3 order, asking it to pay Rs 550 crore to the Swedish telecom company.

#### **SEEKS PRESENCE IN COURT**

SC asks Ambani bros to resolve RCom row, P16

Abench comprising Justices R F Nariman and Vineet Saran, after hearing senior advocate Dushyant Dave for Ericsson, issued the notice to Ambani, Reliance Telecom chairman Satish Seth and Reliance Infratel chairperson Chhava Virani, and asked the respondents to file their response to the contempt petition in four weeks. It allowed Ericsson to file a rejoinder to the responses in a week thereafter:

Appearing for Ambani and other respondents, senior advocates Kapil Sibal and Mukul Rohatgi told the bench that the group is ready to pay Rs 118 crore (Rs 128 croreminus Rs 10 crore TDS). But Dave refused to accept the offer: Sibal then requested the court to exempt Ambani and others from personal appearance, as is mandatory in a contempt proceeding, on the next date of hearing. But the SC rejected the plea. This means Ambani and other officials would have to remain present in court on the next date of hearing.

On October 4, Rohatgi had told Ericsson that all dues would be paid within 10 days.

# Essar group has cleared 80% of debt, says Ruia

### Repays Last ₹12K-Cr Tranche, **Settles ₹1.37L Cr In 2 Years**

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Mumbai: Essar Global Fund, the holding company of the \$11.5-billion Essar Group, on Monday said it has repaid Rs 12,000 crore (\$1.75 billion) — the last tranche of its debt — as part of its strategy to de-leverage its balance sheet.

The latest debt settlement comes 17 months after the company repaid Rs 30,000 crore (\$5 billion) to various lenders. In 2017, it sold Essar Oil to the Rosneft-Trafigura consortium for Rs 86,000 crore (\$12.9 billion). Almost all the sale proceeds were used to settle Essar's liabilities.

In 2008, the group had commenced a Rs 1.20-lakhcrore investment programme across its businesses. However, adverse legal and government actions, including cancellation of natural gas supply and coal mine allocations between 2010 and 2015, affected some of the group's businesses.

These actions, according to the group, were unanticipated and outside its control, leading to financial difficulties. Under the deleveraging programme that was started two years ago, the group has repaid more than Rs 1.37 lakh crore (\$21 billion) to lenders, paring over 80% of its total debt, Prashant Ruia, group director, said.

The only continuing lender to Essar Global is

Russia's VTB. The two have been working together over the past three years to monetise certain assets, lighten Essar Global's balance sheet and reposition it for future growth.

The company now intends to sharpen its focus on existing businesses like infrastructure, shipping and ports.

It resulted in a build-up of excessive leverage across the group, even as Essar committed to provide substantial

infusion of new equity in its businesses Prashant Ruia | GROUP DIRECTOR (ON ACTIONS THAT

**LED TO FINANCIAL DIFFICULTIES)** 

Monday's announcement comes at a time when group company Essar Steel is undergoing bankruptcy proceedings at NCLT and the Ruia family is trying to retain it by offering to clear the entire Rs 54,389-crore debt. Their offer beats Arcelor Mittal's Rs 42,000-crore proposal. On Monday, the tribunal directed Essar Steel creditors and Arcelor Mittal to make their submissions within a week. The NCLT is expected to pass the order on Ruias' maintainability offer befo-

re January 31.

## **AION Capital** acquires **InterGlobe** Tech for \$230m

TIMES NEWS NETWORK

Bengaluru: AION Capital, a joint venture between global buyout investor Apollo and ICI-CI Venture, has acquired Inter-Globe Technologies (IGT) the IT and back-office arm of travel conglomerate and Indi-Go airline owner InterGlobe Enterprises - for \$230 million (Rs 1,600 crore).

TOI had first reported on AION buying InterGlobe Technologies in its edition dated September 18 last year. Tech Mahindra and French BPO company WebHelp were among the early suitors who showed interest in IGT. AION Capital later remained the sole contender, gaining exclusivity to make the binding offer. IGT, which has over 60 customers across the travel category, competes with other home-grown tech services companies like NIIT and Accelya that have a sizeable footprint in the travel, cargo and transportation space.

"The management team is excited to partner with AION Capital. We will continue to invest in this sizeable global business, with a focus on a digital transformation within the travel ecosystem," said IGT CEO Vipul Doshi.

Utsav Baijal, partner with AION Capital, said, "With its strong customer base and deep domain expertise in the travel sector, we believe that IGT is uniquely positioned. We expect IGT will continue to leverage and further strengthen its digital capabilities and global footprint to meet the growing demand for differentiated customer experience."

IGT was founded in 1998 by InterGlobe Enterprises, one of the world's largest travel conglomerates. It employs over 10,000 employees across seven countries.



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