

IN BRIEF



**BoB tag for Vijaya, Dena branches from April 1**

**MUMBAI**  
Branches of Vijaya Bank and Dena Bank will function as Bank of Baroda (BoB) outlets from April 1, following amalgamation of the two lenders with the latter, the RBI said. The merger will be effective from April 1, 2019. "Consequently, all branches of Vijaya Bank and Dena Bank will function as branches of BoB from April 1. Customers, including depositors of Vijaya Bank and Dena Bank, will be treated as customers of BoB with effect from April 1." PTI

**KIIFB raises ₹2,150 crore via masala bonds**

**NEW DELHI**  
Kerala Infrastructure Investment Fund Board (KIIFB), a State government agency, said it has raised ₹2,150 crore through its masala bond issue. This is not just the first-ever offshore capital market issuance from a State-level entity from India but also the largest dual currency issue by a sub-sovereign backed entity from emerging markets and Asia, KIIFB said. The issue saw strong participation from investors. PTI

**NTPC to set up floating solar power plant**

**VISAKHAPATNAM**  
The National Thermal Power Corporation (NTPC) said it was setting up a 25 MW floating solar power plant in its water storage reservoir here as part of its diversification into the solar segment. Addressing the media, group general manager of NTPC's Simhadri plant, A. R. Maiti, said it was also setting up a flue-gas desulphurisation plant. "We are also encouraging many fly-ash based applications," he said. PTI

**'More' plans to invest ₹1,000 cr. in five years**

**GREATER NOIDA (U.P.)**  
Aditya Birla Group's retail chain 'More' plans to invest about ₹1,000 crore to scale up its operations in the next five years, a top company official said. The retail chain, in which U.S.-based e-commerce major Amazon and Samara Capital jointly invested about ₹4,200 crore last year, also expects its turnover to grow threefold in five years. The company has about 600 supermarkets and 20 hypermarkets. PTI

# SAT settles SEBI-broker dispute over interest calculation

Prebon Yamane directed to deposit ₹10 lakh before April 30

**ASHISH RUKHAIYAR  
MUMBAI**

How difficult is it to calculate simple interest? Quite difficult, if a recent case that landed at the Securities Appellate Tribunal (SAT) is anything to go by.

The tribunal, which had heard and disposed of many complex regulatory matters, was forced to calculate simple interest in a matter after the Securities and Exchange Board of India (SEBI) and broker Prebon Yamane (India) failed to arrive at a consensus on the manner and the amount on which simple interest had to be calculated. "... we find that parties are not clear as to how simple interest at relevant bank rate is to be calculated," said the SAT bench comprising Presiding Officer Justice Tarun Agarwala and members C. K. G. Nair and Justice M. T. Joshi, adding that "simple interest was required to be calculated which the parties have failed to calculate in the



**Bone of contention:** SEBI and Prebon Yamane (India) could not agree on the amount payable by the brokerage. \*REUTERS

correct perspective."

In 2004, SEBI had raised a demand of ₹4.64 crore against Prebon Yamane (India) towards principal amount and the interest as fees under the broker regulations. Prebon Yamane, however, challenged the demand at the tribunal that directed the regulator to refund the money that was already paid by the broker.

Meanwhile, SEBI challenged the tribunal's order in the Supreme Court, which

allowed the broker to withdraw the amount deposited with the tribunal till the matter was pending at the apex court. As per the apex court's direction, the broker withdrew ₹6.20 crore that included the principal amount and the interest accrued.

In December 2016, the Supreme Court ruled in favour of SEBI and hence the demand raised in 2004 became payable along with interest. Thereafter, the capital markets regulator directed the

broker to deposit ₹11.60 crore that was disputed by the brokerage that said it was liable to pay only ₹6.20 crore along with simple interest and hence deposited ₹8.15 crore.

SEBI, however, informed that the broker was liable to pay a balance amount of ₹1.10 crore, which was challenged by the broker at the tribunal.

Based on the tribunal's order, while Prebon Yamane deposited ₹56.61 lakh, SEBI said that the brokerage needed to pay an additional ₹39.03 lakh. Since there was a conflict on calculation of rate of interest, the brokerage filed a miscellaneous application at the tribunal for clarification.

While disposing the matter, the tribunal directed the market intermediary to deposit ₹10 lakh before April 30, failing which the SEBI would be allowed to recover the entire amount of ₹39.03 lakh.

# Iran seeks improved trade ties with India amid sanctions

Suggests expanding banking channels to boost trade

**PIYUSH PANDEY  
MUMBAI**

Amid U.S. sanctions, Iran is exploring ways to increase its bilateral trade with India, including expanding banking channels.

"Only one bank (UCO Bank) has business relationship with Iran. We need to expand that," said Hamid Reza Fouladgar, head of the seven-member Parliamentary delegation from Iran that is visiting India to improve bilateral ties.

"There is need to sign free trade agreements with India to reduce customs and tariffs on both sides to improve bilateral trade," he added.

"The volume of trade between Iran and India stands between \$10 billion and \$13 billion, which has tremendous potential for improvement."

"The Iranian Parliament recently ratified an agreement to avoid double taxation between Iran and In-



Hamid Reza Fouladgar

dia," he said.

Talking about U.S. sanctions, Mr. Fouladgar said, "We are paying the price for our freedom in the form of restrictions and sanctions. This is in spite of the fact that we have fulfilled all our commitments towards the nuclear deal. However, the U.S. continues not to fulfil its commitment."

"The IAEA [International Atomic Energy Agency] had inspected our facilities 14 times and agreed that Iran

had fulfilled all its commitments towards the nuclear deal but the U.S. is now putting pressure on Iran in the name of human rights violations."

**Chabahar Port**

Early this year, India had taken over operations of the strategic Chabahar in Iran opening a new strategic route connecting Iran, India, and Afghanistan, bypassing Pakistan.

"The Chabahar Port will be helpful for India to access central and west Asia. With Chabahar Port, India and Iran can start luxury ships for tourism, which will take 72 hours. It's a very inexpensive route compared to [doing it by air]. Chabahar is connected to Tehran through rail. There is a plan to introduce a special tourist train throughout Iran," Mr. Fouladgar added.

To boost tourism, Iran had started offering stapled visas and e-visas to Indians.

# GSP withdrawal by U.S. likely to affect India's plastics exports: Plexconcil

Exporters benefitted by \$30 mn in duty cuts, on \$600 mn worth of exports

**LALATENDU MISHRA  
MUMBAI**

The move by the United States (U.S.) to terminate India's designation as beneficiary developing country under the Generalized System of Preferences (GSP) programme because it no longer complied with the statutory eligibility criteria, is likely to affect plastic exports from India said a trade body.

"At the Plastic Export Promotion Council (Plexconcil), we conducted an analysis and found that in India's case, the GSP concessions extended by the U.S. amounted to a duty reduction of \$30 million per annum on imports of plastic products worth \$600 million for the period January to December 2018," said Ravish Kamath, chairman, Plexconcil.

He said some of the product segments which may face a decline in exports to U.S. due to withdrawal of

**No more preference**

According to the United States Trade Representative, total U.S. imports under GSP in 2017 was \$21.2 billion, of which India was the biggest beneficiary with \$5.6 billion in exports.

	2014	2015	2016	2017	2018
India's export	42.5	40.2	41.6	45.9	51.4
India's import	21.5	21.3	22.5	24.8	33.5
Bilateral trade	64.0	61.5	64.1	70.7	84.9
India's surplus	21.0	18.9	19.1	21.1	17.9

Note: All values in \$ billion  
Source: Ministry of Commerce & Industry, Government of India

GSP concessions include plastics raw materials, consumer and houseware items and polyester films.

Sribash Dasmohapatra, executive director, Plexconcil said, "We feel that the withdrawal of GSP benefits would negatively impact the exports of Plexconcil member-exporters to the U.S. and we have requested the Union Commerce Ministry to engage in discussions with the U.S. to allow continuation of

GSP and or incentivise exporters through some other measure as they may deem appropriate."

**Trade surplus for India**

In 2018, India and the U.S. reported a bilateral trade (only merchandise goods) worth \$84.9 billion, up 20% from the previous year.

The trade was in favour of India, which reported a surplus of \$17.9 billion during 2018, down 15.1% from \$21.1

billion a year earlier.

Peevied by the fact that India and some other countries were enjoying a trade surplus with U.S. without giving an 'equal access' to American goods in their respective countries, the Office of the United States Trade Representative on March 4 issued a press release stating that United States would terminate India's designation as beneficiary developing country under the GSP programme because it no longer complied with the statutory eligibility criteria.

Under the GSP programme, certain products could enter the U.S. duty-free if beneficiary developing countries met the eligibility criteria established by the Congress. According to the United States Trade Representative (USTR), the total U.S. imports under GSP in 2017 was \$21.2 billion, of which India was the biggest beneficiary with \$5.6 billion.



Vinay Dube

# Jet Airways pays 87.5% of December salary dues

CEO seeks staff's 'continued support'

**ADITYA ANAND  
MUMBAI**

Jet Airways CEO Vinay Dube, on Saturday, wrote to employees of the airline seeking their continued support, as pilots, aircraft maintenance engineers and the senior management received a part of their pending salaries.

The airline on Saturday evening paid 87.5% of the December salaries that were outstanding. Salaries for January and February have not been paid yet, with March salaries due on April 1. The letter and part payment of dues came in the backdrop of a strike call given by the National Aviators Guild from April 1.

"Our pilots, aircraft maintenance engineers and senior management team in particular have persevered despite the adverse personal and financial impact it has had on each individual and their respective families. We understand the hardship, anxiety and uncertainty which each of you have endured and for that

you have our deepest, heartfelt gratitude," Mr. Dube said. Upon receiving the CEO's e-mail, the National Aviators Guild called for open houses in Mumbai and Delhi to discuss the issue on Sunday.

**Pilots to meet**

"Besides the letter from the CEO, we have been informed that a small amount of our dues will be cleared very soon. The time-line for this will be known in a day or two. The pilots will meet in Mumbai and Delhi tomorrow to discuss if this is threadbare and decide on the future course of action," a senior pilot said.

INTERVIEW | S. GANESH MANI

# Hyundai Motor to raise production by 4.3% in 2019

We are ready to mass-produce hybrid, electric or fuel cell cars, says HMIL's senior vice-president

**N. ANAND  
CHENNAI**

Many carmakers had cut production in February citing sluggish market conditions. Hyundai Motor India Ltd. (HMIL), however, is bullish on the India growth story and plans to post a 4.3% increase in production volume during 2019, says S. Ganesh Mani, senior vice-president, production, HMIL.

Due to a sluggish market, several car makers had cut production in February...

■ We have always been on target or exceeded our yearly production plan targets in the past 22 years. As you know, we are also exporting to over 87 countries across the globe. Over the last few years, our focus has been on meeting domestic market needs.

This helps us manage volume while offsetting the slowdown in one market against another [where there is growth].

In 2019, we are aiming for an increased volume of 4.3% over the previous year. Last year, we produced 7.13 lakh cars. This year, we have increased our production capacity by 50,000 units.

We plan to produce 7.5 lakh cars. Most of the volume will cater to domestic market needs.

We see auto majors joining hands. Can we expect such an announcement from Hyundai and Kia?

■ Although Hyundai and Kia are part of the same group,

we work with distinct identities, while sharing select vendors, design services etc. However, within the shared services, our vendors and partners maintain distinct identity for each organisation.

Hyundai Motor Company has a comprehensive product portfolio which can provide solutions for current and future mobility. These can easily be introduced in any market, provided the infrastructure supports it. For example, we had invested years back in technologies such as hybrid, electric and fuel cell which are the relevant in today's context. We are the first original equipment manufacturer to be ready to mass produce all the three technologies.

Also, when diesel engines

were trending in India, we were able to introduce engines immediately from our global range. Now, with diesel cars falling out of favour, we can easily adjust production capacity with petrol models to suit the market. This illustrates our readiness to service markets with relevant products.

**How did you manage to reduce production time from 4 minutes to 31 seconds per car?**

■ We started our production in 1998 with 18 units per hour, which is equivalent to rolling out of one car every 3.5 minutes. Subsequently, we ramped up our production all the while investing in technology upgradation at our end and that of our vendors. This, along with production efficiency, has led to rolling out cars in 31 seconds.

We invest in upgraded/so-

phisticated equipment to enhance the output. For example, our investment in shop floor upgradation in the next five years is focused on on-line machine monitoring with data capture and storage. We are constantly investing in manpower training for our employees and for select vendors in India and overseas to enhance people capability.

Further, with production running at 100% operational efficiency, we need optimal use of machines without any disruption. So, to avoid breakdowns we have meticulously begun collecting and analysing data to use it for predictive and preventive maintenance. We have a trained team working on debottlenecking of manufacturing operations.

To tackle breakdown and downtime, we use an auto-analyser tool for analysing 'alarm data' of all our connected machines.

We are also using an advanced scientific approach for decoding hidden problems like delay between stations, start-up loss, tool change loss and loss due to manpower fatigue to optimise timelines.

**What are the green initiatives undertaken by you?**

■ About 40% of the plant's water requirement is met

Our first plant set up in 1998 is able to operate like a new plant at 100% efficiency

