

# Business Standard

THE MARKETS ON WEDNESDAY		Chg#
Sensex	36,636.1	▲ 193.6
Nifty	11,053.0	▲ 65.5
Nifty futures*	11,086.8	▲ 33.8
Dollar	₹70.3	₹70.5**
Euro	₹79.5	₹79.9**
Brent crude (\$/bbl)**	65.1**	64.8**
Gold (10 gm)**	₹32,095.0	₹40.0

(Mar.) Premium on Nifty Spot; \*\*Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBIA



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**BJP STICKS TO OGILVY, CONG YET TO FINALISE AD PARTNER**

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**INDIA'S BILLIONAIRE CLUB MAY GROW 37% IN 5 YEARS**



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## RAFALE DEAL PAPERS STOLEN: GOVT TO SC

The documents based on which details of alleged misdoings in the purchase of 36 Rafale fighter jets from France were published by newspapers were stolen from the Ministry of Defence either by current or former employees of the ministry, the central government told the Supreme Court on Wednesday. As these documents pertain to defence deals and are covered under the Official Secrets Act, the government is planning to take "criminal action" against the newspapers that published the stories and the petitioner who used it in his petition, Attorney General K K Venugopal told the court.

## ECONOMY & PUBLIC AFFAIRS P4

### RBI Feb 12 circular ignores differences: Firms to SC

The Reserve Bank of India's (RBI's) February 12, 2018 circular, which asked banks to move insolvency petitions against large non-performing assets that had not been resolved, is based on a 'one-size-fits-all' approach without taking into consideration factors such as the reasons for non-payment, power companies told the Supreme Court on Wednesday.

## BS ON THURSDAY SPECIALS



## TECHNOLOGY: Vision VR

Immersive technologies are finding applications across sectors to turn businesses and industries smarter, write ROMITA MAJUMDAR & PEERZADA ABRAR

## PERSONAL FINANCE: Take charge of your money life

This International Women's Day (March 8), resolve to take responsibility for managing your finances, with advice from our experts

## ECONOMY & PUBLIC AFFAIRS P6

### DHFL didn't promote shell firms: Audit report

An independent audit report commissioned by the audit committee of housing finance company DHFL has given a clean chit to the firm on allegations of routing money through shell companies.

## Apex court reserves order on Ayodhya

The Supreme Court on Wednesday said it intended to pass an order soon on whether to refer the Ram Janmabhoomi-Babri Masjid land dispute case for mediation and asked all the parties concerned for the names of possible mediators for reaching a settlement.

## ECONOMY & PUBLIC AFFAIRS P4

### Forces seek more ammo amid rift with Pak

The armed forces have put in additional requirements for specific items with the Ordnance Factory Board (OFB). OFB Chairman Saurabh Kumar said, "There is no scarcity of ammunition... But there have been some additional requirements in recent times".

# Banks want RBI to defer IndAS roll-out

Cite higher loan-loss provisioning, pending legislative changes

ABHIJIT LELE  
Mumbai, 6 March

Banks are seeking an extension for the roll-out of the Indian Accounting Standards (IndAS), set to come into effect from April 1. They have cited higher capital for bad-loan provisioning, pending legislative amendments, and delay in finalising rules by the Reserve Bank of India (RBI) as some of the reasons.

"The government has given capital to banks with great difficulty and banks are under pressure to improve their financials. IndAS will further add to banks' compliance burden, especially for loan-loss provisions," said the managing director of a public sector bank. Hence, banks are requesting the central bank to give them breathing space. "Only then will we be in a position to come back and shift to the new accounting standards," the banker said.

This could be the second time the RBI would defer the roll-out. According to the RBI's original plan laid out in 2016, banks were to implement IndAS from April 2018. But, the RBI deferred it by a year to April 2019 as necessary legislative amendments to make the format of financial statements compatible with accounts under IndAS were pending.

A top executive of a Mumbai-based government bank said, "As things stand now, the new accounting norms will be effective from April. The current capital requirements do not factor in IndAS. If the new rules are implemented, the cap-



## THE NEW ACCOUNTING REGIME

### Likely impact of implementation

- Will give realistic picture of liabilities
- Enhance transparency
- Align with global accounting standards

### Push for deferment

- Banks fear uptick in bad-loan provisions
- Govt yet to make legislative changes
- RBI-specific guidelines still in the works
- Too little time to tweak software, systems

ital requirements will go up."

The loan-loss provision under IndAS is recognised based on the expected credit loss (ECL) model, where a bank has to make provisions based on its historical loan-loss experiences and also factor in future expectations and the economic environment it operates in.

Moreover, the RBI is yet to come out with specific guidelines on particular

accounting items, and banks are in the last few weeks of the financial year, bankers said.

Banks would also need to evaluate software systems changes covering assessment of processes, issues having significant impact on information systems, and develop and strengthen data capture systems.

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# Shapoorji, ADIA tie up for \$1.2-bn logistics fund

RAGHAVENDRA KAMATH  
Mumbai, 6 March

In one of the biggest fundraising plans in the logistics space, the Shapoorji Pallonji group has partnered the Abu Dhabi Investment Authority (ADIA) to raise a \$1.2-billion private equity fund that will invest in logistics centres in the country, said sources in the know.

The partners will raise the fund in two tranches of \$600 million each. "Shapoorji will put in \$100 million and the ADIA \$500 million," one of the sources said, adding the documentation for the fund would end soon and that Shapoorji was already looking for land parcels.

A spokesperson for the Shapoorji Pallonji group declined to comment on the matter. An email sent to the ADIA, Abu Dhabi's sovereign fund, did not elicit any response.

Venkatesh Gopalakrishnan, chief executive of Shapoorji Pallonji Real Estate, will oversee the fund, but there will be a separate CEO for which the search is on, the sources said. "Shapoorji is into construction and real estate. So it is a natural progression for them," the source said.

He added the SP group and the ADIA had already joined hands to buy commercial assets in the country. Shapoorji Pallonji Real Estate also partnered Actis, IFC and ADB for affordable housing projects.

Riding on reforms such as the goods and services tax (GST), which has made India one uniform market, and rising demand from e-commerce companies, many Indian and foreign companies have formed ventures to invest in logistics and warehousing facilities.



## GAINING TRACTION

- Singapore's Mapletree set up a dedicated team for logistics
- Canada's CPPIB signed a JV agreement with IndoSpace
- LOGOS India raised \$400 mn from Ivanhoe Cambridge, QuadReal Property Group
- Ascendas-Singbridge formed a \$600-million JV with Firstspace Realty
- UK's CDC also investing in the sector

According to estimates, over \$4 billion has been committed by investors to invest in Indian logistics facilities in the next few years.

Last year, industrial real estate and warehousing developer IndoSpace, backed by the Everstone group, closed its third logistics fund at \$1.2 billion.

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## FACEBOOK GETS 10 DAYS TO RESPOND TO IT COMMITTEE

Facebook has been given 10 days to respond to questions posed by the parliamentary committee on information technology to explain what it is doing to stop abuse on its platform ahead of the general elections. NEHA ALAWADHI writes >

## CV SALES SLIP IN LAST FOUR MONTHS, BUT INDUSTRY BULLISH

For the past four months, commercial vehicle sales have seen a persistent fall but industry officials argue that the numbers are not comparable since the previous year's base was high. Despite all the hardships during the last two quarters, the industry is hopeful that it will see a robust growth soon. T E NARASIMHAN writes >

# Kochhars got at least ₹500-cr kickback: ED

SHRIMI CHOUDHARY  
New Delhi, 6 March

The Enforcement Directorate (ED), which is probing the violation of anti-money laundering laws in the ₹3,250 crore ICICI-Videcon loan case, has so far established that ₹500 crore was received as kickbacks by the bank's former chief Chanda Kochhar and her family. Sources in the probe agency say they would soon seize the Kochhar family's assets created out of the proceeds of the crime.

At present, the enforcement agency is looking at the total quantum of the loan amount which was sanctioned by the bank and being allegedly routed to Deepak Kochhar's firms. "There's clear evidence of a quid pro quo" in the loans cleared by ICICI Bank under Chanda Kochhar's leadership, said an ED source privy to the development.

Further, the ED is also planning to summon those who were part of the various credit committees of ICICI Bank to record their statements.

The Central Bureau of Investigation (CBI) in its first information report had named current and former brass of the ICICI Bank including K V Kamath, Sandeep Bakhshi, N S Kannan, Zarin Daruwalla, Rajiv Sabharwal, Sonjoy Chatterjee and Homi Khurokhan. According to the CBI, the loans amounting to ₹1,575 crore were sanctioned on various dates (2009-2011)



ED sources say former ICICI Bank MD & CEO Chanda Kochhar's family's assets created out of the proceeds of the crime will be seized

by these committees having senior officials of ICICI Bank. The loans have turned non-performing assets (NPAs) resulting into wrongful loss to ICICI Bank and wrongful gain to the borrowers and accused persons," the CBI said in the FIR.

"It is the process and part of the investigation to check whether the people who were in the sanction committee were aware about the fraud which has been brewing for long and also to know their stand point on the quid pro quo," said an official privy to the development.

Without sharing further details, the official said it was not necessary that these people would be aware about the percentage of commission Kochhar may have received for the case.

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# E-commerce pioneers make a comeback on a different pitch



"If we had to launch a start-up now, the condition was it must be something that is not done before... We didn't want to launch India's 147th e-commerce company"

**K Vaitheswaran**  
Co-founder, Again Drinks

**Sundeep Thakran (right) and K Vaitheswaran**

PEERZADA ABRAR  
Bengaluru, 6 March

Twenty years ago, K Vaitheswaran and Sundeep Thakran unveiled India's first e-commerce company Fabmart.com. They did so with four other co-founders at a room named 'Tipu's Chamber'.

The venture, later rebranded Indiaplaza.com, shut down in 2013. The demise was due to various factors, including lack of funding and inability to compete with new players such as Flipkart and Snapdeal.

Now, they are back. On Wednesday, Vaitheswaran and Thakran unveiled a new venture called Again Drinks in the same hotel room. Again Drinks will offer ready-to-drink and healthy beverages

with low-fat dairy and containing, they say, real fruits, nuts, vegetables, and natural sweeteners.

"I was 36 then and am now 56. If we had to launch a start-up now, the condition was it must be something not done before, and have a significant and large social impact," says Vaitheswaran. "We didn't want to launch India's 147th e-commerce company."

He expects the country's beverage market to reach ₹1.36 trillion by 2023, at an annual growth rate of 15 per cent. He sees the addressable market for Again Drinks as ₹15,000 crore by that time, and says he expects to build a ₹500-crore business in the next few years.

"Vaitheswaran (Vaitheswaran) is one of India's most experienced entrepreneurs

in the retail e-commerce space. Timing and luck didn't work for him in the past but failure is a great teacher," said Rishikesha Krishnan, professor of strategy at the IIM Bangalore. "All he needs to do is follow his own advice." Considering the broken and poor quality of cold chains in India, the products created by Again Drinks have been created to be stored at ambient temperature, not requiring refrigeration, allowing on-the-go use.

Vaitheswaran and his team worked on the idea for about 18 months. They visited some top institutes and met a lot of experts to discuss the product they wanted to create, saying they wanted a minimum shelf life of 90 days.

"They told us this is impossible — you have to put preservatives and sugar.

We got more excited, as it had never been done before," said Vaitheswaran. His venture has filed for two provisional patents, for the process and formulation of the product.

The venture offers two variants of a double-toned (low fat) milk drink — almonds, cashew, dates and strawberry, chocolate, jaggery. It also offers two variants of a double-toned yoghurt drink. A 200 ml beverage has been priced at ₹50.

Thakran, the other co-founder, said the challenge was not to only build a shelf-stable product but in bringing "wholesomeness" into it. "This (includes) not adding sugar, preservatives or artificial ingredients, and putting in a lot of fruit, vegetables and nuts," he explains.

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