



DHFL to raise up to ₹2,000 crore

NEW DELHI
Dewan Housing Finance Ltd. (DHFL) board on Saturday approved the proposal to raise capital up to ₹2,000 crore, the firm said. “The board has constituted a sub-committee named “Special Committee for Issuance of Securities” and authorised the said committee to decide upon factors viz. mode, pricing, terms & conditions and other allied matters in respect of the said issuance.” PTI

Federal Bank net rises twofold to ₹381 crore

NEW DELHI
Federal Bank reported an over twofold jump in net profit for the March quarter to ₹381.51 crore on lower provisioning and higher interest income. It had posted a standalone net profit of ₹144.99 crore in the fourth quarter of FY18. Total income rose to ₹3,444 crore (₹2,862 crore). Provisioning for bad loans more than halved to ₹177.76 crore (₹371.53 crore). Interest income increased to ₹2,413 crore (₹1,951 crore). PTI

Aditya Birla Capital to raise ₹3,500 crore

NEW DELHI
Aditya Birla Capital on Saturday said its board had approved raising of funds up to ₹3,500 crore through both equity and debt issuances. The funds can be raised in one or more tranches by way of issuance of equity shares and equity linked instruments, including convertible preference shares, non-convertible debt instruments, among others, the firm said in a filing. PTI

Vodafone Idea to divest fibre assets to subsidiary

NEW DELHI
Vodafone Idea said it would seek shareholders’ approval on June 6 to transfer optical fibre assets to a wholly owned subsidiary, Vodafone Towers Ltd. The firm has proposed to hive off telecom fibre infrastructure to Vodafone Towers before monetising it and approached the National Company Law Tribunal Ahmedabad on April 11 for approval. PTI

‘Advanced economies’ idle savings can be diverted to Asia’

With ADB’s help, developing nations can then make a big dent on poverty: Garg

RAGHUVIR SRINIVASAN
NADI, FIJI
India on Saturday suggested that funds from the idle savings pools of advanced economies could be funnelled to developing countries in Asia, where consumption is rising. Such funds lie in pensions and insurance pools and in sovereign wealth funds and the Asian Development Bank (ADB) could play a role in channelising the money to emerging markets, said Subash Chandra Garg, Alternate Governor, ADB. Addressing the business session of the 52nd Annual Meeting of the ADB, Mr. Garg, India’s Economic Affairs Secretary, said: “Advanced economies are seeing stagnant consumption and they have much larger savings pools... than their investment requirement. If we can, with ADB assisting, ensure flow of funds from ad-



More to do: ADB must help developing nations strengthen human capital, develop social safety nets, says S.C. Garg. ■PTI

vanced economies to the emerging market and developing economies, we would succeed in not only keeping global growth sustained high but also make significant dent on poverty and infrastructure services debt.” Pointing out that private investment in infrastructure and human capital improvement will not flow unless projects are derisked with

guarantees and structured support, he said: “In this respect, we don’t think the recommendation of Eminent Persons Group report of G20 to do away with direct funding by MDBs and replace these by derisking instruments is right.” He argued that multilateral development banks should be fully engaged and enhance their direct support. The ADB can

help develop private sector initiatives by investing more through equity and infrastructure trusts, he said. Urging the ADB to expand its social sector engagements in countries like India, he said: “For the last 52 years, ADB has helped developing market countries in building infrastructure and reducing extreme poverty. It’s high time it helped them strengthen their human capital and develop social safety nets.” In what can be construed as a critique of the ADB over its strict environmental and social safeguards in assessing projects, Mr. Garg cautioned that the bank should ensure that its policy prescriptions “are rooted in ground realities and do not deter the developmental aspirations of the borrowing countries.” (The writer is in Fiji at the invitation of ADB)

Tata Chem to invest ₹2,100 cr. to expand capacity in 3 years

To also allot £50 mn for U.K. plant to offset pension liability

PIYUSH PANDEY
MUMBAI
Tata Chemicals, part of the \$110 Tata Group is planning to invest ₹2,100 crore in the next three years to expand its salt making capacity in India by 50% and soda ash capacity in 25%, besides various other bi-products. Besides, the company has decided to spend another £50 million to set up a new bicarbonate plant to offset its challenging pension liabilities of £80 million. R. Mukundan, MD and CEO, Tata Chemicals Ltd., told *The Hindu*, “In the EU, we have this pension fund issue and it is the main challenge. This is a balance sheet item and we are close to its resolution.” “We have just put up capital towards building a new bicarbonate plant using carbon capture technology. It’s part-funded by the U.K. government. With that coming on stream, we will be able to address some of the pension



fund issues and liabilities, Mr. Mukundan said. “The agreement reached between the trustee of the Pension Fund Trustees and the company is that both will jointly work towards additional investments, margins and profits to go through this difficult period.” EBITDA generation would be good enough to support the pension liability, he added. The company’s pension fund has liabilities of £80

million and the U.K. government has agreed to contribute £4 million for the £50 million plant. Talking about the firm’s India capex plans, he said, “We have lined up capital investment of ₹2,100 crore in the next three years to expand our salt and soda ash capacities. Mithapur continues to perform well and the capacity expansion is under way as planned. Our Nellore unit is on track and is in the final stage of commissioning. The Cuddalore plant is expected to start commercial production of Specialty Silica in the first half of FY19-20. The consumer business, through Tata Salt, continues its leadership in the national branded salt segment.” The company’s soda ash and salt business in India continues to perform with healthy margins due to improved operational efficiencies despite stiff competition and higher input price, the firm said in a statement.

Dangerous to let viable firms close down: Sahoo

‘Law allows for errors to be corrected’

PRESS TRUST OF INDIA
NEW DELHI

Committees of Creditors (CoCs) should provide all relevant information and share their vision for companies under the insolvency process, a senior official said on Saturday as he asserted that it would be dangerous to let viable firms to close down. Amid rising number of stressed assets being referred for resolution under the Insolvency and Bankruptcy Code, the Insolvency and Bankruptcy Board of India chief M.S. Sahoo said the law also gave opportunities to rectify the mistakes during the insolvency process. The objective of the law was to rescue viable companies and close down unviable ones, he said. “If due to incompetence [of market participants] the reverse happens, then it is dangerous,” Mr. Sahoo said here. “Commercial decisions are not black and white.



M.S. Sahoo

“There is no mathematical formula to say that a company is unviable and another is viable. It depends on so many considerations and who is looking at it.” NCLAT Chairperson Justice S.J. Mukhopadhyaya said financial creditors should not play foul while going through the viability and commercial aspects of a resolution plan. Citing examples, he said operational creditors should also get money as do financial creditors in a resolution process.

ICRA downgrades Yes Bank’s long-term rating with negative outlook

Ratings for Reliance Capital arms lowered to ‘D’ after delay in debt servicing

SPECIAL CORRESPONDENT
MUMBAI

Rating agency ICRA has downgraded the long-term rating of private sector lender Yes Bank with negative outlook after the lender reported significant increase in below investment grade advances, which could impact the bank’s profitability in the coming quarters. Yes Bank reported its first-ever quarterly loss of ₹1,506 crore during the January-March period. ICRA said the increase in below investment grade advances was expected to translate into a moderation in the earnings profile in the near term. “The rating downgrade also factors in the further weakening in YBL’s core equity (CET-1) capital cushions because of the voluntary provisions and consequent losses in Q4 FY2019,” ICRA said, adding CET1 declined to 8.4% as on March 31, 2019 from 9.1% as on December 31, 2018 against the minimum regulatory requirement of



7.375% for March 31, 2019 and 8.0% for March 31, 2020. “Given the limited capital cushions, the bank will not only need to accelerate the resolution and recovery from BB and below rated advances, it will also need to calibrate growth,” it added. ICRA has also downgraded the short term-rating for the Commercial Paper programme of Reliance Home Finance Limited to ‘D’, citing delay in servicing debt by the company. “The rating revision takes into account de-

Yes Bank reported its first-ever quarterly loss of ₹1,506 crore for the March quarter

lays in debt servicing on some of its bank lines. The company, however, has confirmed, that there have been no delays in repayments in the commercial paper programme till date,” ICRA said. Another group company Reliance Commercial Finance’s short term ratings were downgraded to ‘D’ for the same reason as RHF. Both commercial papers and bank lines of RCF were downgraded to ‘D’ by ICRA. Reliance Home Finance and Reliance Commercial Finance had said there had been a ‘minor’ delay in principal repayment to 5-6 banks of ₹542 crore and ₹477 crore respectively. “ICRA has withdrawn the short-term rating of ‘D’ on the ₹1,000 crore short-term bank facilities at the request

HUL appoints Razdan, Sanzgiri as EDs

SPECIAL CORRESPONDENT
MUMBAI

Hindustan Unilever Limited (HUL) has announced the appointments of Anuradha Razdan as executive director, Human Resources, and Vibhav Sanzgiri as executive director, Research and Development. Both Ms. Razdan and Dr. Sanzgiri will join HUL’s management committee with effect from June 1, according to a company statement. Ms. Razdan joined HUL as a management trainee in 1999 and has now returned to India after a stint in Unilever. She succeeds B.P. Biddappa, who is moving to a global role with Unilever. Dr. Sanzgiri joined HUL in 1997 and has held global and regional R&D roles in skin care and skin cleansing categories. With several patents to his name, Dr. Sanzgiri is a trained microbiologist and molecular biologist.

Indian students completing master’s in U.S. stand better chance to get H-1B visas

New rules aimed at ranking U.S. degree above skills gained in foreign countries

MINI TEJASWI
BENGALURU

Under the new visa regime in the U.S., which kicked off in April, foreign students who complete their master’s or any higher degree from American universities will have a better chance of obtaining H-1B visas, say immigration experts based in the U.S. The master’s cap of 20,000 visas is available only to applicants with a master’s or a higher degree from nationally-accredited public or not-for-profit educational institution in the U.S. As per the changed policy, a lottery for 65,000 visas will be held first with both bachelor’s and advanced degree holders eligible for selection. Once the regular cap is filled, the master’s cap, restricted only to those with advanced degrees, will be held. Earlier, 20,000 applicants with advanced degrees would have moved out of the system by the time the regular lottery was conducted, giving other applicants a better shot at selection. Now, there would be more such applicants in the regular draw, which obviously results in a disadvantage for those applying with just a bachelor’s degree. Mark Davies, global chairman of New York-based Davies & Associates, LLC, said,



Win some: Priority to students in U.S. would help Indians, who account for 20% of international students. ■GETTY IMAGES/ISTOCK

“Given the challenges facing the H-1B programme at present, any proposal to prioritise students who study in the United States would represent a very positive development for Indians, who account for around 20% of all international students in the country.” Echoing a similar sentiment, Vivek Tandon, founder & CEO of EB5 BRICS, a California-based immigration advisory firm, said, “Under the changed scenario, it would be interesting to see how Indian students in the U.S. may stand a better chance to get H-1B visas.” **Eligibility unchanged** The eligibility requirements for students remain unchanged. Yet, with a bigger pool of master’s and advanced degree holders participating in the draw, those

planning to apply for an H-1B after a bachelor’s degree will be at a disadvantage, he added. Facing significantly higher rejections and Requests for Evidence (RFEs), Indian IT companies have already begun ramping up hiring in the U.S., but are hampered by the small size of the talent pool in that country. “This change shrinks the pool of visas available to Bachelor’s degree holders and will make it tougher for Indian IT workers to work in the U.S.,” added Mr. Tandon. Explaining why inexperienced Indian students may be granted H-1B visas and not skilled Indian tech workers, he said the policy change, which aims at prioritising master’s degree holders for the H-1B visa, seems to be a step towards this objective. “Since Indian IT workers rarely opt for ad-

vanced U.S. degrees, this move aims to rank a U.S. degree above skills or valuable work experience gained in a foreign country like India or Vietnam.” Increasing restrictions on the H-1B, for example, on a spouse’s right to work and on the threshold salary, could still impact Indians who meet the U.S. study requirements. “As a result of this uncertainty, we are seeing an increasing number of people seeking alternative immigration solutions. This includes L1 visas, an E-2 visa coupled with citizenship of Grenada, and the EB-5 investor visa, which is the fastest route to a Green Card,” added Mr. Davies. **The H-1B puzzle** The USCIS had recently reversed the order in which it conducted the H-1B lottery, which is held if the number of H-1B petitions exceeds the annual cap of 85,000 visas. This cap consists of two categories – 20,000 visas open only to applicants with a Master’s or higher degree and 65,000 visas open to all eligible applicants including those with advanced degrees. Until now, the lottery for the master’s cap was held first. Going ahead, lottery for the regular cap will be done first followed by the baster’s lottery.