caution on EVs

SPECIAL CORRESPONDENT

Hero MotoCorp. on Tuesday sought "more cauroadmap for transition to electric vehicles (EVs).

"This move (towards EVs) will be very critical though because it impacts an industry that is a significant contributor to the country's GDP and is a large jobs' creator," said Hero MotoCorp Chairman Pawan Munjal.

Coming close on the heels of the implementation of BS-VI norms in 2020, this move could have serious implications on the industry and the millions who are dependent on it.

"Therefore, we propose a more cautious, clear and realistic roadmap towards adoption of EVs," Mr. Munial said.

## **Indiabulls** Housing shares tank 8%

SPECIAL CORRESPONDENT MUMBAI

Shares of Indiabulls Housing Finance tanked 8% on Tuesday following a writ petition filed in the Supreme Court against its promoter Sameer Gehlaut for siphoning off ₹98,000 crore, which, the company has denied.

"The total loans on the books of Indiabulls Housing are approximately ₹90,000 crore. The allegation of siphoning of ₹98,000 crore is bizarre," the company said.

Further, the company claimed that a racket of blackmailers had been trying to extort money from Indiabulls over last two

months. Indiabulls Housing Finance stock fell 7.97% on Tuesday to close the day at ₹674.65 on the BSE.

# Anil Ambani allays investor concerns

Reliance Group has repaid more than ₹35,000 crore in 14 months, he says

SPECIAL CORRESPONDENT

Anil Ambani, chairman of the debt-laden Reliance Group, on Tuesday tried to allay investor concerns regarding the debt servicing ability of the group.

The reassurance came after the collective market capitalisation of its firms fell to a historic low of ₹20,691 crore on Monday with five of the listed group entities touching their 52-week low.

"Since April 1, 2018, lenders from all categories have provided zero net additional liquidity or debt to any entity of the Reliance Group, still the group has made aggregate debt servicing payments of over ₹35,000 crore in the 14-month period," said Mr. Ambani adding that Reliance Group was fully committed



Time-bound: Reliance Group is committed to meet all debt obligations in a timely manner, says Anil Ambani. • PTI

to meeting all future debt servicing obligations in a timely manner, through further asset monetisation plans that are already at vaimplementation.

The payments comprise

principal repayments of ₹24,800 crore and interest payments of ₹10,600 crore.

Mr. Ambani said unwarranted rumour-mongering, speculation and bear hammering of all Reliance Group companies shares over the

last few weeks "has caused grave damage to all our stakeholders.'

Shares rise

On Tuesday, after the conference call, most of Reliance Group shares ended in the green except Reliance Communications and Reliance Naval and Engineering. However, the companies could not fully recover the losses made on Monday.

"These payments have been made in the face of insurmountable odds and the most challenging financial environment witnessed in the country in decades. To compound matters, the regulatory bodies and courts have not passed any final adjudication orders on claims aggregating to over ₹30,000 crore that are due for more than 5-10 years to various group companies, especially Reliance Infrastructure Ltd., Reliance Power Ltd. and their affiliates. Final decisions have only been inordinately and repeatedly delayed for one reason or the other," said Mr. Ambani.

When asked for comments, Sanjiv Bhasin, EVP markets and corporate affairs, IIFL Securities, told The Hindu, "I think it's far too late for [Mr.] Anil Ambani. He has fallen into a debt trap. He has no money or assets proportionate to cover Reliance Group's debt. Markets punish anyone who is closer to default. He couldn't get out of bad assets in time. Banks have become very strong and there is no mushrooming and ever-greening of loans.

# DHFL avoids default, pays interest on NCDs

Uses revenue from Aadhar stake sale

SPECIAL CORRESPONDENT

Dewan Housing Finance Corporation Ltd. (DHFL) made the entire interest payment of ₹961 crore to its non-convertible debenture (NCD) holders on Monday.

The mortgage lender avoided defaulting on the payment which was due on June 4, as according to the trust deed, there was a 'cure period' of seven working days within which the payment could be made.

On Monday last, DHFL said it would make the payment within seven working days.

"DHFL today confirms that the company has made full payment towards interest payable on Secured Redeemable NCDs issued by

way of public issue within the cure period of seven working days," the company

The payment comes after DHFL completed the stake sale in Aadhar Housing Finance Ltd. to an entity backed by Blackstone Group LP on Monday.

DHFL exited Aadhar Housing Finance for ₹2,200 crore, of which the lender used ₹500 crore to pay NCD holders. Following the delay in

payment to NCD holders, ICRA downgraded commercial papers of the lender to 'junk' grade.

"With this tranche, the company confirms full payment and will seek rating upgrades from agencies,' DHFL said.

# ITC exploring opportunity in Nepal, says Sanjiv Puri

'Sri Lanka hotel project on schedule'

SPECIAL CORRESPONDENT KOLKATA

ITC is exploring the possibility of setting up a hotel in Nepal through its subsidiary ITC Surya Nepal, chairman Sanjiv Puri said in his maiden press conference.

**Expanding footprint** 

Mr. Puri said that this was part of ITC's strategy to expand its footprint in the hotel segment in neighbouring countries. "Ideally, these would be countries where there is a tourist inflow from India," he said in the media interaction after the inauguration of ITC's second luxury hotel ITC Royal, here on Tuesday by West Bengal Chief Minister Mamata

To a question on the upcoming Sri Lanka project, he said that there was no change in the schedule (despite the recent disturbances there).

"We have to go ahead. In between there has been a change in the operating environment and gestation is large, but we are hoping that tourism there would look up soon," he said.

The project is set to be completed by the end of 2020, and this is ITC's own hotel. Pointing out that ITC was now pursuing a strategy of "asset-right" in its hotel business, he said that it was focussing more on leveraging its experience in helping others manage their hotel

# AAI cancels ground handling tender

Move follows concerns over some short-listed bidders offering steep royalties

JAGRITI CHANDRA

The Airports Authority of India (AAI) has cancelled its tender for ground handling services at 76 airports following concerns over some short-listed bidders offering steep royalties.

"A decision was taken on Monday to cancel the tender. We will now have to start a fresh bidding procedure,' AAI Chairman Guruprasad Mohapatra told *The Hindu*.

Several delays

The tender procedure was initiated last year in May, but faced several delays. In January, AAI short-listed bidders and asked other players to match the bids when objections were raised about royalties as high as 226% quoted by some entities and



Terra incognita: Objections were raised about royalties as high as 226% quoted by some entities. • A.MURALITHARAN

how that would make ground handling business unviable in the country. "The bidding and selec-

tion should be based on technical capability-related qualification and financial strength of bidders," a senior executive at a leading ground handling company

commented on AAI's decision to float a fresh tender.

The bidding process undertaken by AAI also deterred players from participating in another tender floated for disinvestment of Air India's subsidiary for ground handling, Air India Air Transport Services Limited (AIATSL), in February. Industry players said that if AAI awarded contracts to ground handling agencies quoting steep revenue share for a particular airport, it would impact AIATSL's profitabality as it would also have to offer the same revenue share to provide services at that airport as per government regulations. AIATSL is present at all 76 AAI airports for which bids were invited.

While the Ministry of Civil Aviation will hope that with the cancellation of AAI tender it will be able to speed up disinvestment of AIATSL, ground handling agencies will still need some reassurance. "The AAI should not run a similar tender again after the sale which would be detrimental," said the above quoted industry player.

## RIL, BP okay project in KG basin

SPECIAL CORRESPONDENT

Reliance Industries Limited (RIL) and BP Plc. have sanctioned the development of MJ project, known as D55, in Block KG D6, offshore east coast of India.

MJ is the third of the three new projects in the Block KG D6 integrated development plan and its approval follows sanctions for the development of 'R-Series' deep-water gas field in June 2017 and for the satellites' cluster in April

Mukesh Ambani, CMD, RIL, said, "The gas will satiate the increasing demand for clean fuel in the country, save foreign exchange and reduce dependency on imported gas."

## INTERVIEW | VIKRAM KIRLOSKAR MotoCorp for

# 'More banking reforms needed to spur pvt. sector investment'

This includes lowering govt. stake in PSBs, says CII president

and continue on the path of

TCA SHARAD RAGHAVAN

Private investment can be boosted by increasing bank credit for capital creation and resolving issues to do with the Insolvency and Bankruptcy Code, Confederation of Indian Industry (CII) President Vikram Kir**loskar** said in an interview. The upcoming Budget should be aimed at reviving consumer demand as well, *he added. Excerpts:* 

How can private investment be spurred to boost the

economy, given that even the last two drivers of growth government expenditure and consumption expenditure have started lagging?

■ A key issue is undertaking

banking sector reforms to ensure that capital is available for capacity creation. This will also include lowering government stake in public sector banks. Further, capital stuck in delayed projects or arbitration needs to be unlocked. There are several issues in the Insolvency and Bankruptcy Code that should be taken up for more efficient resolution of distressed assets such as group insolvency, MSME issues, and cross-border insolvency.

CII has recommended expanding investment allowance to capital investments in all sectors such as infrastructure and services. This would greatly boost investments. A key area that we have taken up is a valuechain based approach to unlocking investments. We believe that roadblocks in the entire chain should be taken up holistically.

What are the immediate issues that should be addressed in the Budget?

■ Given the slowdown, the Budget must aim at quick revival of consumer demand and private investments,

public expenditure for infrastructure. The direct tax structure will be crucial to this endeavour. In indirect taxes, CII has suggested maintaining the peak cus-

toms duty at 10% rates and addressing anomalies in the duty regime where inputs are subject to higher rates than final goods.

Some key areas that the Budget needs to take up are investments in agriculture and the rural economy, spending on education quality, and widening healthcare with better facilities, especially to address malnutrition. Export credit availability can be enhanced to enable India to benefit from

shifting global supply chains. On the fiscal deficit, the government should continue on the laudable fiscal rectitude path it has adhered to over the last five years which builds macroeconomic stability.

What is the impact of the removal of GSP benefits by

the U.S.? ■ The withdrawal of GSP benefits by the U.S. has impacted some of our small businesses. However, as the Government of India has pointed out, in aggregate terms the impact is not substantial. However, this is also a reminder that we need to build our manufacturing competitiveness in line with our status as an economy with higher per capita income. This can be done by lowering the cost of doing business in areas such as cost of capital, transport and logistics, ease of doing business, taxation and skill

Will it be in Indian industry's favour if

development.

# India joins the RCEP trade

■ The RCEP will bring together 16 economies and integrate several of the fastest growing large economies of the region. India cannot remain out of this mega trading arrangement and must be a part of the market access that it will bring. We are aware of our huge trade deficit with China, which Indian industry believes that it [joining RCEP] may further accentuate. We would like this to be addressed appropriately in RCEP negotia-

Why is GST revenue still lagging behind estimates though the collections are slowly rising? Does Indian industry still have some reservations about GST?

■ Indian industry sees GST as a game changer for the economy and is keen to make it work for competitiveness in terms of wider tax base and better compliance. From industry, we are looking at a comprehensive tax to include real estate, fuels and alcohol. Further, compression of rates to a standard rate with only a few items in the higher rate category will be beneficial. Some procedural issues for simplification are also required.



'Merger of Tata Chem's

consumer business is to

scale up TGBL's portfolio'

um, high-class consumer

said the merger announce-

a broader consumer pro-

ducts company that would

growth momentum," he

said. The core challenge

ahead of the company was

in leveraging its strong as-

and create a large portfolio.

Tea, water cannot give

"TGBL's financial metrics

were not adequate. We need

to address this," he said. It

would not be a mere food

products company and the

canvas might be larger, he

reholders queries, he said

that TGBL would not like to

be in any marginal business.

"We want to select particu-

lar opportunities and scale

them up," he said. "TGBL's

performance has been mut-

ed for years, profit has been

company might take a re-

look at the number of its

subsidiaries and may conso-

lidate, if need be. "We will

be in areas where we can

scale up," Mr. Chandraseka-

ran said. TGBL managing di-

rector and CEO Ajoy Misra

He indicated that the

stagnant," he said.

Later, responding to sha-

"We also need to scale up

sets, including brands.

scale," he said.

added.

'Larger canvas'

"We need to kick start the

Speaking at the annual

products company.

kick-start growth.



### **NEFT/ RTGS charges** waived from July 1

The Reserve Bank of India (RBI) has decided to waive the charges levied on banks for Real Time Gross Settlement System (RTGS) and the National Electronic Funds Transfer (NEFT) transactions from July 1. Banks were advised to pass on the benefits to their customers. Separately, the RBI has formed a committee to review the entire gamut of automated teller machines' (ATMs') charges and fees.

### Thyssenkrupp,Tata Steel can't merge, says EU

BRUSSELS The EU's powerful anti-trust authority on Tuesday blocked the merger of German industrial conglomerate Thyssenkrupp with Indian steel giant Tata. an expected veto that kills the deal. "We prohibited the merger to avoid serious harm to European industrial customers and consumers," EU Competition Commissioner Margrethe Vestager said in a statement.

### RBI to pump in ₹15,000 crore tomorrow

The RBI said it will infuse ₹15,000 crore into the financial system on Thursday. "Based on an assessment of prevailing liquidity conditions and also of the durable liquidity needs going forward, the RBI has decided to conduct purchase of (six) government securities under OMOs for ₹150 billion on June 13 through multisecurity auction using the multiple price method," the central bank said in a statement. PTI

# PV sales at new low, sector seeks govt. help

Fall in wholesale numbers due to weak demand; producers forced to undertake inventory correction

SPECIAL CORRESPONDENT

In the steepest fall in nearly 18 years, the domestic passenger vehicle sales declined by 20.55% in May 2019, prompting the industry to seek government support.

The decline in wholesale auto numbers continued mainly due to weak consumer demand, forcing manufacturers to undertake inventory correction.

The passenger vehicle sales declined to 2.39 lakh units last month against 3.01 lakh units in May 2018, according to the data released by industry body Society of Indian Automobile Manufacturers (SIAM) on Tuesday.

The data also showed that this was the steepest decline in passenger vehicle sales since September 2001, when

Premji's pay

package rose

95% in FY19

BENGALURU

SPECIAL CORRESPONDENT

Wipro, in a stock exchange

filing, said its chairman

Azim Premji's salary rose

95% to \$262,054 (about ₹2

crore) in FY19. Chief strate-

gy officer Rishad Premj re-

ceived a pay package of

\$987,652. CEO Abidali Nee-

muchwala's salary grew

\$62,322 in salary and allo-

wances, \$131,231 as com-

\$12,796 in long-term com-

pensation. Mr. Neemuch-

wala got over \$1 million in

salary and allowances,

\$891,760 as commission

and variable pay, over \$2

million (others) and rest in

long-term compensation.

Mr. Premji received

(others)

41% to \$3.9 million.

mission/variable

\$55,705

### **Domestic sales and exports of PVs for May**

Segment	Domestic sales*	Y-o-Y % growth	Exports*	Y-o-Y % growth
Passenger cars	1,47,546	-26.03	48,447	7.89
Utility vehicles	77,453	-5.64	10,970	-24.3
Vans	14,348	-27.07	121	-51.98
Total passenger vehicles (PVs)	2,39,347	-20.55	59,538	-0.18

\*(no. of units); Source CMIE

the sales were down by

### All-round decline

The sales across all vehicle segments, including twowheelers, three-wheelers and commercial vehicles, were down in May, dragging the total vehicle sales down by 8.62% to 20.86 lakh units, from 22.83 lakh units in the year-ago month.

In the passenger vehicle segment, cars sales were down 26% to 1.47 lakh units, while those of utility vehicles and vans fell 5.64% to 77,453 units and 27% to 14,348 units, respectively.

Two-wheeler sales were down 6.73% to 17.26 lakh units, with motorcycles sales declining 4.89% to 11.62 lakh units and those of scooters down 7.87% to 5.11 lakh units.

Sales of commercial vehicles were down 10% to 68,847 units. "We have been seeing a decline across all segments of the industry in the last few months. The industry has not been able to recover since the floods in Kerala... there were factors such as high fuel prices, high insurance costs, and the NBFC issue...consumer sentiment is still low... The industry is still trying to correct inventory levels," SIAM director general Vishnu Mathur said.

Seeks GST cut Pointing out that the government had previously helped the industry in 2008-09 and 2011-12 with policy measures such as cut in excise duty, Mr. Mathur said amid such a market situation, it was time for the Centre to introduce steps to stimulate growth.

SIAM deputy director general Sugato Sen said that the industry body had asked the government to reduce GST on all categories of vehicles from 28% to 18%.

"The government should also come up with a vehicle scrappage policy. It would help create market for new vehicles... Time has come for serious intervention by the government for stimulating demand. We thought that post the elections, we will see some revival, but that has not happened," he said.

Mr. Mathur, however, added that the industry was hoping that the situation might improve in the second half as a result of pre-buying before the change to BS-VI

## Yes Bank rating placed on watch

Rating agency Moody's In-

"The review for down-

According to Moody's, at

### SPECIAL CORRESPONDENT Tata Global Beverages Ltd. (TGBL) chairman N. Chandrasekaran said the proposed demerger of the consumer products business of Tata Chemicals Ltd. into TGBL was to build a premi-

general meeting of TGBL, he N. Chandrasekaran ment was aimed at creating said the company had seen improved topline from its India business, but profits had been impacted in FY19

> In international business, Tetley's cold infusion launch is now the "hottest news". However, most of the businesses were small in scale, he said. The water business had seen degrowth with distribution losses, he

On the potential acquisition of Dhunseri's tea brands in Rajasthan, he said that due diligence was on and it would enable significant penetration into the large, but fragmented tea consumption market in

Commenting on the move to

Mr. Chandrasekaran said that while the probability of including the detergents business was now being piloted, spices and pulses would be retailed under the Sampann brand.

# Epson India eyes SMEs to boost monochrome ecotank printer sales

Targets 25% market share in three years from 8% now

N. ANAND

Epson India is betting on home office, small and medium enterprises and the government sectors to scale up its market share in monochrome ecotank printers in the sub-20 pages per minute segment in three years.

"Currently, we have 8% market share in monochrome ecotank printers. Our aim is to achieve 25% in three years," said K. Siva Kumar, senior general manager- IJP, Epson India Pvt. Ltd.

'We stopped making mono laser printers since FY13, as it was not eco-friendly, harmful to humans, consumed more power and had high total cost of ownership **Monochrome** ecotank printers are economical and eco-friendly

compared with monochrome ecotank printers. That's why we shifted to monochrome ecotank printers," he said.

### New launch

Epson, in the meanwhile, announced the launch of seven new monochrome ecotank printers. The new models are targeted at the office printing market, small, medium and large enterprises, government offices and the retail segment.

"With this, Epson has 14

models in the monochrome ecotank printers. These are economical and environmentally-friendly printers and are equipped with a host of features that will find appeal with mono laser printer users. This is a growing segment. The total cost of production is low compared to mono laser printers and it can print more pages per minute. The replacement cost of inkjet refills are lower compared to cartridges," he

Last fiscal, Epson India reported revenue of ₹1,896 crore, of which inkjet printers accounted for ₹850 crore followed by projector, consumables, robots and wearables, he said.

SPECIAL CORRESPONDENT

vestors Service has placed Yes Bank's various debt instruments under review for downgrade.

grade takes into account Moody's expectation that the ongoing liquidity pressures on Indian finance companies will negatively impact the credit profile of Yes Bank, given the bank's sizeable exposure to weaker companies in the sector," Moody's said.

the end of March 2019, Yes Bank's exposure to Indian housing finance companies and non-bank finance companies represented 6.4% of its total exposure.



due to rising costs and the Kerala floods.

said.

Rajasthan.

### 57% share

bring TGBL and the consumer products business of TCL on a single platform, he said that tea would contribute to 57% share of the business, followed by 18% of salt, 13% coffee and 12% of