



Prannoy Roy

NDTV promoters call SEBI order 'bad in law'

SPECIAL CORRESPONDENT
NEW DELHI

A day after the Securities and Exchange Board of India (SEBI) barred Prannoy Roy and his wife Radhika Roy from holding any directorship in New Delhi Television Ltd. (NDTV) for a period of two years, the NDTV founders, in a statement, said they believed the SEBI order was "outrageous, bad in law and against all procedures."

Mrs. and Mr. Roy, along with their holding firm RRPR Holdings, were barred from accessing the securities' market for two years for allegedly concealing material information from shareholders while entering into loan agreements between 2008 and 2010.

Mr. Roy and his wife have also been restrained from being directors in any listed entity for a year.

The statement from Mrs. Roy and Mr. Roy on SEBI order said: "The founders of NDTV believe the SEBI order asking them to step down as directors and to not hold any management positions in NDTV is outrageous, bad in law and against all procedures. They will challenge the SEBI order in the courts as advised within the next few days."

No trade action against India as of now: U.S. Trade Representative

Says it will continue to raise market access issues with New Delhi

SRIRAM LAKSHMAN
WASHINGTON DC

The Office of the United States Trade Representative (USTR) said that it had no announcement of a trade action against India at the moment but continued to raise market access concerns with India, reacting to the media reports from last week that the U.S. was considering launching a 301 probe against India.

"We continue to communicate to India that U.S. exporters are encountering significant tariff and non-tariff barriers that impede U.S. access to the Indian market across sectors, including both goods and services," the Office of the USTR told *The Hindu* via email.

A 301 probe can be wide in scope and can result in the



Tit for tat: India had said it would impose tariffs on 29 goods from June 16. ■ K.R. DEEPAK

U.S. imposing tariffs or taking other trade action against its trading partners if the parties don't come to a settlement.

The USTR's comments came on a day India said it would take retaliatory action

against the U.S.'s tariffs on steel and aluminium (from 2018), by imposing tariffs on 29 goods from June 16, *The Hindu* had reported. The tariffs will cause the U.S. a tax burden of \$220-\$290 million. While the USTR's com-

ments suggest that any trade action may be on hold at the moment, a former U.S. official, who did not want to be named, told *The Hindu* last week that a 301 probe was likely to be launched against India within the next six months unless substantive progress was made on trade issues. Commerce Minister Piyush Goyal would have to show a willingness to fix trade issues and also have proposed fixes ready, the former official said.

In August 2017, the USTR initiated an investigation of China under Section 301 of the U.S.'s Trade Act of 1974. In April 2018, the USTR official announced the U.S. made a determination based on its probe and proposed tariff action. The first set of tariffs kicked off in July 2018.

AirAsia India to offer special fares at ₹955

SPECIAL CORRESPONDENT
BENGALURU

AirAsia India will fly its domestic and international passengers at low fares as part of the carrier's fifth anniversary celebrations.

The airline's 'Big Sale' will have tickets at ₹955 for destinations such as Bengaluru, Hyderabad, Chennai, Kochi, Goa, Pune and Visakhapatnam. Its international fares will start as low as ₹999 and cover destinations such as Kuala Lumpur and Bangkok, said the company.

Sunil Bhaskaran, MD & CEO, AirAsia India, said: "On the occasion of our fifth anniversary, we would like to acknowledge the support of our patrons by rolling out our special anniversary offer." AirAsia started its operations in India in 2014 as a joint venture between Tata Sons and AirAsia Berhad.

Now, auditor casts doubt on Reliance Infra as going concern

Posted ₹3,301 cr. loss in March quarter

PIYUSH PANDEY
MUMBAI

The auditor of Reliance Infrastructure of Anil Ambani's Reliance Group, has cast a doubt about the company's ability to continue as a going concern.

"Losses incurred during the year and certain loans for which the company is a guarantor indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern," said Reliance Infrastructure auditors BSR & Co. LLP and Pathak H.D. & Associates, in their audit report.

The debt-laden infrastructure company reported its biggest-ever quarterly loss of ₹3,301 crore for the March quarter as it booked impairment and write-offs worth ₹8,500 crore.

The company, in a filing to exchanges on Friday after deferring its results twice earlier, said it booked a one-time impairment of subsidiary Reliance Naval and Engineering Limited, which it had acquired in 2016, without disclosing the amount.

"The said amount may be written back upon successful debt resolution pursuant to the updated Reserve Bank of India circular," said the company.

Reliance Infrastructure losses widened due to losses suffered by another subsidiary Reliance Power Ltd. in which it owns a 33.11% stake. Part of the exceptional loss of ₹1,741 crore also included the loss due to the sale of investments pursuant to invocation of pledge.

Reliance Power reported a loss of ₹3,558.5 crore for



The company booked impairment and write-offs worth ₹8,500 crore.

Reliance Infra losses widened due to losses suffered by its arm Reliance Power in which it has 33.11% stake

the March quarter, dented by the impairment and write-off, as against a profit of ₹189.21 crore a year ago.

Reliance Power made a withdrawal of ₹1,017 crore from its general reserves, reducing the impact of the one-time impairment and write-off. Auditors of the company highlighted that the losses would have been higher without this.

Even Reliance Power auditors had questioned the ability of the company to stay afloat due to mounting losses and liquidity issues.

Reliance Group's flagship firm Reliance Communications (RCom), which had already filed insolvency petition at the Mumbai bench of National Company Law Tribunal (NCLT), had outstanding dues of ₹47,000 crore.

Only last week, the auditor of Reliance Capital, PwC, quit saying the company has restrained it from performing its duties as a statutory auditor.

Archaic labour laws must be scrapped, says staffing body

Most of these regulations written for a different era, irrelevant to present conditions: ISF president

MINI TEJASWI
BENGALURU

The number of people in formal employment in India will grow only if the country's archaic labour regulations, that are irrelevant in today's context, are fully scrapped, says Indian Staffing Federation (ISF), a staffing industry apex body.

The plant in Greater Noida, Uttar Pradesh, is spread across four factories over 25,000 sq.m. It will start with a production capacity of more than 300 million components per year.

In August last year, Holitech Technology signed an MoU to set up a production



Way forward: If labour rules are simplified, the country will experience a boom in formal employment, says ISF. ■ REUTERS

Chakraborty told *The Hindu* that the country currently had an overdose of labour rules and their irrelevant existence will only damage the growth of formal job market

in particular and the economy in general.

"We have some 44 Central labour rules in addition to over 100 State-specific laws. Most of these regulations

were written for India of a different era and therefore currently are not in use or are irrelevant to today's conditions," she argued.

As per ISF, if labour rules are updated and are made simpler the country will experience a boom in formal employment. "Small enterprises will not shy away from scaling up their businesses or adding people if labour laws are made friendly. This will automatically boost formal employment in the country. It will also improve the ease of doing businesses and investment flow will pick up. Eventually, streamlining labour laws will bring in positive impact on the

economy," she said.

There should be consistency and uniformity in definitions. For instance, the existing labour laws, define 'worker' and 'wage' in 17 different ways. "There are hundred different things like these that cause ambiguity and confusion in the minds of small entrepreneurs," said B.S. Murthy, CEO, Leadership Capital, a people management firm.

Mr. Murthy added: "Irrelevant rules and unrealistic compliance have come in the way of job creation. Too many complex and ambiguous labour regulations have made India a hostile place for MSME players."

Xiaomi supplier Holitech sets up plant in U.P.

The Chinese firm plans to invest \$200 million in India over three years

SPECIAL CORRESPONDENT
NEW DELHI

Chinese component-maker Holitech Technology has inaugurated its first manufacturing plant in India. The company will invest about \$200 million in India over three years to make parts such as compact camera modules, capacitive touch screen modules, thin film transistors, flexible printed circuits and fingerprint modules.

Holitech was first invited to explore investment opportunities in India by Xiao-

mi, for whom Holitech is a supplier.

"The local manufacturing plant is ready. It will be in production by third quarter of 2019 and aims to generate 6,000 jobs in three years," Xiaomi said in a statement.

The plant in Greater Noida, Uttar Pradesh, is spread across four factories over 25,000 sq.m. It will start with a production capacity of more than 300 million components per year.

In August last year, Holitech Technology signed an MoU to set up a production

facility in Tirupati, Andhra Pradesh, at an investment of \$200 million. However, the company's plan with regard to this plant is unclear.

"Uttar Pradesh has extended incentives for the establishment of the manufacturing plants as per UP Electronics Manufacturing Policy," the statement added. Deputy Chief Minister Dinesh Sharma, said: "Uttar Pradesh has a young entrepreneurial spirit and poses an attractive destination for similar minded companies. Our state-of-the-art infras-

structural offerings make Uttar Pradesh an exciting investment opportunity and it is heartening to see Holitech initiate a big revolution in the market for local manufacturing."

Muralikrishnan B, COO, Xiaomi India, said: "Holitech is a global component supplier and with its entry into India, we are positive that a new era of local electronics component manufacturing will begin fostering job creation and encourage entry of other component makers in India."

INTERVIEW | ROLAND BUSCH

'We have a strong offering for India'

'Consumption space, airports or buildings, we can deploy our technologies'

PIYUSH PANDEY

Dr. Roland Busch, COO, CTO and Managing Board member of Siemens AG, was in India recently to attend Siemens Innovations Day. In an interview with *The Hindu*, Mr. Busch spoke about restructuring of businesses, increasing digital focus on India and funding Indian start-ups. Edited excerpts.

Siemens planned to tap \$1.5 trillion opportunity in India and to make India among its top 5 global markets. Where are you now?

■ I think we are executing that plan and well on track. India could be among the five largest markets after the U.S. China and Germany. We see a high growth rate, which was a little bit lagging, but we believe that this is picking up. We believe in the strengths of the Indian markets. We will stick to our strategy and its a positive outcome from our side.

There are talks that Siemens will lay off 20,000 employees globally. Your comments.

■ This is about how we focus

on growth business. We have some businesses which are not growing. The gas and power business, for example, is a market that's shrinking while others are still okay. In a shrinking market, you have to adapt your capabilities and that's what we do.

Is digitisation taking away jobs?

■ There is a demand for maintaining or increasing our growth rate, and this can be done only if you drive productivity. India is still growing in the labour market, while the Chinese labour market has peaked already. So, we have an ageing society which means we have to compensate for 1.5-1.8% of growth with technology to maintain the growth momentum. This is where digitisation kicks in.

Your plan to merge the mobility division of Siemens with Alstom failed. What's plan B?

■ True. This is a very strong business. If you talk about the growth rate, in the

first half year, it was very impressive. It's a growing business. Its terms of profitability, we are the market leader. This means that we don't need to rush. We are looking at all options.

Is it a set back for Siemens given that you were working since the last two years to close the deal?

■ Last two years, we were focussing on our plan to merge it. We were fighting for it very hard. Didn't go through, it's a long story. Not really [a setback]. While we were talking we were making sure that we were still competitors. For reasons we can debate, it's not going through. For me it's over.

After spin off of power vertical, what would be your major thrust areas in India?

■ Power is one thing. We are looking at any kind of smart infrastructure, smart cities where we have very strong foothold, particularly the mid-size cities. We are talking about infrastructure in terms of mobility solutions, industrial space. If India wants to push its share of GDP coming from industries, there is strong need to drive for activity and we have a strong offering. Consumption space, airports, buildings... we will be able to deploy our technologies for the India market. I am quite confident about that.

Your plans to tap the Indian start-up space?

■ Next-47 is our venture capital arm. We are going to increase our footprint here. We want to create more visibility in the start-up space. We want to deploy more capital in the Indian start-up space. It's \$1 billion funds over five years. There is no break up country-wise. Next 47 will play more of a catalyst role.



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