ED attaches assets worth over ₹4,000 cr of Bhushan Power

Alleges company siphoned off funds obtained as loans from various banks

PRESS TRUST OF INDIA
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The Enforcement Directorate (ED) on Saturday said it has attached assets worth over ₹4,025 crore of Bhushan Power and Steel (BPSL) in connection with its money laundering probe linked to an alleged bank loan fraud.

The central probe agency said it has attached the land, building, plant and machinery of the firm located in Odisha under the provisions of the Prevention of Money Laundering Act (PMLA). The total value, under the provisional order for attachment, is ₹4,025.23 crore.

This is the first attachment in the case and more is expected. The ED, in a statement, alleged that BPSL used various modus operandi to siphon funds obtained as loans from various banks.

"An amount of ₹695.14 crore was introduced as capital by Sanjay Singal (the then CMD of the company) and his family members in BPSL out of artificially generated long term capital gains (LTCG) by diversion of bank loans fund of BPSL," the ED said. LTCG was exempted from income tax during the relevant time, it added.

The ED's case of money laundering was filed after studying the CBI FIR registered against the company, Singal and others on charges of corruption. The ED charged that BPSL had also made RTGS payments to various entities against "fictitious purchases" of capital goods.

Against RTGS payments, these entities had transferred cash to BPS,L which was ultimately traced to have been used for generation of artificial LTCG by jacking up the prices of penny stocks by way of synchronised trading, the ED said.

Another amount of ₹3,330 crore invested as equity (share capital and premium) by promoter companies was also found to have been routed out of the funds obtained as various loans and diverted from accounts of BPSL in the shape of advances shown to various shell companies operated by the different entry operators, it said.

The proceeds of crime in this case, the agency said, were laundered by way of introduction into the books of accounts as equity for window dressing the debt equity ratio.

The ED has accused former CMD Sanjay Singal of diversion of funds from bank loans

TROUBLE BREWING

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Tata Steel BSL bets on downstream exports in FY20

JAYAJIT DASH
Bhubaneswar, 12 October

After staging a turnaround of the insolvent steel asset it acquired in Odisha's Meramandali, Tata Steel BSL (formerly owned by Bhushan Steel) is betting on exports of downstream exports from the mill.

The plant boasts of churning out quality downstream products. Last financial year, Tata Steel BSL's exports were 18 per cent of its overall sales. In this financial year, the company aims to export 10 per cent of its sales to strategic markets and customers. But the company can take a flexible view on exports depending on the response in domestic and international markets and the demand-supply dynamics.

"In FY20, the focus is on downstream exports by increasing presence in Europe, Africa, South East Asia and Latin America, and creating markets for high-end hot- rolled coils (HRC) exports like structural steel. We export upstream products like HRC and downstream products like Galvanised Galume (a coated product), colour-coated products, tubes and pipes, and hardened and tempered steel across the globe," said a source at Tata Steel BSL.

The plant at Meramandali is known a forte in automotive downstream products, in addition to branded products. But with the automobile sector in the throes of its worst slump in many years, the focus is drifting to other portfolios.

With effect from November 27, 2018, Bhushan Steel is renamed as Tata Steel BSL. The Ministry of Corporate Affairs had accorded its formal approval for this on the same date.

The name change is part of the process to integrate the company's operations within the Tata Steel fold and to align to the Tata brand and give the company a singular identity with the Tata Group.

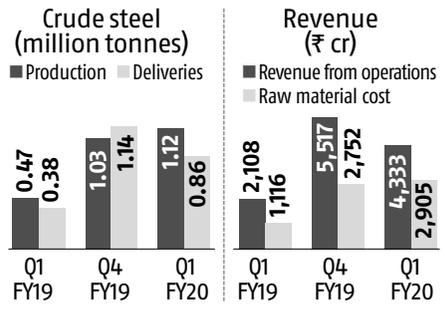
On May 18, 2018, Bamnipal Steel, a wholly owned subsidiary of Tata Steel, acquired a controlling stake of 72.65 per cent in the company. The acquisition was in accordance with the approved resolution plan under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code (IBC), 2016.

Following the insolvency resolution, Tata Steel BSL has brought in a significant improvement in the plant's operational parameters. In FY19, Tata Steel BSL logged crude steel output of 4.14 million tonne per annum (mtpa), higher by 10 per cent year on year (YoY), propelled by higher mill availability with improvement in maintenance practices and ceaseless supplies of raw materials. Driven by higher production, sales too grew 6.5 per cent YoY. In Q4FY19, sales went up by a robust 23 per cent YoY and 25 per cent quarter on quarter.

In FY19, Tata Steel BSL developed a string of high-end products- skin panels approved from indigenous HRC at one of its major automotive customers and providing value through localisation, colour coated products meant for exports and segment specific brands like Tata Steelium, Tata Shaktee, Tata Structura and Tata Pipes. Separately it ramped up production of value added grades and obtained product approval for API X 70 for line pipe segment.

In Q1 of FY20, the company has continued its upbeat performance. Crude steel production was higher seven per cent y-o-y, driven by higher mill availability. Saleable steel sales, though, was flat at 0.86 million tonne due to fragile demand in domestic and international markets.

REPORT CARD



Source: Tata Steel analyst presentation

Auto sector needs a bigger boost: Nissan's new COO

T E NARASIMHAN
Chennai, 12 October

There are two nations which are close to the heart of 49-year-old Ashwani Gupta, newly-appointed Chief Operating Officer (COO) of Japanese auto major Nissan — India and Japan.

As an avid traveller, he makes sure that one of his vacations every year is to an Indian destination. He cherishes Indian food, Bollywood films and the Hindi language.

He was quick to learn and speak fluent Japanese and understand the culture as a young engineer in rural Japan in 1998 and also gave his second daughter, Megumi (means blessing), a Japanese name.

"I came to Japan with my family on March 11, 2011, when all the expats went back because of fear of the earthquake. I am very fortunate to be so warmly welcomed by the Japanese society and I feel a deep sense of personal and professional integration in the community," he said. Gupta joined as general manager of purchasing at Renault-Nissan in Mumbai in 2006 and since held several important positions in the alliance, including global program director for Datsun. He is currently representative executive officer, COO, MMC and will assume his new role at Nissan from January 2020.

The recent slew of measures by the government has not provided any significant boost to the industry, Gupta said

Under his leadership, all three alliance companies grew their LCV business and were making profits, despite slowdown in the auto industry during 2017-18. "My target was to boost each company's performance by unleashing the full market potential and using synergies across brands," he recalls.

Acknowledging the significant changes that the auto industry is going through, he says that there are five mega trends that are impacting the industry.

"The world is moving fast to an age of deglobalisation and regionalisation. In countries like India and Vietnam, there is an increase in the working population which drives the need for specific products. The tough global economic conditions are also adding to this.

There are disruptive trends like artificial intelligence (AI), and Internet of Things (IoT), among others. Also, increasing environmental challenges demand immediate solutions like electrification and other related technologies.

"These challenges ask for highly diversified investments for comparatively less economies of scale, driving manufactures to prioritise investments, consider capacity, capability and ROI (return on investment)," he said.

Gupta feels that the five trends he mentioned are also impacting the industry. "The recent slew of measures by the government has not provided any significant boost to the industry. We definitely need stronger measures," he said.

Those who worked with him recall that his success at the top becomes evident as he prefers to lead from the front.

He always remained accountable for every component of the automotive value chain, he has paid close attention to his work and always lends a supporting hand to his team.

Lastly, he had the courage to take up new challenges as entrepreneur, turn around, grow and sustain, they say.

In India's robotic surgeries market, da Vinci set to carve out a place

Minimally invasive, these procedures drastically reduce the healing time

SAMREEN AHMAD
Bengaluru, 12 October

What is that one thing patients are scared of while going through a surgery? Most would say, it is the pain associated with incisions that gives them the biggest scare, apart from the long recovery time. Even surgeons want their patients to heal and start leading normal lives as soon as possible.

Enter the da Vinci system, the world's first FDA-approved robotic surgical procedure invented by California-based Intuitive Surgical, which reduces both the length of incision to about 1 cm and also the pain associated with it.

Hence, the time of healing goes down drastically. Intuitive Surgical has pulled robotic surgery out of the realm of science fiction and brought it to reality. The $3-billion company, which started direct operations in India last year, is already aiming to grow its procedures by 25-30 per cent every year.

"In India, we are at a nascent stage where our penetration is fairly limited, but that also defines the upside, as we can touch many more patients with this technology," said Mandeep Singh Kumar, vice-president and general manager for India at Intuitive Surgical.

The US-based company is the world market leader in robotics surgery with no major competition from rivals. Currently, around 300 active surgeons in India are performing operations every quarter using the da Vinci system at hospitals such as Fortis, Apollo, Columbia Asia and Tata Memorial. Globally, the system has performed over six million successful surgeries so far.

The da Vinci system is the world's first FDA-approved robotic surgical procedure invented by California-based Intuitive Surgical, and reduces the length of incision during surgery to about 1 cm and also the pain associated with it

How the system works

Unlike a normal laparoscopic instrument, the da Vinci system has endowrist instruments that can mimic human hand motion. In fact, the instruments have a larger range of motion than our hands. They can be rotated at angles of 180, 360 and 540 degrees. The surgeon console, where the doctor sits and makes all the movements, has two hand controls. During a surgery, the same hand movements get replicated inside the human body. The da Vinci system, which currently is running its fourth generation of robots, gives a 3D view of the body part to the surgeon. This 3D image can magnify up to 40 times. The surgeon console has sensors so the moment the doctor lifts his head out of the console, the hand controls stop moving to prevent any accidents.

The robot, which has five arms, gets attached to the human body through a long cannula that allows surgical instruments such as scalpels, sutures, and graspers to be used on the body part to be operated. In a typical laparoscopic surgery, the surgeon has two hands and an assistant holds the endoscopic camera. The surgeon makes the moves based on the feedback of the assistant, which can lead to accidents if the assistant is not alert. In the da Vinci system, the camera is mounted inside the body using one of the robot arms, so the chances of error are minimised. The doctor can make four or five holes as small as 1 cm in size in the patient's body, depending on the requirements of the surgery. Of this, one is used to attach the endoscopic camera. Of the other four, one could be used by an assistant to provide elements such as sutures and scissors to the surgeon. The head surgeon can control three robotic arms to perform the surgery with greater precision. In cases such as surgery of the gall bladder, the third arm could be used by the surgeon to safeguard the liver and then operate on the gall bladder using the other two arms. This is because the gall bladder lies just beneath the liver.

Also, the console provides a comfortable sitting position to the surgeon for long-duration surgeries. The system also has a technology called Firefly Imaging that enables real-time visual assessment of vessels, and blood flow with utmost precision.

The market for robotics surgery

The global robotic surgical market is growing at a compound annual growth rate (CAGR) of 10 per cent and is expected to reach $6.5 billion by 2023. The Indian market, however, is still small due to the high costs associated with the procedure.

Robotic surgeries have to be economically feasible not only for patients but also for hospitals. The third and fourth generation da Vinci systems currently being used in India cost $1 million and $2 million, respectively. Intuitive Surgical is not only investing in building its India team but also creating commercial finance capabilities to enable hospitals adopt to the da Vinci system.

"We are also investing in allied capabilities around clinical affairs related to how we utilise the clinical data that is getting produced in order to generate more society support," said Kumar.

The company has so far set up about 70 systems and is training surgeons at the Amrita Institute of Medical Sciences and Research Centre, Kochi, and MS Ramaiah Medical College, Bengaluru. It also has its robots installed in two mobile vans that can travel to any part of the country to give a first-hand test drive to surgeons.

Another robotics firm, UK-based CMR Surgical, which recently raised $240 million in funding, is also gearing up to set up shop in India. Its next-generation surgical robotic system, Versius, could pose a threat to the da Vinci system. Also, medical giant Medtronic is expected to launch its surgical robots in the near future.

Intuitive Surgical has also rolled out a diagnostic product called 'Ion' to diagnose lung cancer using robotic technology. It enables the physician to extract a fine diagnostics sample to detect the disease. "Once we build more local capabilities, we will decide when to bring this product to India," said Kumar.