43% offers at IIM-C from finance, consulting firms

ISHITA AYAN DUTT
Kolkata, 26 October

The Indian Institute of Management (IIM)-Calcutta has concluded summer placements for its 56th batch, comprising 480 students of the MBA programme. A total of 136 firms offered nearly 200 roles to the class of 2021.

Finance and consulting firms accounted for 43.2 per cent of the total offers. Several firms also opened international roles, including Bank of America Merrill Lynch, Deutsche Bank, Barclays, and Hexaware, according to a statement from the institute.

Finance majors Brookfield, Macquarie, Gaja Capital, Bank of America Merrill Lynch, Barclays, Deutsche Bank, BPEA, Edelweiss, DE Shaw, and Avendus also participated in hiring interns.

Citibank, which hired 15 students, closely followed by Goldman Sachs , which hired 11, were the largest recruiters in the banking and finance sector. The sector also saw first timers including NIIF, Indigrid, and White Oak Capital Management among others.

The consulting sector attracted the highest number of offers, with participation from majors like McKinsey, Bain, BCG, ATK, KPMG, Mastercard, and EY. BCG and Accenture Strategy were the largest recruiters, hiring 19 and 17 interns, respectively.

Sales & marketing and the general management domain covered 35 per cent of the total pie. Students were also offered leadership roles by conglomerates such as Mahindra & Mahindra, TAS, ABG, RPG, Godrej, and RIL.

FMCG majors such as HUL, P&G, Nestle, ITC, Johnson & Johnson, AB

InBev, Mondelez, Coca-Cola, Asian Paints, Dabur, and the RP-Sanjiv Goenka Group also participated in the process. HUL was the largest recruiter in the sector, with 12 offers.

Product management, operations and the e-commerce sector shared 20 per cent of the total intern recruits. This segment saw an exceptional rise in the number of hires, said the institute.

Amazon and Microsoft were major recruiters with 20 and 12 interns respectively. Other major firms include Adobe, Media.Net, Salesforce, Udaan, Cloudtail, Flipkart, Uber, Ola and Oyo.

Several firms were added across the spectrum to cater to a larger batch size and to provide multiple options to the students, said the institute. The number of participating firms grew by 13.33 per cent, which included first timers like Puma, Emami, Cochlear, Atha Group, Valuelabs, and the Apparel Group.

"The results speak volumes of our team's capabilities. The speed at which we are able to get about 500 internship offers is phenomenal and unprecedented. That we are able to do this by following due process in a transparent manner is very satisfying," said Abhishek Goel, member, Career Development & Placement Committee.

JUDGEMENT DAY

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ED swoop on Bhushan has lenders wary of IBC

ISHITA AYAN DUTT & NAMRATA ACHARYA
Kolkata, 26 October

The attachment of Bhushan Power & Steel's (BPSL's) assets by the Enforcement Directorate (ED) has made lenders wary of taking the Insolvency and Bankruptcy Code (IBC) route for debt resolution.

"As bankers, we are all concerned about the implication of the Prevention of Money Laundering Act (PMLA) on IBC. It would be very difficult to arrive at a resolution under the IBC and this will derail the entire process. For smaller cases, we are not keen on taking companies through the IBC route and waiting indefinitely for resolution," says Ashok Kumar Pradhan, managing director at United Bank of India (UBI).

The attachment by the ED was made under PMLA and is being legally tested before the National Company Law Appellate Tribunal (NCLAT) at a time when it is in the final lap of resolution under IBC. BPSL was bagged by JSW Steel. On Friday, the NCLAT asked the ED and the Union ministry of corporate affairs (MCA) to reach consensus on the issue. The ED is an investigative agency under the finance ministry; MCA is entrusted with administering the IBC.

The head of a public sector bank said if the PMLA is tested on IBC, close to 90 per cent of non-performing asset (NPA) cases in the banking system will turn out to be fraudulent. "This would mean no resolution under the IBC mechanism," he observes.

WHEN LEGAL HORNS LOCK

SECTION 71 OF PMLA
Act to have overriding effect — The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force

SECTION 238 OF IBC
Provisions of this Code to override other laws — The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law

Most IBC cases were facing investigation under PMLA. Further, the ED has said in the BPSL case, insolvency tribunals do not have the jurisdiction to direct the release of assets attached under PMLA.

With two laws locking horns, a senior with State Bank of India says the central government might need to get the IBC amended.

Suharsh Sinha, partner at legal firm AZB & Partners, said there was huge concern among bidders and lenders on the attachment of assets under PMLA. "Suddenly (with this development), a bidder is getting into a company completely blindfolded, as more liabilities can crop up even after NCLT (National Company Law Tribunal, where the IBC process is implemented) approval. This can create ground for bidders to pull out or for revising of bids. A process of consultation is required between the ED and MCA."

Vidisha Krishan, partner at MV Kini & Co, said it would be ideal if the Supreme Court could clearly demarcate when the PMLA can come in, for cases of debt resolution.

"The timing has gone sour in the case of Bhushan Power & Steel. While the PMLA is a criminal Act and any asset created from the proceeds of crime should not be allowed in either liquidation, resolution or a one-time settlement under the IBC, the timing is important. The ED should not come in at the last minute and attach assets. This is essential, as otherwise any procedure at the last stage can be unravelled and leave bonafide bidders unsettled," she said.

Krishan says one remedy could be a no-objection certificate under PMLA at the point of NCLT approval for resolution. However, Sinha says, all resolution plans have clauses that any attachment of assets shall be subordinated.

The controversy around PMLA and IBC has stemmed from overriding clauses. Sudipta Routh, partner, IndusLaw, says the simplest rule of statutory interpretation in the case of two conflicting statutes is that the latter statute gains primacy, even if the date is only of the latest amendment.

"PMLA was amended in August 2019, on the teeth of the confusion created by three different fora (PMLA Appellate Tribunal, Delhi high court and the NCLAT). Sadly, the amendments do not appear to address conflict resolution between IBC and PMLA. Where we ought to come out on this, therefore, is the order of the PMLAT. It (should) be the IBC that will gain primacy, until the legislature opts to amend," he said.

Infosys employees worry its focus on values is fading

NEHA ALAWADHI
New Delhi, 26 October

As the Infosys turmoil started by a whistle-blower complaint refuses to die anytime soon, employees are mostly worried about what impact this could have on their incentive structures or promotions, in addition to a general wariness about how the company's focus on values is fading.

"I have been here for over a decade, and the difference began being visible right after (ex-CEO) Vishal Sikka came in. The founders' focus on values was something that made Infosys a coveted place to work at. Now it is just like any other IT company," said a Pune-based employee who did not wish to be named.

Another employee, based in Bengaluru, said the only thing people were worried about were whether this will impact jobs in any way. "Our fear is that this shouldn't turn out to be another Satyam. That will certainly impact jobs in an steady slow market. The constant scrutiny on the company is not a pleasant thing, plus there is little clarity about what is going on," this person said.

Last week, Infosys grabbed headlines after an anonymous whistleblower group called

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In 2016-17, under the first non co-founder CEO Vishal Sikka, whistleblowers has made allegations against the firm's corporate governance practices, leading to a very public war of words between co-founder NR Narayana Murthy and Sikka.

While some see the new and old whistleblower complaints as the inability of the old guard to hand over the baton to non co-founder CEOs, others say the back to back corporate governance issues being played out in public have diluted the internal focus on values, and impacted employee morale.

"You know, what matters most to an employee is their growth within the company. Here, we have not had promotions in a long time, there are hardly any raises, and when a big issue like this takes place, our managers often use it as an excuse to stop promotions and raises," said a Chandigarh-based employee of Infosys who has been with the firm for over 15 years.

Most however, said they wouldn't speculate on the nature of the allegations.

"You cannot just believe the CEO made such irregularities. Nothing has been proven yet. We should just wait and watch," said another Bengaluru-based employee.

Some believe the complaint only pertains to the US market and employees since the whistleblower group first sent it to the US Securities and Exchange Commission and the US Labour Department.

The last time around, Sikka and Murthy's battle ended in Sikka having to quit, in spite of his credentials. He was earlier the chief technology officer at technology giant SAP.

Parekh also came with an impeccable track record- he was one of the five global deputy CEOs at Capgemini, and was a contender for the global CEO spot at the French IT services company. While that did not happen, he became the India CEO and then the executive chairman at the company before joining Infosys.

Thomas Cook to pay ₹4 lakh for a cancelled tour

PRESS TRUST OF INDIA
Mumbai, 26 October

A Maharashtra consumer forum has directed tour operator Thomas Cook (India) to pay ₹4 lakh to a city resident for "deficiency of service" and adopting "unfair trade practices".

Anant Korde had moved the Maharashtra State Consumer Disputes Redressal Commission after the company refused to pay him full refund upon cancellation of a Europe tour.

He had booked 'Grand Bargain Europe Tour' package for himself, his mother, wife and two children in May 2014.

Korde paid Rs 2,50,000 as advance for the tour, which was to begin from May 28, 2014. The total cost of the package was Rs 9,40,138.

The complaint said he wanted to travel by Eurostar train from London to Paris, which Thomas Cook agreed to arrange.

When the company said this could not be covered under the original package, Korde said he would pay extra for this segment of the tour.

Korde also wanted to know the details of hotels and train schedule to make arrangements for journey by Eurostar, but Thomas Cook informed him that details of hotel bookings would be available only seven days in advance, he claimed.

He alleged that later the company informed that there could not be any variation in the group tour, and the tour could not materialise for the family as there was no time for visa processing.

Thomas Cook also refused to return him the entire advance, and said he will be refunded Rs 1,62,374 after deducting cancellation charges, Korde said.

Korde then moved the consumer commission, seeking the full advance back.

Thomas Cook alleged that it was the complainant who cancelled the tour, so it was entitled to deduct cancellation charges.

The commission, in its ruling last week, rejected the claim and held that the tour operator was guilty of "deficiency in service".

Gujarat NRE ex-promoter can't negotiate with creditors

PRESS TRUST OF INDIA
New Delhi, 26 October

Allowing the appeal of Jindal Steel and Power, the National Company Law Appellate Tribunal (NCLAT) has held Arun Kumar Jagatramka, the former promotor of Gujarat NRE Coke, not eligible to negotiate with the creditors of the debt-ridden company.

A two-member bench of NCLAT headed by Chairperson Justice S J Mukhopadjaya said that as Jagatramka, who was ineligible to be a Resolution Applicant of the company under the Insolvency & Bankruptcy Code (IBC), cannot be allowed at this stage to negotiate with the creditors of Gujarat NRE Coke.

Jindal Steel and Power, which is an unsecured creditor of Gujarat NRE Coke, had challenged an NCLT order that allowed the promoters to settle debts with its creditors.

NCLT had given a go ahead to Jagatramka for "Financial Scheme of Compromise and Arrangement" with him and the company through its Liquidator, after holding the debts of shareholders, creditors etc.

The appellate tribunal set aside the order passed on May 15, 2018, by the Kolkata bench of National Company Law Tribunal (NCLT).

"... it is clear that the Promoter, if ineligible under Section 29A cannot make an application for Compromise and Arrangement for taking back the immovable and movable property or actionable claims of the Corporate Debtor'," said NCLAT.

Section 29A of IBC defines the persons, who are not eligible to submit bids for a company going through corporate insolvency resolution process.

7 of top-10 firms add ₹77,000 cr in m-cap

PRESS TRUST OF INDIA
New Delhi, 26 October

The combined market capitalisation of seven of the 10 most valued Indian firms advanced by ₹76,998.4 crore last week, with TCS leading the chart.

Reliance Industries Limited (RIL), HUL, HDFC, ITC, ICICI Bank and SBI were the other firms which witnessed a jump in their market valuation for the week ended Friday, while HDFC Bank, Kotak Mahindra Bank and Infosys suffered losses.

The valuation of Tata Consultancy Services (TCS) zoomed ₹25,403.64 crore to ₹7,97,400.51 crore.

ICICI Bank's market capitalisation (m-cap) rallied ₹20,271.2 crore to ₹3,03,054.59 crore and that of SBI advanced ₹10,664.91 to reach ₹2,51,317.06 crore.

The valuation of TCS zoomed ₹25,403 cr to ₹7,97,400 cr

Likewise, the m-cap of RIL appreciated by ₹9,762.29 crore to ₹9,06,941.76 crore.

The valuation of Hindustan Unilever Limited (HUL) jumped ₹ 7,934.03 crore to ₹4,63,886.75 crore and that of ITC went up by ₹1,658.68 crore to ₹3,04,520.66 crore.

HDFC's valuation rose by ₹1,303.65 crore to ₹3,63,105.62 crore.

In contrast, the m-cap of Infosys plunged ₹55,921.5 crore to ₹2,73,830.43 crore. Shares of the IT major had plummeted nearly 17 per cent on Tuesday following a whistleblower complaint regarding alleged malpractices by the top management.

Kotak Mahindra Bank's valuation dropped ₹5,262.13 crore to ₹3,03,293.39 crore and that of HDFC Bank dipped ₹273.54 crore to ₹6,72,192.76 crore.

In the ranking of top-10 firms, RIL remained at the number one position, followed by TCS, HDFC Bank, HUL, HDFC, ITC, Kotak Mahindra Bank, ICICI Bank, Infosys and SBI.

During the last holiday-shortened week, the BSE Sensex lost 240.32 points or 0.61 per cent.

The coming wonder that is 5G

Remote surgeries, classrooms in every village, taught by the best from a continent away, drones giving a farmer minute updates, monitoring garbage lifting — all on the way

MEGHA MANCHANDA
New Delhi, 26 October

How many times have you enjoyed a live music concert at two places but stitched into one by the use of technology? Never, right?

Yet, one such technological surprise was on display at the India Mobile Congress, which showcased a global push on fifth-generation (5G) technology, besides the usual telecom galore.

Siddharth Mahadevan, son of renowned singer and music composer Shankar Mahadevan, performed live at the event's main hall, after the opening ceremony. The guitarist and keyboard artists gave him company from the exhibition hall but, to the audience, it looked like one performance. All thanks to 5G.

As far as what the technology can accomplish, this is the tip of the iceberg. From remote surgeries to smart city management to virtual classrooms, all this and much more was on display at the third edition of thee Congress.

A live demonstration of the functioning of a digitally-controlled smart city quite literally transports you to that very model. Qognos, a Bengaluru-based start-up, came equipped with its demonstration that takes you to a particular (showcase) smart city and how routine functions such as lifting of garbage, de-clogging of road arteries to make way for smooth traffic and surveillance are managed.

The 5G demo also virtually transports you to a spot in that city where an accident has taken place and how with the press of a button an ambulance is called, which arrives in almost no time and the victims taken to the nearest trauma centre. One witnesses this with 5G virtual reality glasses. Don a pair and if in a virtual school, it feels like being in a classroom full of students and being taught by someone who could be in the next room or the next continent.

The technology gives a 360-degree view of the interactive classroom, where one can communicate with the teacher and the classmates, all in real time

The technology gives a 360-degree view of the interactive classroom, where one can communicate with the teacher and the classmates, all in real time.

The experience is no different from sitting in your conventional classroom and attending a lecture — but, with the help of the virtual camera.

The concept of a virtual classroom is one of the most fascinating ones, throwing open endless possibilities in a country where taking education to the hinterland is herculean. Finnish company Nokia was among a clutch of companies that displayed the virtual classroom at the IMC.

According to a company executive, these products can become game changers in education.

"A student from the remotest part of India can be schooled by the best teachers and professors and within his village. It may take time but it can happen," he said.

If a virtual classroom can change the way schools function, drones can change the way we farm. A drone can monitor a farm, detect any threat to the crop from animals, birds or any other attack, and establish the progress of the produce, giving the minutest of details.

Health care is another area with great 5G potential. At the meet, companies displayed the use of technology for conducting surgery with robots. Once 5G is in full bloom, robots can manage to execute this cumbersome clinical procedure with the ease and precision of an experienced surgeon. A breakthrough in the world of rural health care, where a robot can be installed and made to perform a surgery, with the surgeon giving the needed instructions from elsewhere.

A virtual exhibit of this, with a virtual patient (regulations do not allow experiments on human bodies) was at the IMC and could be tried by visitors. Whether or not you are so technologically inclined, 5G and its immense potential has the capability to suck you into its virtual world, which could become a reality sooner than later.