

Kochhar moves court against ICICI Bank

SPECIAL CORRESPONDENT
MUMBAI

Former ICICI Bank MD and CEO Chanda Kochhar has moved the Bombay High Court challenging the bank's decision to terminate her from service last year. The petition was filed on November 20 and will be heard on December 2 before a division bench of Justices Ranjit More and M.S. Karnik.

The petition said, after having accepted her request for early retirement with effect from October 4, 2019 – after which she would cease to be an employee of ICICI Bank – the bank ought not to have terminated her services.

Following charges of quid pro quo, ICICI Bank had commissioned an enquiry against Ms. Kochhar headed by retired justice B.N. Srikrishna. After the panel's report, the bank decided to terminate her services. ICICI Bank's decision to claw back her past bonuses has also been challenged.

Jio likely to bag RCom's tower, fibre assets for ₹3,600 crore

Bharti's ₹9,500 cr. bid seeking deferred payment for spectrum dues may be rejected

PIYUSH PANDEY
MUMBAI

Reliance Jio is likely to bag the tower and fibre assets of Reliance Communications (RCom) for ₹3,600 crore, while Bharti Airtel's conditional bid of ₹9,500 crore is likely to be rejected by the Committee of Creditors (CoC), given that most of the money will go to the government and there would be little left for the lenders.

A banker in the know of the development told *The Hindu*, "Bharti Airtel's conditional bid of ₹9,500 crore seeks deferred payment for the spectrum liability to the government. There is not much for the lenders."

New Delhi-based UV Asset Reconstruction Co. and U.S.-based private equity fund Varde Partners have also submitted their bids, but the financial value and the nature of the bids could not be independently verified by *The Hindu*. "The Committee



Jio's pact with RCom in 2017 did not get DoT's nod as the bidder did not want to take over past liabilities. •REUTERS

of Creditors (CoC) would like to sell all assets in a single transaction, but they may have to sell the spectrum, tower and fibre assets separately due to the nature of the bids received. The stated objective of the IBC is value maximisation," said another person close to the development.

In this case, the tower and fibre assets may go to Re-

liance Jio, while spectrum and real estate assets may go to Bharti Airtel.

In December 2017, Reliance Jio had entered into an agreement with Reliance Communications to buy its spectrum, telecom, fibre and allied infrastructure for ₹25,000 crore.

The deal did not get approval from the Department of Telecommunications

(DoT) as Reliance Jio did not want to take over the past liabilities of RCom.

Lower value

"Now, even the combined bid of Reliance Jio and Bharti Airtel put together is less than what Jio wanted to pay two years ago for RCom's assets," said Paras Bothra, president – equities at Ashika Stock Broking.

RCom has 43,000 telecom towers and 178,000 route kilometres of optic fibre network.

RCom owes over ₹49,000 crore to financial creditors and over ₹28,800 crore to the government for past spectrum fees, and the lenders have to take a massive haircut of 80%, even if they go by Bharti Airtel's offer of ₹9,500 crore.

RCom's shares rose 3.85% to close at 81 paise on the BSE, in a firm Mumbai market on Friday, valuing the company at ₹224 crore.

Hyundai Venue set to enter S. Africa on Dec. 2

Bookings may reach 1 lakh by year-end

SPECIAL CORRESPONDENT
CHENNAI

Hyundai Motor India Ltd's (HML) Venue is all set to enter South Africa on December 2, propelled by strong demand for its first connected mobility in the Sport Utility Vehicle segment from the overseas market.

The first shipment of 1,400 Hyundai Venue vehicles left from Chennai Port to South Africa market on Saturday, said the company in a statement.

The popularity and demand for the made-in-India Venue is evident in the overseas market as well, it added. "Venue is already being exported to Nepal, Bhutan, Mauritius and Seychelles," according to the statement.

The batch that left for South Africa comprises the right-hand drive model. The left-hand drive model is under development and would be exported to the Gulf,



African and Latin American regions.

Launched in May 2019, HML is set to close the calendar year 2019 with one lakh bookings for Venue.

"[The] Venue has become the customers' first choice in India and global markets. The Hyundai Venue has penned a new success story, having registered over 90,000 bookings (May to November, 2019) in India," said S.S. Kim, managing director and CEO, Hyundai Motor India.

Wettest monsoon in 25 years could lift 2020 wheat output

Higher govt. procurement, subsidy for exports needed

REUTERS
MUMBAI

India's wheat production could jump to a second consecutive annual record in 2020 as the wettest monsoon in 25 years is set to help farmers to expand the area under the winter-sown crop while boosting yields, industry officials told *Reuters*.

But that higher production would add to India's already swelling inventories, potentially forcing the world's second-biggest wheat producer to ramp up procurement of the grain from farmers and provide incentives for overseas sales to support local prices.

"The area under wheat and yields would rise due to good rainfall. We can certainly produce more than last year's record production," said Gyanendra Singh, director at the state-run Indian Institute of Wheat and



Barley Research.

India grew 102.19 MT of wheat in 2019. The country received monsoon rains during the June-September season that were 10% above average and the rainfall continued during October and November, increasing soil moisture levels required for crop sowing.

Only one wheat crop is grown in India each year, with planting starting in late October and harvesting in March. Farmers are inclined to expand the area under

wheat as its prices are more stable than any other crop due to government buying, said Harish Galipelli, head of commodities and currencies at Inditrade Derivatives & Commodities in Mumbai.

For 2020, India has lifted the price at which it buys locally produced new-season wheat by 4.6% to ₹19,250 (\$268.22) a tonne.

"After the hike in MSP, wheat planting has become even more attractive for farmers," Mr. Galipelli said.

For the time being, dealers say wheat exports from India next year would be difficult because of their comparatively high cost.

"India could easily produce more than 100 million tonnes but could not export even 1 million tonnes unless government provides subsidy for exports," said a Mumbai-based dealer with a global trading firm.

12 global firms interested to shift base from China to India: FM

'Competitive tax rate of 15% announced recently a key draw'

PRESS TRUST OF INDIA
MUMBAI

Finance Minister Nirmala Sitharaman on Saturday said about 12 global companies had evinced interest to shift their base from China to India, taking advantage of the competitive tax rate of 15% announced recently.

In the biggest reduction in 28 years, the government, in September, reduced corporate tax rate by almost 10 percentage points, in a bid to give a boost to the sagging economy.

Base corporate tax for existing companies has been reduced to 22% from 30%, and for new manufacturing firms incorporated after October 1, 2019 and starting operations before March 31, 2023, it was slashed to 15% from 25%.

Task force

"I had said that I will form a task group, which will look into those companies which want to get out of China, and in the meanwhile, I an-



Nirmala Sitharaman

nounced the corporate tax cut. There were many companies which were showing interest and wanting to come back."

"So, this task force has already started contacting many of these companies. The last count, I came to know was about 12 of them have already been spoken to, their minds understood, their expectation listed out so that the government can come up with a concrete offer for them to shift from where they are now, so that the ecosystems can get built here, new industries can

come," she said. The Minister said the effort taken towards bringing newer industries, which were moving out of China, was actively moving forward. "And I am sure, I will be able to report some progress on that," she added.

With regard to investment of ₹100 lakh crore in the next five years, she said the task force would come out with a list of 10 major infrastructure projects by December 15 and investment in these projects would be front-loaded. "We made sure that a set of officers was looking into the pipeline that can be readied, so that once the fund is ready, it will be front-loaded...that task is near completion," she said.

The Finance Ministry, in September, set up a task force headed by the Economic Affairs Secretary to prepare a road map for the 'national infrastructure pipeline' from 2019-20 to 2024-25 under a ₹100-lakh crore infra plan.

RBL Bank to raise ₹826 cr. from 5 investors

Funds to boost lender's capital base

SPECIAL CORRESPONDENT
MUMBAI

The board of private sector lender RBL Bank has decided to raise ₹826 crore equity capital from five investors to boost its capital base.

The bank will issue 24.24 million shares to these investors at ₹340.7 a piece, the bank said in a communication in the stock exchange.

Post the allotment, WF Asian Reconnaissance Fund Limited will hold 1.45% stake in the bank, Ishana Capital Master Fund will have 1.39%, FEG Mauritius FPI Limited 0.56%, East Bridge Capital Master Fund I Ltd. 0.97% and Bajaj Finance Limited will have 0.97%.

RBL stock ended at ₹373.80 on Friday, 1.9% higher than its previous close. The capital infusion will help the lender to improve its capital adequacy ratio which steadily fell from

The infusion will help improve the bank's capital adequacy, which fell from 15.95% in Sept. 2017 to 11.88% in Sept. 2019

15.95% in September 2017 to 13.12% in September 2018 and further to 11.88% in September 2019.

Asset quality

The bank's asset quality also worsened during the last one year with gross non-performing assets, as a percentage of gross advances, going up from 1.4% in September 2018 to 2.6% in September 2019.

In the first half of the current financial year, the private sector lender's net profit fell 19% to ₹321.4 crore from ₹394.6 crore during the same period of the previous year.

'Work on to fix cross-border insolvency'

PRESS TRUST OF INDIA
MUMBAI

Insolvency and Bankruptcy Board of India chairman M.S. Sahoo on Saturday said work is on to amend the Insolvency and Bankruptcy Code 2016 that will address cross-border insolvency.

On Thursday, Mr. Sahoo had said the government is keen to introduce a globally accepted and well-recognised cross-border insolvency framework, which will make India an attractive investment destination, given the increased predictability and certainty of the insolvency process.

"There is proposal to amend the IBC to provide for such cases like cross border insolvency and to address some of the problems that have come up, but I will not be able to say which these are," Mr. Sahoo told reporters here.

INTERVIEW | WARREN HARRIS

'India has key role in achieving price point in EVs'

Country's technology capability will make it a source of supply for global OEMs: Tata Technologies MD

LALATENDU MISHRA

As the automotive industry shifts to alternative propulsion systems, specifically electric vehicles, Tata Technologies Ltd., a subsidiary of Tata Motors, having expertise in providing end-to-end solutions, is playing a pioneering role in helping auto companies adapt to changes. In an interview with *The Hindu*, the company's CEO and MD, Warren Harris, says India has the potential to lead the EV revolution globally due to its strengths in frugal engineering. Edited excerpts:

What is the future of the automotive industry in India?

■ If you look at the changes globally, the industry is disrupted in three directions:

The move to electrification, the move to connected services, ride sharing-cost sharing and the move to autonomous driving.

The reason I am bullish is the price point at which those solutions have been developed today is acceptable not just for India, but for the global automotive market. I think India has a great role to play in helping achieve a price point that will enable those technologies to be delivered to the mass market. It has a great role to play in the IP to be developed for this. The technology capability that is here and the capacity that India has in software and the likes of megatronics will again make India a source of supply for the world's OEMs and engineering services firms will play a pioneering role.

What needs to be done?

■ As far as the market is con-

cerned, a lot will depend upon government legislations. In the past, the organisations that developed the best products had won.

But going forward, the ability to develop the best product is going to require the ability to develop partnerships across the technology stack. India has to make a decision as to whether it wants to accelerate that change or whether it wants to wait for the rest of the world to make that change and then to follow it.

I trust and hope that India takes a leading role in it. This is a tough market. The Indian market is a very hard one. In the passenger vehicles space there are 20 companies that compete and two companies have 67% of the market. You have

What is your view about the EV revolution that is supposedly gripping India?

■ The projection for the global EV market has extended from 3 million units in 2017 to 30 million units in 2020. Some ambitious analysts suggest that it will grow to 130 million units by 2030. So, there is a lot of hype. And I think some of that hype is getting desiccated now.

I think the Indian government is doing the right things and signalling what is right. But public-private partnership is critical. The alignment is there. If you look at the automotive industry, there have been a lot of dialogue mainly in the last three months between the Finance Minister and the OEMs.

But we have not seen that translate yet into legislation and to a regulatory framework that will provide the incentives, the safety net to the OEMs to really

invest. India is a price-sensitive market and that is somewhat of an inhibitor to EVs, but it's also an opportunity. For example, today, an autonomous vehicle is priced at about \$300,000 but that has to come down to \$50,000 to \$60,000 if it is going to be successful.

That is going to require a lot of frugal innovation. The government has to take a proactive stance in providing an environment in which people can invest.

Despite all the hype, India sold less than 3,000 EVs last year...

■ When you take a traditional IEC platform and convert that to an electric propulsion system, then you are really not optimising the product in the way you have the opportunity.

When you don't have an engine and you have got a battery pack that sits underneath the vehicle, the opportunity to optimise the cabin space [and] the ability to improve the passenger experience is lost.

When you are worried about the price and you cannot afford to make those investments or you are concerned about your ability to sell them, it compromises your ability to innovate and invest and I think the government has a role to play in this to help.

The Indian automotive industry is witnessing



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Ms. Sarika Chuni (CENTA TPO 2018 winner) receiving cheque of Rs. 2 lakhs from Mr. Bishwajit Kumar Singh - Commissioner, Navodaya Vidyalaya Samiti. Also in the photo, Dr. B.P. Pandey - OSD to Minister of Education, Government of Delhi, Ms. Meeta Sengupta, - Education strategist and writer, and Mr. Narendra Ranade - Marketing Director, Oxford University Press India.

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