

TVS launches
maiden EV
scooter iQube

SPECIAL CORRESPONDENT
BENGALURU

TVS Motor Company launched its maiden EV scooter, iQube Electric, here on Saturday. The new green and fully connected scooter, which comes with a road price of ₹1.15 lakh can attain speed of 78 kmph and last 75 km on a fully top-up battery. Chairman Venu Srinivasan said the firm would make 1,000 units of iCube Electric scooters a month, to start with. “Young people today are digitally driven and want to stay connected. We want to cater to their aspirations through this new product,” he said. TVS has entered into a partnership with energy provider Bescom to make charging stations available across the city. Charging facilities are available at 10 of its dealerships in Bengaluru.

ICICI Bank net zooms as provisions fall

Essar Steel resolution boosts Q3 profitability; gross slippages remain elevated, but recoveries help

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender ICICI Bank’s net profit surged 158% to ₹4,146 crore for the October-December quarter as provisions for bad loans halved. Provisions, excluding taxes, declined by 51% year-on-year to ₹2,083 crore during the period under review, from ₹4,244 crore in the year ago period. The bank benefited from the resolution of Essar Steel during the quarter, which boosted profitability. Net interest income (NII) increased by 24.3% year-on-year to ₹8,545 crore, which helped the core operating profit (profit before provisions and tax, excluding treasury income) to swell 23.8% to ₹7,017 crore. The net interest margin (NIM) was 3.77% in Q3 of FY20, compared with 3.64% in the quarter ended September 30, 2019 (Q2-FY20)

High Jump		
	Q3 FY20	Q3 FY19
Net Profit	4,146	1,605
NII	8,545	6,875
Provisions	2,083	4,244
Operating Profit	7,549	6,146
Gross NPA ratio	5.95%	7.75%
Net NPA Ratio	1.49%	2.58%
Capital Adequacy Ratio	16.5%	17.15%



During the quarter there was a certain development with respect to a broking company. Our exposure to the company has been classified as non-performing

and 3.4% in Q3-FY19. The gross slippages to NPA remained elevated though recoveries, and write-offs helped to contain the net slippages number. During the quarter, the gross additions to NPAs were

Rolls-Royce launches
Black Badge Cullinan

The model is priced at ₹8.2 cr. in India

SPECIAL CORRESPONDENT
MUMBAI

Rolls-Royce Motor Cars, a wholly-owned subsidiary of the BMW Group, has introduced the Cullinan in India, thus completing its Black Badge family of cars. The Cullinan is priced starting ₹8.2 crore. The super-luxury vehicle caters to a new group of younger and adventurous Rolls-Royce customers, the company said. The vehicle’s 6.75-litre V12 engine now delivers increased power (600PS) and torque (900NM) offering enhanced performance. “Black Badge reflects the desires of a distinct group of

Rolls-Royce clients: men and women who take risks, break rules and build success on their own terms,” said CEO Torsten Müller-Ötvös. At the Geneva Motor Show in March 2016, Rolls-Royce presented Black Badge; a permanent bespoke family of motor cars. The Black Badge debuted with Wraith and Ghost in 2016 followed by Dawn in 2017. Throughout history, the company said, India had been influential for Rolls-Royce by being a proving ground with events such as the Bombay-Kolhapur Motor Trial and the Mysore Cup.

Are regulations a boon or bane for tech?

Google CEO’s pitch to regulate AI has stirred up a debate among industry leaders

YUTHIKA BHARGAVA
NEW DELHI

Amid renewed debates over regulation of newer technologies such as artificial intelligence (AI), the Indian tech industry is of the view that while some regulations may be needed to keep a check on tech, putting up too many barriers may stifle innovation. This comes in the aftermath of Google CEO Sundar Pichai pitching for regulation of artificial intelligence, in a recent article in a financial daily. In a discussion with *The Hindu* on ‘Tech in 2020s’, Nasscom senior vice-president and chief strategy officer Sangeeta Gupta said, “From Nasscom’s perspective, you have to give some

You have to give some time for these technologies to mature before regulating

SANGEETA GUPTA
Nasscom senior V-P and CSO

time for these technologies to mature before you start regulating, because if you start coming up with AI ethics policies, even before AI becomes a little more mainstream, you’re going to potentially create an environment where many of these things don’t even take off. The regulatory sandbox approach that is being suggested is one good way to think about newer technologies.” Jagdish Mitra, chief strategy officer and head of

31, 2019, as compared to 7.75% a year ago, and 6.37% in the previous quarter end.

Provision coverage
The provision coverage on non-performing loans, excluding cumulative technical write-offs, increased from 68.4% at December 31, 2018 to 76.2% at December 31, 2019.

“During the quarter, there was [a] certain development with respect to a broking company. Our exposure to the company has been classified as non-performing. The corporate NPA addition in this quarter also included a south India-based industrial company, where servicing was regular, but refinancing undertaken in 2018 has now been assessed to be restructuring, leading to classification of NPA by lenders. The company is backed by reputed promoters and investors,” Sandeep Batra, president,

ICICI Bank, said in the post earnings interaction with the media. As at December 31, 2019, the fund-based and non-fund based outstanding to borrowers rated ‘BB’ and below was ₹17,403 crore, compared with ₹17,525 crore at March 31, 2019 and ₹16,074 crore at September 30, 2019. The domestic loan growth was at 16% year-on-year on December 31, 2019, driven by retail loans, which grew by 19% year-on-year. Domestic corporate portfolio grew by 12% year-on-year. Total deposits increased by 18% and the term deposits grew by 24% year-on-year, while the current and savings account (CASA) deposits grew by 15%. The share of CASA in total deposits was 42.8% in quarter ended December. The bank’s balance sheet crossed the ₹10 lakh-crore milestone, with total assets at ₹10,07,068 crore.

‘Client must get time for margin before broker squares off position’

NSE bench orders refund in 2018 case

ASHISH RUKHAIYAR
MUMBAI

In an important order, the Arbitration Appeal Bench of the National Stock Exchange (NSE) has ruled that a broker cannot square off a client’s position without proper notice even if the client’s margins fall below the required level due to a sudden fall in stock prices.

The order assumes significance as many clients approach the exchanges with similar complaints against brokers who, they say, sell their shares without giving sufficient time to bring additional margin if required.

The bench ordered the entire amount of loss to be refunded to the client along with interest from the date of sale.

As per the order, CD Equisearch has been directed to pay ₹1.23 lakh along with 9% interest to Suwarna Choudhary after the investor filed an appeal alleging that the broker sold her securities to meet the margin shortfall without giving time to bring in additional margin.

The matter dates back to September 2018, when the client had ₹1.23 lakh as margin, based on which she bought one lot each of Maruti Suzuki India and Canara Bank in the derivatives segment.

However, as per the order, the broker sold the lot on the same day due to a sudden fall in prices and post the ‘forced’ sale, the market recovered and closed at a much higher level than the price at which the position was squared off.

The complainant has alleged that the broker was required to ‘demand’ additional margin before



squaring off her position. Further, she alleged that the regulations allowed a broker to sell the securities only if the client was not able to deposit the required margin ‘within the next trading day’. “Broker has to inform their client of the shortfall in margin calculated at the end of the day. And even after intimation/notice, if a client fails to pay additional margin as levied by the broker next day, then the broker can sell off the client’s open position, otherwise not,” Bhalchandra Ganu, the lawyer for the complainant, said. There have also been rulings by the Bombay High Court that a broker cannot square off the client position without giving sufficient time to bring additional margin. “The requirement of intimation and approval has been held to be sacrosanct before an open position is closed out by broker,” said Sumit Agrawal, Partner, Regstreet Law Advisors. “In recent years, while SEBI has come up with a lot of circulars to deal with unauthorised trades that puts clients at risk, it should now consider looking at recasting Stock Exchange Byelaws and Rules, which are ambiguous in various provisions,” said Mr. Agrawal, who had earlier worked in the legal department of SEBI.

INTERVIEW | V. MUTHUKUMARAN

Focus is now on domestic market: Tata International

To introduce ‘Saydo’ women’s shoe brand in India next year

N. ANAND

The leather division of Tata International Ltd. has drawn up plans to increase its share in the domestic market fourfold in the next three to four years by unveiling international products, says V. Muthukumaran, head, leather products, Tata International Ltd., in a conversation. Edited excerpts:

What was the impact of the economic slowdown on your business?
■ We have been posting good growth year-on-year as we exported nearly 95% of our products. So, there was hardly any impact of the economic slowdown on our business. We produced four million pairs of footwear in FY18 and this rose to 4.5 million pairs this fiscal and our target is 7 million by FY21 and 10 million by FY23.

What will your capital expenditure be?
■ We will be investing close to ₹500 crore over the next five years on capital expenditure, to make synthetic and non-leather products and ladies shoes. This calls for setting up new lines of production, upgrading existing ones and doubling the workforce at our Ranipet facility to 15,000 people. Right now, women employees comprise 80% of total workforce. We have manufacturing facilities in Ranipet that make 5 million pairs of footwear a year, followed by units in Ambur and Chennai that make one million pairs each, respectively. Our unit in Chittoor in Andhra Pradesh is a small facility that



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Will you be focussing more on exports?
■ No. We are now contemplating an increase in our share in the domestic market from the current 5% to 20% in the next three to four years. This requires setting up new stores. Right now, we have the first store in Indore and a second one will be opened in Chennai soon. Right now, we also have domestic presence in school shoes ‘Feet-science’ that sells two lakh pairs.

How do you plan to face intense competition from existing players?
■ We will be introducing ‘Saydo’ brand of comfort women shoes in India next year. Currently, it is being manufactured in India and Portugal and sold in Europe in limited numbers. Our idea is to increase its sales volume both in India and Europe. It is retailed between ₹2,500 and ₹5,000 a pair.

Tell us about Tata

Triumph, Bajaj to develop bikes for global market

LALATENDU MISHRA
PUNE

British company Triumph Motorcycles and Bajaj Auto have entered into a long-term, non-equity partnership to develop and manufacture a new range of mid-capacity Triumph motorcycles in India and for selling globally.

The first product from this partnership, to be manufactured at Bajaj’s Chakan plant, will hit the market in 2022. Financial details were not revealed.

This alliance will develop motorcycles in the range of 200 cc and 750 cc and the first product will be priced below ₹2 lakh.

Triumph, which sells 60,000 units a year, will see volume growing substantially as this partnership will offer mid-sized products in high-volume emerging markets, including India. Bajaj will become one of Triumph’s key distributors in new markets around the globe.

Bajaj will take over Triumph’s Indian distribution activities at a date yet to be confirmed. In other key overseas markets where Triumph is not present, Bajaj will represent Triumph.

In all other markets where Triumph is present, motorcycles developed by this partnership will join the Triumph product portfolio and be distributed by Triumph’s dealer network worldwide. Bajaj Auto MD Rajiv Bajaj said the company opted for this partnership because Bajaj was not known for producing high-powered bikes and it would be a learning process. Triumph had earlier tried to develop mid-range bikes, but failed to achieve pricing targets.

(The writer was in Pune at the invitation of Bajaj Auto)

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