



IN BRIEF
LG eyes India as a manufacturing hub
NEW DELHI
Consumer electronics major LG is expecting India to be one of its global manufacturing hubs to cater to the markets of South Asia, Africa and West Asia, a top official said. LG Electronics India is considering a unit in the next 4-5 years to cater to the fast-growing eastern region of India. It said it would continue to invest to upgrade its existing manufacturing facilities at Pune and Noida. PTI

'Extend deadline to link Aadhaar, bank account'
NEW DELHI
Industry body ASSOCHAM urged the Centre to relax the deadline for linking bank accounts, particularly those in the public sector banks (PSBs), with Aadhaar, saying post-PNB scam, PSBs were fire-fighting to protect their core business. The economy had just about come out of the impact of demonetisation and GST and was not ready for another challenge by way of any bank account becoming inoperative after March 31, ASSOCHAM said. PTI

'4.4 lakh homes unsold in 7 major cities in 2017'
NEW DELHI
About 4.4 lakh housing units were unsold in seven major cities at the end of 2017 with Delhi-NCR contributing the maximum at over 1.5 lakh flats, property consultant JLL India said. Kolkata had the lowest volume at about 26,000 units. The consultancy expects the high level of unsold inventories to result in stable housing prices. Its survey said of the total unsold stock, 34,700 units are ready-to-move-in apartments. PTI

Cash-rich PSU general insurer may buy out smaller ones

Share swap could also be considered, according to a Finance Ministry official

PRESS TRUST OF INDIA NEW DELHI
Taking cue from ONGC's buyout of HPCL, the government may look at replicating the same in the insurance sector by asking a cash rich PSU general insurer to buyout the smaller ones.
A Finance Ministry official said apart from buyout by cash-rich general insurers, a share-swap could also be considered for smaller insurers.
In the 2018-19 Budget, Finance Minister Arun Jaitley proposed merging three public sector general insurance companies - National Insurance Co. Ltd., United India Insurance Co. Ltd. and



War chest: In March 2017, Oriental India Insurance had ₹2,357 cr. in cash while United India had ₹1,916 cr. •GETTY IMAGES/ISTOCK

Oriental India Insurance Co. Ltd. - into a single insurance entity.
The merged entity would be subsequently listed on

"Cash-rich insurers may be asked to buy out the smaller ones where there is operational synergy. A share swap could also be considered," the official told PTI.

Cash, bank balances
As on March 31, 2017, Oriental India Insurance Co. had cash and bank balance of ₹2,357 crore compared with ₹1,916 crore held by United India Assurance Co. and ₹1,587 crore by National Insurance Co.

In the current fiscal, which ends in March, two other PSU insurers - General Insurance Corp. and New India Assurance Co. Ltd. - got listed on the bourses.

'Discrete norms for new and replacement parts a threat'

Dual certification is a burden on small units, say officials

PRESS TRUST OF INDIA NEW DELHI
The different standards in place for original equipment and replacement auto parts can cause major issues related to safety, emissions and performance of the vehicle, the government has said in the new draft National Automotive Policy.



the policy ingredients in a couple of months," according to officials.

Currently, automotive components being supplied to original equipment manufacturers in India must conform to Automotive Industry Standards guidelines, whereas those being sold through the aftermarket channel need to be certified as per Bureau of Indian Standards. "Discrepancies between the standards of new and replacement parts can

cause major issues in safety, emissions, and performance of the vehicle. Also, the dual certification requirements lead to higher cost of compliance for smaller manufacturers. The Department of Heavy Industry had sought stakeholders' comments on the draft policy by February 26, and expects to finalise

Shift to cleaner vehicles
Besides, poor domestic capability for producing components used in green vehicles will be a major bottleneck for shifting to cleaner vehicles, the government said in the draft policy, observing there is a "critical need" to improve technology access, capability and skill levels of component manufacturers.
According to the draft policy, technology transfer and domestic capability building has potential growth opportunity in auto components sector after the entry of several international component manufacturers.

Vietnam refinery: IOC bids for stake

PRESS TRUST OF INDIA NEW DELHI
State-owned Indian Oil Corp (IOC) has bid for a stake in Vietnam's Binh Son Refining and Petrochemical Company as it looks at the southeastern nation to expand business beyond Indian shores.
IOC is among at least four companies that have evinced interest in becoming strategic partner in Binh Son Refining and Petrochemical Company (BSR) by taking 49%, official sources said. Indonesian state-owned oil firm Pertamina, Vietnam's biggest petrol dealer Petrolimex and Thailand's Bangkok Corporation Public Company Ltd. are the other firms which have put in an expression of interest.

GMR submits bid to revamp Manila airport

Consortium's proposal to cost \$3 bn
PRESS TRUST OF INDIA HYDERABAD
The GMR-Megawide consortium that manages the Mactan-Cebu International Airport in the Philippines has submitted a \$3-billion proposal to decongest and redevelop the Manila Ninoy Aquino International Airport in Manila.
According to a filing by Megawide with the Philippine Stock Exchange in Manila, the redevelopment proposal involves increasing the capital city's airport's capacity to 950-1,000 aircraft movements a day from the present 730 and take the overall passenger handling capacity to 72 million per annum. The Mactan-Cebu International Airport is the second largest airport in the

'Defaulting promoters must be barred from bidding'

Axis Bank's Shikha Sharma also bats for stronger NCLTs
PRESS TRUST OF INDIA MUMBAI
Axis Bank chief Shikha Sharma has called for creating a better credit culture for long-term benefits and opined that one way to achieve it is to debar defaulting promoters from bidding for their assets during insolvency proceedings.
With the Reserve Bank of India (RBI) doing away with all the past dispensations to resolve the bad loan problem, and voting for initiation of insolvency proceedings against erring borrowers, there is a need to strengthen the National Company Law Tribunals (NCLTs), she said.
"Certainly, a lot more cases are going to go to the



Shikha Sharma

would have kept such a requirement in mind already.
'Long-term benefit'
She said the promoters of companies against whom banks had initiated insolvency proceedings should be kept out of the bidding process for the same assets for the long-term benefit of improving credit culture.
A short-term goal for banks would be to look at maximising the value from the assets which are being put up for bidding and that can happen by allowing the promoters to bid for the assets, while from a longer-term perspective getting the right credit culture where every borrower repays is more important, she said.

Tighter PSL norms for MNC banks

PRESS TRUST OF INDIA MUMBAI
The Reserve Bank of India has further tightened the priority sector lending (PSL) norms for foreign banks by directing them to mandatorily create sub-targets so that they lend a portion of their loans to small and marginal farmers as well as micro enterprises, from April.
The move is directed at foreign banks with over 20 branches and will impact the likes of Standard Chartered, Citi and HSBC. The norms will come into force from next financial year.
The norms mandate foreign banks to eventually lend 40% of their total loan book to priority sector areas, such as agriculture, from April 2020.

GST absolutely necessary for India, says Suresh Krishna

'New Zealand's GDP grew four times after levy was imposed'

K.T. JAGANNATHAN N. ANAND CHENNAI
The implementation of Goods and Services Tax (GST) is absolutely necessary for the country as it has the potential to double the GDP, according to Suresh Krishna, chairman and managing director, Sundram Fasteners Ltd. (SFL).
"There is nothing wrong in it (GST)," Mr. Suresh Krishna said in an interview to *The Hindu*.
"You will understand the benefits of it after five or 10 years. After the implementation of GST, the gross domestic product (GDP) of New Zealand grew by four times. I will be happy if the GDP grows by two times in India," he said.



Barrier-free: GST has enabled easy goods movement, leading to enormous savings, says Suresh Krishna. • V. GANESAN

After GST took effect, check posts at State borders had vanished, paving the way for easy movement of goods, he said. "For want of C form, vehicles used to block way for other vehicles. It resulted in huge amount of wastage [of fuel] and time. Now, all these have gone. The savings is great," he added.
Queried about the scam at the Punjab National Bank (PNB), Mr. Krishna cautioned the Centre against taking any knee-jerk action just because a few industrialists had duped public sector banks.
"What happened in the case of Punjab National Bank is unfortunate. [But] even Lehman Brothers Inc. collapsed despite strict controls, in the U.S.," he said.
He said public faith in the banking system had been dented in the wake of the fraud as defaulters had fled India.
"There will be certain apprehension in the minds of the public. There is no doubt," he said.
He felt that the government should not go in for

any knee-jerk action similar to the one taken in Satyam Computer Services' scandal. He said one should not lose faith in the banking system just because of one [PNB] failure. "It will be a great error. You have to trust the Indian banks. You have public sector banks, private sector banks and reputed banks in the country. It is up to you to make your own judgement. We need to carry on," he added.
Having experienced a challenging period for the manufacturing sector from '60s to '90s, Mr. Krishna said he had always remained optimistic. Asserting that India was capable of producing quality products of international standard, he said he was against levy of taxes in the guise of protectionism.
Imports to be hit
Referring to the recent announcement by U.S. President Donald Trump on tariff on steel and high-end bike imports from India, he said: "It is not good for any economy to put higher import duty. It will definitely affect imports. After the U.S., China will do it.
"One should have an open economy to be the best in the world. Or else, it will become uncompetitive. And, you will not be able to compete in the other markets,"

he said. Pointing out that India was doing well in automobile and auto components, Mr. Krishna said: "We are becoming one of the largest producers of auto vehicles in the world by producing three million cars and 15-16 million motorcycles every year.
"We are in a sunrise industry. We will be number three or four very quickly. It is only a matter of time. [The] same may apply for bus, trucks, off-road vehicles and excavators." He felt that the country could absorb 10 million cars and 50 million two-wheelers. Personal transportation was a common aspiration of the middle class in India, he said.
To a question, he said it would take more than 20-25 years for the country to realise its dream of fully moving over to electric vehicles. The industry and the users, he said, had to deal with three vital issues - type of battery, its disposal mode and infrastructure such as charging stations.
"The battery technology has to improve. We have to see whether the industry opts for lithium or cobalt," he said. Battery should not be viewed just a component of cost of vehicle alone. Its impact on the cost of ownership also mattered, Mr. Suresh Krishna added.

Modi, Choksi cannot sell assets: NCLT

PRESS TRUST OF INDIA NEW DELHI
Amid the ongoing multi-agency probe into the ₹11,500-crore Punjab National Bank scam, the NCLT has restrained more than 60 entities, including Nirav Modi, Mehul Choksi, various individuals, companies and limited liability partnership firms, from selling their assets.
The National Company Law Tribunal (NCLT) gave the directions against Mr. Modi and Mr. Choksi, the alleged main perpetrators of the fraud, as well as their firms and relatives, among other entities, as per a public announcement by the Corporate Affairs Ministry.
The ex-parte order was passed on a petition filed by the Ministry under various sections of the Companies Act, 2013.

iiAS flags ONGC-HPCL transaction

PRESS TRUST OF INDIA NEW DELHI
Proxy advisory firm iiAS has questioned the state-run Oil and Natural Gas Corporation Ltd. (ONGC) seeking exemption from taking shareholders' nod for the acquisition of the government's stake in Hindustan Petroleum Corporation (HPCL), saying such leniency with regard to public votes is not warranted.
ONGC bought the government's 51.1% stake in HPCL for ₹36,916 crore.
iiAS said Sec. 188 of the Companies Act states 'prior approval' is required for firms to enter into RPTs (related party transactions).
Where such approval was not taken, the Act allows for ratification till a period of three months.

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