

IN BRIEF

**M&M third quarter net profit rises 12%**

MUMBAI Mahindra & Mahindra Ltd.'s (M&M) standalone net profit rose 12.49% to ₹1,216 crore in the third quarter ended December 2017 compared with ₹1,081 crore in the year-earlier period. Revenue from operations was ₹11,578 crore (₹11,844 crore). M&M said, "The figures are not comparable as revenue from operations under pre-GST regime included excise which is now subsumed in GST."

**GST return simplification panel to meet traders**

NEW DELHI The government-appointed panel on GST returns, under GSTN Chairman Ajay Bhushan Pandey, will meet industry and traders this week to seek their views on simplification of return-filing process. The committee is likely to submit its report to the Group of Ministers, headed by Bihar Deputy Chief Minister Sushil Modi, which will finalise its recommendations by the end of the month and place them before the GST Council, Mr. Pandey said. PTI

**Firms spent ₹28,000 cr. on CSR in about 3 years**

NEW DELHI Corporates had spent more than ₹28,000 crore towards social welfare activities in the almost three years since CSR norms came into force, latest official data showed. An analysis of data compiled by the Corporate Affairs Ministry showed a total of ₹28,111.63 crore was spent on CSR activities by eligible firms during the period April 1, 2014 to November 30, 2017. In the current fiscal, till November 30, a total of ₹4,719 crore was spent. PTI

**NTPC plans to borrow about ₹16,000 crore**

Funds to help add 6,900-MW capacity

NEW DELHI State-run power giant NTPC may borrow about ₹16,000 crore next financial year for adding 6,900 MW of fresh electricity generation capacity by March 2019.

"The corporation may hit the bonds or debt market to borrow about ₹16,000 crore during the next financial year for financing ongoing projects," a source said.

NEW DELHI NTPC has planned capital expenditure of ₹23,000 crore for 2018-19, which includes both debt and equity, essentially for capacity addition through the greenfield route.

However, this capital expenditure does not include the investment that may be required for other projects that the company is looking to acquire.

# Mercedes to plug into EVs in India after study

The German luxury carmaker plans to have more than 50 electric vehicle variants of its models globally, says Britta Seeger

YUTHIKA BHARGAVA  
NEW DELHI

German luxury car maker Mercedes Benz plans to undertake a study to evaluate the market and infrastructure readiness in India before deciding on a strategy to introduce the right electric vehicles.

"When we see that the Indian government [has] plans for electrification by 2030, this means for us to investigate what would be the right products for India," Britta Seeger, member of the board, Daimler AG told *The Hindu*.

"We need to see what this decision means for our local production and to evaluate to what extent we have to prepare our dealers for these changes," she said.

"This market research is ongoing. Depending on customer requirements and the

**Plug and play:** The company has already electrified some of its models and plans to make the entire portfolio electric by 2022, according to Britta Seeger, board member, Daimler AG.

potential of the market, we make a decision," said Ms Seeger, who is also responsible for marketing and sales at Mercedes-Benz Cars, on her maiden visit to India.

"Moreover, what we see from many other countries

where electrification is already of high importance is that the infrastructure needs to be ready. This is not in our hands. However, these are the components we have to take into consideration," she added.

The comments come in the backdrop of the Centre, which is expected to soon bring a policy on electric vehicles, planning to shift from petrol and diesel-powered cars to electric vehicles by 2030.

Ms. Seeger pointed out that Mercedes already had electrified models in its portfolio. "...we will, by 2022, make the entire portfolio electric. This means that we will offer our customers at least one electric alternative for every Mercedes model series. We are planning to have more than 50 electric vehicle variants in the market."

**EV infrastructure**

Depending on the region, development of the infrastructure and customer preferences, Mercedes-Benz expects 15-25% of its total sales to come from electric vehicles by 2025.

Asked if the Centre's target date of 2030 for all-electric fleet in the country was realistic, Ms Seeger said, "...it is not up to us to judge. Is there a chance that the in-

frastructure will be ready in time? This depends on the government's decision and that is out of our reach. It could go very fast if you really had strong investment plans behind it."

On India market, she said the company was "very satisfied" with the company's performance in the country. "If you look into the sales performance of Mercedes in India last year, we improved by 16% – that is a significant increase... In recent years, we even doubled our sales figures."

"All the important things are set up and are going in the right direction. There is a huge potential and the significance of the Indian market is still increasing for us. Therefore, all-in-all the set-up is very good for us. We truly believe in further growth in India," she added.

## 'Nifty trades to continue on SGX'

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SINGAPORE

In its assurances to traders, Singapore Exchange said its entire India suite of products, including Nifty, will open and operate per normal on Monday.

"Our licence agreement with NSE will ensure the continuity of listing and trading our Nifty suite of derivative products till August 2018 at a minimum," said SGX in the statement.

This comes after the Indian exchanges on Friday announced a decision to stop the commercial licensing of their indices and market data with a number of foreign exchanges and other business partners.

SGX said it would take measures to maintain "orderly trading and clearing of SGX India equity derivatives" for its global clients.

## 'SBI wrote off bad loans worth more than ₹20,000 crore last fiscal'

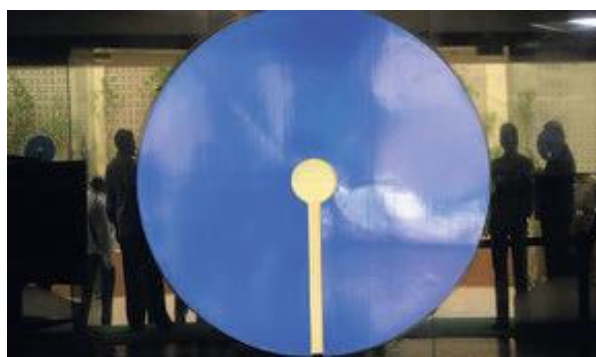
Records highest figure among all public sector banks, shows government data

PRESS TRUST OF INDIA  
NEW DELHI

The country's largest lender SBI wrote off bad loans worth ₹20,339 crore in 2016-17, the highest among all public sector banks which had a collective write-off of ₹81,683 crore for the fiscal.

The data pertains to the period when the associate banks of State Bank of India (SBI) were not merged with it. Public sector banks' (PSBs) write-offs stood at ₹27,231 crore in 2012-13, government data showed.

The figure has jumped almost threefold in five years. In 2013-14, state-owned



banks wrote off bad loans worth ₹34,409 crore; ₹49,018 crore in 2014-15; ₹57,585 crore in 2015-16, hitting ₹81,683 in the fiscal ended March 2017. In the current

financial year, PSBs have written off loans worth ₹53,625 crore in the six months to September.

As per data from the Reserve Bank, nine public sec-

tor banks, out of a total of 21, had gross non-performing asset ratio of above 15% (the percentage of bad loans in terms of total loans outstanding) as of September 30, 2017. Fourteen PSBs have gross non-performing asset ratios of more than 12%.

**Mounting NPAs**

PSBs face mounting non-performing assets (NPAs) or bad loans, putting the financial sector under stress. The government has unveiled a ₹2.11 lakh crore capital infusion plan for the PSBs, including via bonds, in the next two years.

## Ministries may discuss govt. healthcare plan this month

To chalk out implementation modalities for the NHPS

PRESS TRUST OF INDIA  
NEW DELHI

The Ministries of Finance and Health will hold the first meeting this month on the National Health Protection Scheme (NHPS) to discuss the modalities of its implementation, including whether to rope in insurance firms or set up a trust to settle claims.

The scheme, which would be the world's largest government healthcare programme, was announced in the 2018-19 Budget for providing medical cover of up to ₹5 lakh to more than 10 crore poor and vulnerable

families, constituting 40% of India's population. "It would be deliberated on whether National Health Protection Scheme will be run through a trust-based model or through general insurance companies," an official said.

**State-level models**

Certain States are already successfully running healthcare schemes using the trust-based model. Under this model, a trust will be set up by the government with funds being contributed by the Centre and States, which will settle hospital claims of beneficiaries, instead of in-

surers settling them. The Health Ministry will draft the scheme, which is likely to be unveiled either on August 15 or October 2, after consultations with the States. There are States which run schemes for specific illnesses and discussions would include ways to streamline those with NHPS.

"The Health Ministry would discuss with States on how to go about with the existing state-run schemes once the NHPS is implemented. At the central level, the Rashtriya Swasthya Bima Yojana would be subsumed within NHPS," he added.

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## 'Inflation to moderate to 5% for Jan.'

PRESS TRUST OF INDIA  
MUMBAI

Retail inflation is expected to moderate and print at 5% after rising consecutively for five months, helped largely by the seasonal dip in vegetable prices, while the trade deficit is also likely to have improved in January, said a foreign brokerage in a report.

Official data for consumer price inflation (CPI) for January, which stood at 5.2% in December last, would be released by the government on Monday.

Interestingly, while Morgan Stanley, the brokerage which released the report, sees improvement in both inflation and trade deficit numbers for January, it flagged concern that "moderate risks to macro stability are emerging on account of the wider-than-targeted fiscal deficits."

## NITI bats for separate debt office at Centre

To help cut interest payments: Kumar

PRESS TRUST OF INDIA  
NEW DELHI

NITI Aayog Vice-Chairman Rajiv Kumar made a strong case for setting up an independent debt management office, saying better servicing of loans could lead to substantial reduction in India's interest payments.

At present, government debt is managed by the Reserve Bank of India (RBI). "Now, the time has come to seriously consider better management of India's debt servicing obligations... interest payment is such a large part of the revenue expenditure that better management of debt servicing could substantially reduce interest payment," Mr. Kumar said.

Noting that India's external debt is only 18% of total GDP, he said when the RBI



Rajiv Kumar

manages India's debt then there is conflict of interest.

"Because, if you let more external people come and compete in government debt market, then you get more foreign exchange, therefore exchange rate management gets problematic.

"So, debt market remains confined to few domestic players... I think therefore time has come for this step to be taken in right earnest," he said.

## 15 months on, RBI still processing returned notes

'Central bank is using sophisticated verification machines to count demonetised currency'

PRESS TRUST OF INDIA  
NEW DELHI

The RBI has said that ₹500 and ₹1,000 notes, returned to banks when the government demonetised high value currency 15-months ago, are still being "processed for their arithmetical accuracy and genuineness."

This is being done in an "expedited manner," the central bank said. "Specific bank notes are being processed for their arithmetical accuracy and genuineness and the reconciliation for the same is ongoing. This information can, therefore, be shared on completion of the process and reconciliation," the RBI said in reply to an RTI application.

To a query on the number of demonetised notes, it said, "...subject to future corrections if any, arising in the course of verification pro-

**Number bender:** The currency is being checked for arithmetical accuracy and genuineness, says RBI. • REUTERS

cess, the estimated value of specified bank notes received as on June 30, 2017 is ₹15.28 trillion (lakh crore). Asked to provide the details of the deadline for finishing the counting of demonetised notes, the RBI said "specified

bank notes are being processed in an expedited manner." As on date, 59 sophisticated currency verification and processing (CVPS) machines are in operation in RBI for the purpose, it said. The reply did not specify the

location of the machines.

The RBI will also soon have greater flexibility in terms of managing its liquidity operations with the addition of one more tool 'Standing Deposit Facility Scheme' to its kit. Finance Minister Arun Jaitley, in his Budget, had proposed to amend the RBI Act to empower the central bank to come up with an additional instrument for liquidity management. The proposal forms part of the Finance Bill 2018 which is scheduled to be approved by Parliament by March 31.

"That is to provide one more tool for liquidity management. There is no more MSS (market stabilisation scheme)," Economic Affairs Secretary S. C. Garg told PTI.

The RBI proposed in November 2015 the introduction of the SDF by suitably amending the RBI Act. This

would provide the RBI a new tool for liquidity management, particularly in times when the money market liquidity is in excess to deal with post-demonetisation like scenario.

**CRR hike**

Post-demonetisation, the RBI ran out of securities to offer as collateral and had to temporarily hike its cash reserve ratio (CRR) to force banks to park extra deposits with it. The CRR is the portion of deposits that banks have to compulsorily park with the RBI. Currently, the CRR is pegged at 4%.

When the liquidity position under the Liquidity Adjustment Facility (LAF) is outside comfort zone, the RBI uses an array of instruments to absorb/inject durable liquidity from/into the financial system.

INTERVIEW | C. SIVASANKARAN

## Sale of TTSL's mobile unit dismisses minority investors

People like me, who had no say, got nothing: Sivasankaran

OOMMEN A. NINAN

In a debt-free, cash-free deal in October last, Bharti Airtel acquired the consumer mobile businesses of Tata Teleservices Ltd (TTSL) and Tata Teleservices Maharashtra Ltd (TTML). Bharti will only pay a part of Tata Teleservices's unpaid spectrum payment liability to DoT over the next 10 years. TTSL had sought to exit the mobile telecom business due to heavy losses and debt.

But it will continue to operate its enterprise, fixed-line and broadband businesses and retain its stake in tower company Viom Networks. However, this deal has disappointed minority shareholders who had hoped the enterprise would be profitable in the future. Ace investor and entrepreneur C. Sivasankaran is also a minority shareholder with significant shareholding in TTSL. In an interview, he criticised the deal saying he had invested in Tata Tele, with the hope that the Tatas would be able to run the telecom business profitably. Excerpts:

Does the proposed deal to sell Tata Tele at virtually zero value, while retaining liabilities such as bank loans to the tune of ₹30,000 crore, make commercial sense for the Tata group?

To give away anything for zero value does not make any commercial sense for anyone. In the case of Tata Tele, where unfortunately I am also a shareholder, [it] is a case of reckless mismanagement by Mr. N. Srinath under the chairmanship of Mr. Mistry.

The relative combined value of Tata Tele spectrum, fibre and 40 million subscribers is said to be close to ₹30,000

**The deal structure was favourable to Bharti Airtel. The stock market has rewarded them**

Is it better for the Tata group to exit the business in a planned manner by selling the fibre to private equity firm TPG, which, along with Tata Tele employees, had made a bid for the fibre business?

I am not privy to the exact details of the deal with Bharti Airtel. From what I have gathered from media reports, the deal with Airtel seems to be favoured heavily towards Airtel, but I am not certain about the compulsions for Tata Sons to enter into such a deal. With respect to the fibre deal, I hear that there is more than one offer; hopefully they will be able to get a fair price for the same.

Can the Tatas exit the entire telecom services both by selling the spectrum, after selling the fibre, and also getting some residual value for the 40 million subscribers in the next 18 months?

From media reports, I can infer that that might be the plan.

give the group some breathing time as it negotiates a full exit. Please comment.

That is also an option which was before the Tata Group, I hope they have evaluated all the options before taking up the Airtel deal. This question should be asked of the persons who had done the deal with Airtel; whether they have done this deal by evaluating properly all the options in front of them.

What does it mean for Bharti Airtel? The market cap of Bharti Airtel has risen ₹50,000 crore since October 2017 when the deal was announced.

As I said, the way deal was structured, it was more favourable towards Bharti Airtel, and the stock market has rewarded them with the value.

If you were the chairman of Tata Sons, what would you have done? Could Tata Tele have been made profitable?

Only one thing I would like to bring to [your] attention... Jio is a very late entrant in the telecom business. As per the latest quarterly reports, they have made it profitable. I had invested in Tata Tele with the hope that the Tatas will be able to run the telecom business in a profitable manner.

Today, my investment and the subsequent interest that I have paid to the banks and financial institutions, including Tata Capital, is in the thousands of crores. All this investment is zero now.

While the Tatas were generous in settling Docomo at a price, minority shareholders like me, who had no say in the way things were managed in TTSL, have got nothing. This is the real state of affairs.