

DELISTING & MERGER WITH ICICI BANK
ICICI Securities Challenges the Tenability of Class Action Plea

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New Delhi: ICICI Securities has questioned the maintainability of the class action petition filed by non-institutional minority shareholders...

"There are concerns regarding threshold maintainability and subject matter maintainability," said the senior counsel, raising concerns regarding the application filed by non-institutional shareholders under Section 245 of the Companies Act, 2013.

Section 245 allows for a group of people to file an application before the tribunal if they feel wrongdoing in the management of affairs of the company.

The case pertains to ICICI Securities' announcement last year, which allowed delisting and merger with ICICI Bank, with 67 shares of ICICI Bank being offered for every 100 shares of ICICI Securities.

The counsel for ICICI Securities also pointed out that the suit had a jurisdictional issue, as it pertained to a concern that needed to be addressed to the market regulator, the Securities and Exchange Board of India, rather than the tribunal.

"These people are 0.0065% shareholders, but above 100, that's why they are filing a Section 245," the counsel stated.

The non-institutional shareholders contend that a loss of ₹1800 crore has been caused, as the delisting value was at a discount.

Besides, the counsel for the non-institutional shareholders claimed that bank employees called public shareholders, misleading them to vote another way and that shares were purchased by ICICI group entities like ICICI AMC a month before delisting...

Call on Go First Engine Lessors after Studying HC Order: NCLT

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New Delhi: National Company Law Tribunal on Monday said it would take a call on the fate of engine lessors for beleaguered airline Go First after studying the Delhi High Court order allowing lessors to retake possession of their aircraft.

The Delhi HC had last month directed civil aviation regulator Director General of Civil Aviation (DGCA) to deregister all the 54 aircraft leased by Go First. The development follows a notification from the Ministry of Corporate Affairs (MCA) in October last year clarifying that aircraft and aircraft engines were not within the remit of Section 14 of the Insolvency and Bankruptcy Code, 2016, which places a moratorium on recovery of any property or asset in the possession of the debtor.

The NCLT bench, in this case, responding to pleas by engine lessors, noted that it should take cognizance of Delhi HC order before passing any orders of its own. The lessors demanded urgency in the matter as they noted serious consequences as the equipment had fallen into disrepair and needed maintenance. In another matter, the tribunal granted 10 days for both parties to file written arguments in a petition filed by Mumbai-based firm Mack Star Marketing Pvt Ltd seeking to enforce the cancellation of its land lease to Go First.

FM Flags 'Gigantic Schemes of Fiscal Splurge' Pledged by Cong

Seeks to know if GOP will raise taxes or borrow heavily and run down the economy

Our Bureau

New Delhi: Finance minister Nirmala Sitharaman on Monday flagged the "gigantic schemes of fiscal splurge" pledged by the Congress to woo voters and sought to know if the party will raise taxes on people or borrow heavily and run down the economy in a bid to make such promises a reality.

In a series of posts on X (formerly Twitter), Sitharaman asked "Has @INCIndia considered the cost of the lofty promises made in their manifesto? Have they calculated how much the 'Khata Khat' schemes will cost fiscally?"

"Will they (Congress) borrow substantially for them, or will they raise taxes to fund them? How many welfare schemes would @RahulGandhi shut down to accommodate the fiscal cost of the 'Khata Khat' schemes?" the minister asked.

The Congress has promised to launch a Mahalakshmi Scheme to provide ₹1 lakh per year to every poor Indian family as unconditional cash transfer, and write off student



loans, if voted to power. It also wants to guarantee a national minimum wage of ₹400 per day, among a host of other populist pledges.

FISCAL MANAGEMENT Sitharaman said the current government pursued a "balanced approach" to fiscal consolidation while sustaining economic growth in the aftermath of the pandemic. Consequently, the Centre's fiscal deficit dropped to 5.8% of GDP (revised estimate) in FY24 from 9.2% in FY21, she said. The minister sought to refute the

Opposition's charge of high central government debt accumulated during the current NDA regime. During the UPA regime (FY2004 to FY14), the central government debt, including external loans at current value, jumped about 3.2 times to ₹58.59 lakh crore. This increase was higher than that of 2.9 times during the current NDA regime when the debt hit ₹172.37 lakh crore in FY24 (RE), Sitharaman said.

Under the UPA, the fiscal deficit ratio was at least 4.5% for six straight years through FY14, and it exceeded 6% in two of those years. "And there was no Covid-19-like crisis that needed such a quantum of fiscal expansion, showing poor fiscal management by UPA," Sitharaman said.

DEBT SUSTAINABILITY India's government debt, the minister stressed, "stands out as safe and prudent in terms of accepted parameters of indicator-based approach for debt sustainability".

A cross-country comparison suggests India had a debt-to-GDP ratio

of 81% in 2022, which was significantly lower than economies like Japan (260.1%), Italy (140.5%), the US (121.3%), France (111.8%), and the UK (101.9%). Under the UPA, India's external vulnerability also shot up because of over-dependence on the external commercial borrowings (ECBs). Between 2004 and 2014, ECBs rose at a compounded annual growth rate of 21.1%, whereas in the 9 years through FY23, they have grown at just 4.5% annually, she added.

'UPA'S WINDOW DRESSING OF DEFICIT' Sitharaman alleged that the UPA "did 'window dressing' to hide its high fiscal deficit without maintaining the integrity of the fiscal numbers". Fiscal deficit for 2008-09 would have been 7.9% of GDP, instead of 6.1% as officially stated, she said.

The UPA government floated special bonds in lieu of cash subsidies to the oil marketing companies (oil bonds), fertiliser companies and the Food Corporation of India to keep the official fiscal deficit numbers lower, she said.

TOMATO CHEAPER BY 40%, BUT...

Potato Prices Likely to be on Hot Plate till Year-end

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Kolkata: Tomato may have become cheaper, but potato prices will likely continue to pinch Indian households until the new crop comes to the market in December.

Potato prices have fallen by 40% in the past two days at Delhi's Azadpur Mandi, the largest fruit and vegetable wholesale market in Asia, due to increased arrivals from Himachal Pradesh, Rajasthan, Uttar Pradesh, Haryana and Punjab, traders said.

On the contrary, potato traders said prices will firm up further by another 5-10% as untimely rains have affected the tuber crop and because of cold storage owners releasing potatoes in a way so that the stock can meet domestic consumption till the arrival of the new crop.

Trade sources from Uttar Pradesh, the largest producer of potatoes, said the government has already launched a drive to see whether the cold storage facilities in Agra, the centre of the state's potato trade, were hoarding the tuber to jack up prices. "Once the election is over, there will be state-wide monitoring of the movement of potatoes," one of them said.

Meanwhile, arrival of tomatoes has picked up in the market. Ashok Kaushik, president of the Azadpur Tomato Association, said: "Due to the heatwave, a lot of tomato crop was damaged, which had pushed up the prices. The farmers have again grown the crop and now arrivals have improved from the states like Rajasthan, Uttar Pradesh, Haryana and Punjab resulting in a plunge in prices by 40%.

Depending on the quality, prices at the mandi are hovering around ₹5-15 per kg at the wholesale level. The fall in prices at the retail end will be felt from this weekend onwards. According to a recent report by Crisil Market Intelligence & Analytics Research, the cost of a representative home-cooked vegetarian meal (thali) has increased 8% in April from a year earlier, while that of a non-veg thali has declined 4%.

Arvind Agarwal, national co-ordinator of the Federation of Cold Storage Association of India, said potato prices have remained firm across the country this year.

"The stocks at the cold storage are also dwindling as people are consuming more potatoes as other vegetables have been damaged due to the heatwave. In a scenario where the demand is more and the supply is less, prices will firm up. It may firm up further by 5-10% in the weeks to come."

Uttar Pradesh has produced 17 million tonnes of potatoes so far this year.

Production in West Bengal, the second largest producer, has also been hit hard due to erratic weather conditions. "This year the production is around 9.0-9.5 million tonnes compared to 10.5 million tonnes last year. Prices have already firmed up and there is a possibility of prices moving northward in the coming weeks," said Patit Paban De, a veteran trade executive.

TO EXPAND SIGNIFICANT PRESENCE

PSBs to Identify One 'Champion Sector' in their Business Plans

Initiative is part of the Viksit Bharat strategy for these banks

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New Delhi: Public sector banks (PSBs) will identify one "champion sector" in their business plans, to expand significant presence in it by developing specific sector capabilities, said officials. The lenders will also look to design tailored products for segment-specific lending and build internal capacities such as stress testing and early warning signals, they said.

"We are discussing these metrics with PSBs as part of their business roadmap till 2026-27," said one of the officials, who did not wish to be identified. This initiative is part of the Viksit Bharat (developed nation) strategy for PSBs, which includes onboarding sector-specific advisors and developing credit underwriting models to expedite loan approvals.

The move seeks to complement the government's efforts under the Production Linked Incentive scheme that seeks to develop manufacturing capabilities in select identified areas.

"Banks will focus on non-traditional sectors and collaborate to leverage the expertise developed among them," said another official. The plan includes strategies to increase low-cost deposits, raise capital, resolve bad loans,

Table: Credit Flow to MSME Sector by SCBs. Columns: 2018-19, 2019-20, 2020-21, 2021-22, 2022-23. Rows: PSB (No. of Accounts, Amount Outstanding), PVT SECTOR BANKS (No. of Accounts, Amount Outstanding).

improve cybersecurity and undertake financial inclusion outreach. These measures are part of the Enhanced Access and Service Excellence reform version 7.0, under which banks will be assessed on various parameters.

A bank executive said that another focus area in this financial year will be to improve credit to medium and small businesses.

"Lenders will use analytics-driven scorecards for faster loan sanctions, end-to-end automation and improved risk management," the executive said on condition of anonymity, adding that under the plan, PSBs will look at both customer retention and getting new clients onboard. While most PSBs have reported

profits for the last quarter of 2023-24, there are concerns that a decline in credit growth may impact profit margins.

Earlier this month, rating agency ICRA revised its outlook for the Indian banking sector to stable 'from 'positive', citing moderation in credit growth and profitability due to a decline in interest margins.

According to the rating agency, a larger proportion of corporate advances helped the public sector banks report better performance on slippages than the private sector ones, which have a sharper focus on retail and small business loans.

SKOCH REPORT

Over 514 M Jobs Created During '14-24

Our Bureau

New Delhi: Over 514 million person years of employment was generated between 2014 and 2024 out of which 197.9 million was as a result of governance-led interventions and 316.1 million due to credit-led interventions, said a SKOCH report on Job Generative Impact of Modinomics, released on Monday.

A man-year or person-year is a unit of measurement for the amount of work done by an individual throughout the entire year expressed in hours.

The report is based on 80 case studies covering borrowers who took multiple loans and data of various government schemes. "Over a period between 2014-24, a total of 514.0 million employment has been generated. Out of which 197.9 million employment has been generated by governance-led interventions. The rest, 316.1 million, has been contributed by credit-led interventions," it said.

SKOCH Group is India's think tank dealing with socio-economic issues, focusing on inclusive growth since 1997.

As per the report, micro-loans are being used to generate employment that is steady and stable. "We have documented 80 case studies from our field visits covering borrowers who have taken multiple loans and the average direct employment per loan amount stands at 6.6 jobs," it said.

A SKOCH study of 12 central schemes, including the Mahatma Gandhi National Rural Employment Guarantee scheme, the Atmanirbhar Bharat Rozgar Yojana, the Pradhan Mantri Grameen Awas Yojana and the Pradhan Mantri Grameen Sadak Yojana, among others shows that credit gap has fallen 12.1% during the past nine-years.

Advertisement for Electrosteel Castings Limited. Includes company logo, contact info, and a detailed financial results table for Q1 and FY 2024. The table shows Standalone and Consolidated figures for various metrics like Total Income, Net Profit, and Reserves.

Advertisement for SBI (State Bank of India) regarding dividend distribution. Includes details about the dividend amount (₹13.70/- per share), declaration date (April 2024), and instructions for shareholders to receive the dividend.

