'INTERNAL ARBITRATOR SHOULD RESOLVE DISPUTES'

Family businesses must desist from legal battles, says Parekh

PIYUSH SHUKLA
Mumbai, April 8

HDFC CHAIRMAN DEEPAK Parekh on Saturday said family businesses must desist from getting into legal battles and rather appoint an internal arbitrator to resolve disputes.

"...permit me to offer an old man's advice on family businesses. While one hopes families stay amicable, the one thing one must desist is families going to court and suing and counter-suing each other.

"Court cases take years, wealth gets depleted and the same problems get passed down generations. Always opt for an arbitrator — a person mutually trusted — and both parties should sign an affidavit that they will abide by the decision of the arbitrator. This, I promise, will help all sleep well at night," Parekh said while speaking at the SPJIMR: Centre for Family Business & Entrepreneurship's 'Viraasat' event.

In a candid speech, Parekh said over his 55-odd years of work life, he has had the opportunity to interact and observe at close quarters several family businesses, both large and small ones, and "the winners that evolved, the losers that dissolved". In India, some of the prominent disputes between family run businesses include the conflict between Hinduja Brothers, which is now resolved, and the fight over Reliance Group's assets between the Ambani brothers, among others.

"I have known business families that have managed to stay extremely close knit for generations, though these are now very few and far between. I have on a few occasions played the role of a boxing referee, physically unscrambling warring business families. In hindsight, I was fortunate not to have got some blows myself. Playing the peace maker as an outsider in a conflicted family business can sometimes win you accolades, but can also earn you a tonne of brickbats," Parekh said.

HDFC chairman Deepak Parekh interacts with Union minister Nitin Gadkari at an event in Mumbai on Saturday AMIT CHAKRAVARTY

Interest rates

Further, speaking about global macroeconomic scenario, Parekh said sudden changes from years of quantitative easing and negative interest rates to a sharp rise in interest rates have led to a cost-of-living crisis across many advanced economies. "In India... we are lucky to have finally got a pause in the rising interest rate cycle," Parekh said. The Reserve Bank of India (RBI) on Thursday left its benchmark repo rate unchanged at 6.50%, after cumulatively hiking repo by 250 basis points since May 2022 till February 2023.

Parekh said in the recent period, geopolitics has dominated over geoeconomics, with spillover impacts on trade, services, technology, capital flows and even in the mobility of the labour force.

"There is immense distrust amongst countries" at a time when everyone needs global cooperation to solve issues such as global supply chains, global warming, cyber threats, money-laundering, data privacy, responsible use of artificial intelligence, among several others, Parekh said.

India is not immune to these global shocks but has proved to be more resilient than many large economies, he said. Though India's GDP growth will slow down because of global headwinds, it has enough tailwinds with political stability, vaccine security, food security, a robust domestic consumption-based economy, digitalisation and robust regulatory system for the financial sector, he added.

IGL cuts piped gas, CNG prices by up to 9.5%

MANISH GUPTA
New Delhi, April 8

INDRAPRASTHA GAS (IGL) on Saturday reduced the price of domestic piped natural gas (PNG) by ₹5 per standard cubic metre (scm) and compressed natural gas (CNG) by ₹4.92 to ₹5.97 per kg across its various geographical areas in the country.

The revised retail prices of PNG and CNG will become effective from Sunday (for CNG starting at 6 am on April 9).

Mahanagar Gas (MGL) revised the prices downward by ₹5 per scm in PNG and by ₹8 per kg in CNG in and around Mumbai on Friday.

The slashing of gas prices by the city gas distributors (CGDs) follows the government's decision on Thursday to amend the gas pricing method by linking it to crude oil and binding it in a range of \$4 to \$6.5 per mmBtu for the next two years.

"As an organisation committed to maximising customer value, @iglsocial has announced significant reduction in prices of CNG & PNG in its areas of operation," IGL said in a tweet, adding that the retail gas prices charged in the national capital are one of the lowest in the country.

The revised retail price of PNG would be ₹48.59/scm in Delhi, ₹48.46/scm in Noida, Greater Noida and Ghaziabad, and ₹47.40/scm in Gurugram, Rewari, Karnal and Kaithal, with effect from Sunday.

Similarly, the new PNG price in Meerut, Muzzaffarnagar and Shamli would be ₹51.97, in Kanpur, Fatehpur and Hamirpur would be ₹51.10, and in Ajmer, Pali and Rajasmand would be ₹54.23/scm, the company said in a statement.

Consumers of CNG will now pay ₹73.59 per kg in Delhi, ₹77.20 in Noida, Greater Noida and Ghaziabad, and ₹82.62 in Gurugram.

Those in Rewari would pay ₹84.20, in Karnal and Kaithal ₹82.93, in Muzzaffarnagar, Meerut and Shamli ₹81.58, and in Ajmer, Pali and Rajasamand ₹84.44 per kg.

New CNG price in Kanpur, Fatehpur, Hamirpur, Banda, Chitrakoot and Mahoba would be ₹84.42 per kg with effect from April 9.

In Mumbai area, the price of PNG has come down to ₹49/scm and that of CNG to ₹79/kg with effect from midnight April 7, MGL said in a statement.

The reduction in PNG prices by IGL ranges from 8.4% to 9.5%, and in CNG, the range is 6-7.5%.

MGL brought down the prices by 9.3% in PNG and by 9.2% in CNG.

Analysts were expecting prices to fall by up to 11%. However, some had noted that the full benefit may not be passed on considering that the CGDs were operating under compressed margins in the last 2-3 quarters due to high gas prices.

"We have more than two million domestic connections for PNG and an equally high number of vehicles using CNG. With this decrease in PNG prices, we expect to add another three lakh PNG consumers in this fiscal," said a senior IGL official.

Torrent Gas slashes CNG price by up to ₹8.25/kg

Torrent Gas on Saturday said it has cut CNG prices by up to ₹8.25 per kg and piped cooking gas prices by up to ₹5 following the government move to reduce input natural gas prices.

Torrent Gas has licences to operate city gas networks retailing CNG to automobiles and piped natural gas, called PNG, to household kitchens in 34 districts across the country, including in Chennai and Jaipur.

In a statement, the firm said it is effecting "a significant reduction of between ₹4 per standard cubic meter to ₹5 per SCM in the price of domestic PNG and between ₹6 per kg to ₹8.25 per kg in the retail price of CNG in its areas of operation across the country effective from today evening".

Adani Total Gas cuts CNG, PNG prices

ADANI TOTAL GAS, the city gas joint venture of Adani Group and French giant TotalEnergies, on Saturday announced a cut in CNG price by up to ₹8.13 per kg and up to ₹5.06 reduction in piped cooking gas.

This follows the government changing the pricing formula of natural gas, which is converted into CNG for running automobiles and piped to household kitchens for cooking purposes.

In a statement, the company said that for piped cooking gas, called PNG, rates have been reduced in Vadodara, Ahmedabad and other cities of Gujarat where it operates.

Also, PNG prices have been cut in Khurja in Uttar Pradesh and Faridabad and Palwal in Haryana.

CNG prices have been reduced across 21 cities where it operates. These range from Vadodara in Gujarat to Cuddalore in Tamil Nadu, Udaipur in Rajasthan and Bhind in Madhya Pradesh.

"Adani Total Gas Ltd (ATGL) welcomes the Government of India's landmark decision to link the APM (Administered Price Mechanism) price for gas supply to CNG vehicles and residential households to 10% of the Indian crude basket with a floor of \$4 and a cap of \$6.5 per million British thermal units," the statement said.

ATGL said it has decided to pass the benefit of the reduction in natural gas price from \$8.57 per mmBtu to \$6.5.

This would enhance "the affordability of PNG and CNG with a saving of over 40% for CNG consumers as compared to petrol prices and around 15% for home PNG consumers compared to LPG prices". —PTI

REC raises \$750 million via green bonds

STATE-OWNED NON-BANKING finance firm REC Ltd on Saturday said it has raised \$750 million (about ₹6,138 crore) through issuance of green bonds.

The net proceeds from the issue of the bonds will be applied to finance, in whole or in part, the eligible green projects in accordance with the approvals granted by Reserve Bank of India from time to time and in accordance with the ECB guidelines, according to a statement.

"REC Ltd has successfully raised \$750 million through 5-year 144A/ RegS green bonds under its global medium-term programme of \$7 billion," the statement said.

As a frequent issuer in the market and given the relatively stable market backdrop last week, the REC decided to capitalise on the environment to carry out an intraday execution post extensive investor roadshows spanning two weeks in different geographies covering Singapore, the UK, and the US, it stated.

The issue marks the REC's return to the capital market since 2021, with the last 144A transaction in 2020, this being REC's 10th venture into the international bond market. —PTI

Practo lays off 41 workers

TUSHAR GOENKA
Bengaluru, April 8

SEQUOIA-BACKED PRACTO, a healthtech startup, is the latest new-age company that has fired employees to reduce costs. The Bengaluru-based company has let go of 41 employees, people in the know told FE.

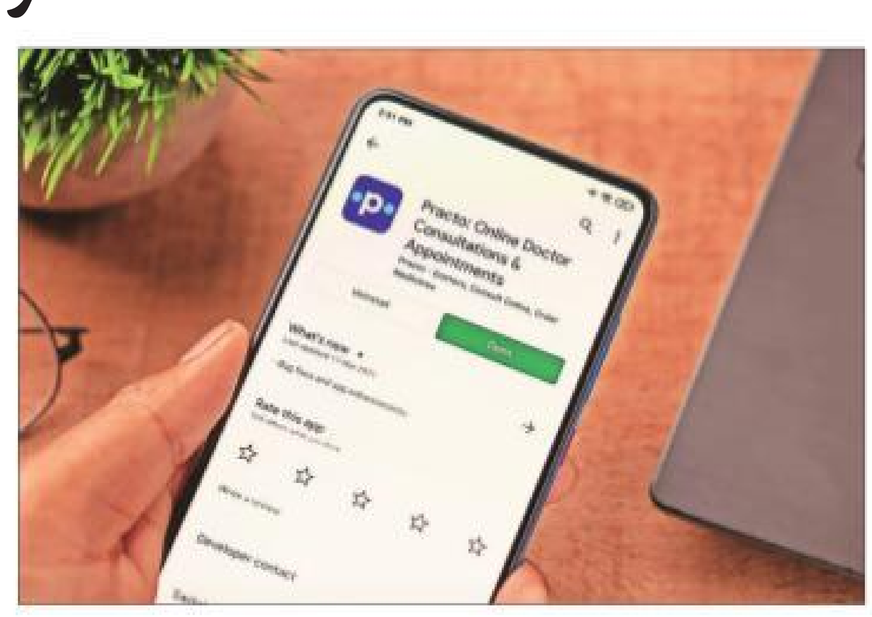
In response to FE's queries, the company said employees were being asked to go based on their performance.

"Our revenue, margins, and profits are at an all-time high. Upholding a high bar for performance and productivity is crucial to maintaining this level of growth.

"Therefore, as part of our continuous performance management and planning process, we had to part ways with 41 employees in accordance with their employment contracts.

As always, we are and will remain fully committed to providing the requisite support to all employees who may be impacted," a spokesperson at Practo said.

Some employees affected by the decision took to LinkedIn to say that the job losses were part of a broader restructuring move at the company, indicating that the number of employees being sacked were higher.



Practo has, however, denied any talks of a restructure. "We are not undergoing any restructuring at Practo. We are focused on strengthening our businesses and remain committed to our mission of building healthcare for over a billion Indians. In the past year, we have hired over 500 talented individuals, and we plan to add another 500 Practeons to our team in the next 12 months, including backfill," the spokesperson added.

Practo has about 1,600 employees, according to LinkedIn. Started around 15 years back, Practo aims to create an entire ecosystem where patients meet doctors and also have access to most facilities before and after.

Practo's business can be divided into three broad categories: primary care, secondary care and software.

The first category includes online consultations, in-person appointment booking, at-home diagnostic services and medicine delivery. Practo care surgeries fell under the secondary care division.