

# NEWS ALERT

## Special Article



### ADRs of banks not part of FDI : RBI

The Reserve Bank of India (RBI) has suggested to the finance ministry that foreign investment in local banks in the form of American Depository Receipts (ADRs), global depository receipts, foreign currency convertible bonds and any type of convertible warrants be excluded while calculating the foreign direct investment limit for Indian banks.

### THE BHARTI SAGA, IN MITTAL'S WORDS

From his late teen days in 1976 to 1981, says Mr. Sunil Bharti Mittal, there were only failures in life. Then, in an exhibition in Taipei, he saw a push button telephone.

The Chairman and Group CEO of the Bharti group of companies recounted his early days of hope and perseverance after accepting the "17th Amalgamations MMA Business Leadership Award '08-'09".

He said how, despite his desperate attempts, he failed to get a Maruti dealership in Ludhiana and how, later, he did get a TVS Suzuki dealership, but which floundered in the "Here Honda territory".

From those early stages to being the country's third largest company by market capitalization, Bharti group grew by struggle, hard work and "divine blessings and proper alignment at home".

When the government announced its intention to throw open mobile telephony to the private sector in 1992, Mr. Mittal said that he knew "it was my moment to seize". Fourteen companies bagged the bids and the only surprise winner was Bharti, which made it on the strength of its technical presentations in four circles.

"Then came Minister Rajesh Pilot and said 'one company, one circle' and instead of being disappointed we were delighted," because Bharti knew it could handle only one circle.

Despite the big challenge of raising resources to fund growth, the emerging telecom giant knew that it only had to wait out the competition whose business-model was burdened by heavy bid fees. Thus, came opportunities to buy SkyCell in Chennai and Spice in Kolkata. And the rest as they say...is history.



### FM mulls fresh funds to turn around RRBs

“ The NPA levels of RRBs are within acceptable limits. We intend to make rural banks profitable by 2010, and to infuse fresh capital into them. A committee will be set up to assess the capital requirement of RRBs so that they can achieve a capital adequacy ratio of 7%. ”

— Pranab Mukherjee, Finance Minister

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