

## Decoding The Hindu Article

# Realisations under IBC better bet than liquidation: RBI's Rao

“Comparing realisation with claims not true measure of Code’s effectiveness”

**PRESS TRUST OF INDIA**  
MUMBAI

Comparing outstanding loan amounts with the value realised may not be a ‘reasonable indicator’ to assess the bankruptcy law’s effectiveness, said Reserve Bank Deputy Governor M. Rajeshwar Rao, while seeking to address concerns over deep haircuts that banks had taken in some of the insolvency resolutions plans.

Admitting that there had been concerns, Mr. Rao said one needed to understand that the value of the asset may have already deteriorated by the time it comes up at the courts, and added that one should compare the realisations with liquidation, which is the best possible al-



**Cause for worry:** Asset sale to new owners at sums far lower than admitted claims had raised concerns. •REUTERS

ternative for lenders.

“We miss the fact that in a public auction-based resolution model, the extent of haircut represents a discount the market demands in continuing to invest in an insolvent borrower. Since significant value deteriora-

tion may have happened to the assets of the insolvent borrower, comparison with the outstanding amount may not be a reasonable indicator to evaluate the effectiveness of the resolution.

“Resolution values must be compared with the next

best alternative for the creditors, which... is liquidation,” Mr. Rao said, addressing an event at IIM-Ahmedabad.

Financial creditors have been able to realise 166% in comparison to the liquidation value of the debtors, indicating that creditors have been better off than the next logical outcome, he added.

Some resolutions such as Videocon’s, where the new owner got the asset for only ₹2,900 crore against admitted claims of ₹46,000 crore, had led to concerns.

Mr. Rao said the Videocon resolution took place via discretionary powers of the adjudicating authority rather than through a feature of the Insolvency and Bankruptcy Code (IBC).

## Vocabulary

Word	English Meaning	Hindi Meaning
RETROGRADE	(Adjective): directed or moving backward:	पुँितगामी

## Static News

M. Rajeshwar Rao was appointed Deputy Governor of the Reserve Bank of India in October 2020. He oversees matters related to regulation, risk monitoring, internal audit, enforcement, legal affairs and corporate communications.

The RBI does not owe income tax nor stamp duty. Indeed, since 1949, the RBI has been owned by the government. Hence any profit made by it belongs to the government. By simply selling and buying simultaneously, the RBI can generate a profit which can then be transferred to the government.

## Grammar

A preposition is a word or group of words used before a noun, pronoun, or noun phrase to show direction, time, place, location, spatial relationships, or to introduce an object. Some examples of prepositions are words like "in," "at," "on," "of," and "to." Prepositions in English are highly idiomatic.

Blue Represents the Vocabulary

Yellow Represents the Static News

Red Represents the Grammar

# Decoding The Hindu Article

## RIL nixes ₹24,731 cr. Future deal on lenders' vote

Reliance says secured creditors' rejection of the proposed acquisition ensures transaction 'cannot be implemented'

**SPECIAL CORRESPONDENT**  
MUMBAI

Reliance Industries Ltd. (RIL) on Saturday called off a proposed transaction to acquire the Future Group's retail, wholesale, logistics and warehousing businesses for ₹24,731 crore after the latter's secured creditors voted against the deal.

"The Future Group companies comprising Future Retail Ltd. (FRL) and other listed companies involved in the scheme have intimated the results of the voting on the scheme of arrangement by their shareholders and creditors at their respective meetings," RIL said in a filing to the stock exchanges.

"As per these results, the shareholders and unsecured creditors of FRL have voted in favour of the scheme. But

the secured creditors of FRL have voted against the scheme," RIL noted. "In view thereof, the subject scheme of arrangement cannot be implemented," it added.

### Amazon dispute

The debt-laden Future Group's lenders had rejected the RIL deal after the transaction got embroiled in a legal tangle, with U.S. e-commerce major Amazon.com Inc. dragging Future before a Singapore arbitration panel on grounds that the latter had breached the terms of a contract by dealing with RIL.

Amazon had earlier invested in Future Coupons and has contended that the Future group violated their pact in going to Mukesh Ambani's RIL instead of offering it the first right of refusal.



**Abortive takeover:** This is a big loss for Future Retail and its founder Kishore Biyani, says Arun Kejriwal. •REUTERS

On August 29, 2020, RIL had intimated the stock exchanges about a scheme of arrangement entailing the transfer of the Future Group's retail and wholesale

businesses, and the logistics and warehousing business to its subsidiary Reliance Retail Ventures Ltd. (RRVL), and Reliance Retail and Fashion Lifestyle Ltd. (RRFL), for a

total consideration of ₹24,731 crore.

As per the now scrapped deal, RIL was to have acquired 19 Future firms.

Future Retail declined to comment saying it had already informed exchanges on the outcome of its shareholders and creditors meetings.

Amazon offered no immediate comment on the development.

### 'Biyani the loser'

"All that Amazon wanted was that this deal must not happen," said an analyst, who spoke on the condition of anonymity. "Now that the deal has collapsed on its own, Amazon has no case," the analyst added.

"This is a big loss for Future Retail and its founder Kishore Biyani," said Arun

Kejriwal, founder of advisory firm Kejriwal Research. "His game is over," he added.

### 'Too small to hurt'

Asked whether the development would have any impact on the Reliance Industries stock, Mr. Kejriwal said, "Future Retail is too small to have any effect on Reliance."

Meanwhile, Future Retail is rapidly losing its stores as landlords who have not been paid for months are reportedly renting out their premises to RIL.

In the absence of another suitor, lenders are now likely to initiate bankruptcy proceedings under the Insolvency and Bankruptcy Code against the Future Group in a bid to try and recover outstanding loans that are estimated at about \$4 billion.

## Vocabulary

Word	English Meaning	Hindi Meaning
Embroided	(Verb): involve (someone) deeply in an argument, conflict, or difficult situation.	

## Static News

Reliance Industries Limited is an Indian multinational conglomerate company, headquartered in Mumbai. It has diverse businesses including energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles.

CEO: Mukesh Ambani (31 Jul 2002–)

Founder: Dhirubhai Ambani

Founded: 8 May 1973, Maharashtra

Headquarters: Mumbai

Future Retail Limited (FRL) is an India-based company, engaged in the business of retailing a range of household and consumer products through departmental store facilities under various formats. The company is primarily engaged in the business of multi-brand retail trade.

## Grammar

### The Function of Relative Pronouns

A Relative pronoun introduces an adjective clause. An adjective clause follows a noun:

(1) To identify it.

For example: The man **who stole the purse** is outside. (The adjective clause (highlighted) identifies the man.)

(2) To tell us something interesting about it.

For example: Inspector Krishna, **who solved the case**, is outside. (The adjective clause (highlighted) tells us something interesting about Inspector Krishna.)



Blue Represents the  
Vocabulary



Yellow Represents  
the Static News



Red Represents the  
Grammar

**Decoding The Hindu Article**

# ‘Not enough trains to ferry coal to NALCO’

Daily supplies falling short by 5,000 tonnes, says firm; officers’ body moves court

**REUTERS**  
BHUBANESWAR/NEW DELHI

Indian state-run aluminium producer National Aluminium Co. Ltd. (NALCO) is facing a coal supply shortfall, due to supplies being diverted to priority electricity generation and a shortage of trains to deliver fuel to NALCO’s power plants.

Daily supplies to NALCO were falling short of requirement by at least 5,000 tonnes due to the train shortage, a senior company official told Reuters, adding that the company had coal inventories that would last only four days.

India has diverted coal supplies from the non-power sector, and put on hold plans for some fuel auctions, in a bid to ensure coal availability for utilities and tackle widespread power outages



**Off track:** There is a general shortage of trains to move coal around the country, an official said. • SHIV KUMAR PUSHPAKAR

across the country. There is also a general shortage of trains to move coal around the country. State-run Indian Railways has fallen short of utilities’ requirements by 16% in the first half of April, a government official familiar with the matter said. NALCO data seen by Reuters show that

supplies by state-run Coal India under a long-term supply deal fell short of the contracted quantity by 17% in 2021/22, while shortfalls were more than 75% under another related deal.

A shortage of trains to deliver coal to utilities is exacerbating a coal supply crisis which has led to power cuts

across the country, Mahanadi Coalfields (MCL), the Coal India unit which supplies NALCO, said it had sufficient coal and has asked NALCO to prioritise moving coal via conveyor belts and trucks instead of using trains. It said it was prioritising the sending of coal via rail to power stations. The NALCO official said it was not possible to increase transport by road due to “logistical challenges”.

“The lopsided prioritisation of the union government and the lackadaisical attitude of the railways has triggered the present crisis,” said Subir Palit, a lawyer representing the NALCO Officers’ Association, which has taken the coal ministry, MCL and a unit of the Indian Railways to court over the supply shortfalls.

## Vocabulary

Word	English Meaning	Hindi Meaning
Lopsided	(Adjective): with one side lower or smaller than the other.	
lackadaisical	(Adjective): lacking enthusiasm and determination; carelessly lazy.	

Sta

National Aluminium Company Limited, abbreviated as NALCO, is a government company having integrated and diversified operations in mining, metal and power under the ownership of Ministry of Mines, Government of India. Presently, Government of India holds a 51.5% equity in NALCO.

Headquarters: Bhubaneswar

Founded: 1981

Mahanadi Coalfields Limited is one of the major coal producing company of India. It is one of the eight subsidiaries of Coal India Limited. Mahanadi Coalfields Limited was carved out of South Eastern Coalfields Limited in 1992 with its headquarters at Sambalpur.

Headquarters: Sambalpur, Founded: 1992

## Grammar

It is mandatory to use an article before a common noun when it is in singular form. But it is not mandatory to use an article before a common noun when it is in plural form. A plural common noun can have the article 'the' if we want to make the noun specific or particular.

Examples:

I saw a tiger. (Refers to a random tiger)

I saw tigers in a zoo. (No article is required)

I have seen the tiger again. (Refers to the tiger I have already seen earlier)



Blue Represents the  
Vocabulary



Yellow Represents  
the Static News



Red Represents the  
Grammar

Decoding The Hindu Article

# Le Pen, Macron to square off today

Some 48.7 million voters are eligible to cast their ballots in Sunday's run-off vote

AGENCE FRANCE-PRESSE  
PARIS

France on Saturday prepared to choose between centrist President Emmanuel Macron and far-right challenger Marine Le Pen to rule the country for the next five years after a bitterly contested and polarising election campaign.

Mr. Macron is the favourite to win re-election in the run-off ballot on Sunday, and there are indications he bolstered his advantage with a combative performance in the one-off election debate against a somewhat defensive Ms. Le Pen.

But the President and his allies have insisted over the last week that nothing is in the bag, with a strong turnout crucial to avoid a shock in France comparable to the 2016 polls that led to Brexit in Britain and Donald Trump's election in the U.S.



**Decisive battle:** A combination of photos of President Emmanuel Macron and his opponent Marine Le Pen. •REUTERS

If Ms. Le Pen wins, it would send shockwaves across Europe. Left-wing EU leaders, including German Chancellor Olaf Scholz, have pleaded with France to choose Mr. Macron over his rival.

The stakes are huge – Ms. Le Pen would become modern France's first far-right leader and first female President. Mr. Macron would be the first French President to

win re-election in two decades.

If elected, Mr. Macron is expected, in a symbolic gesture, to address supporters on the Champ de Mars in central Paris at the foot of the Eiffel Tower.

Saturday is marked by a campaign blackout, with no campaigning allowed and no more polls published. Some 48.7 million French are eligible to vote.

Polls in mainland France will open at 0600 GMT on Sunday and close 12 hours later, immediately followed by projections that usually predict the result with a degree of accuracy.

**Final campaign flurry**

But French voters in overseas territories start voting earlier, beginning with those in North America and the Caribbean on Saturday, followed by the Pacific and the Indian Ocean.

Mr. Macron and Ms. Le Pen threw themselves into a final flurry of campaigning on Friday, firing off attacks in interviews before last-minute walkabouts and rallies.

Ms. Le Pen insisted that opinion polls giving Mr. Macron the lead would be proved wrong and took aim at her rival's plan to push back the retirement age to 65 from 62.

## Vocabulary

Word	English Meaning	Hindi Meaning
nonplussed	(Adjective): so surprised and confused that one is unsure how to react.	

## Static News

Emmanuel Jean-Michel Frédéric Macron is a French politician who has been serving as the president of France since 14 May 2017.

Born: 21 December 1977 (age 44 years), Amiens, France

Marion Anne Perrine "Marine" Le Pen, is a French lawyer and politician who is currently one of two candidates in the second-round of the 2022 French presidential election. A member of the National Rally, she served as its president from 2011 to 2021.

## Grammar

### “Who” vs “Whom”.

you can only use "who" when it is the subject of a verb. "I," "he," "she," "we," and "they" are just like "who" because they are also used as the subjects of verbs. "Me," "him," "her," "us," and "them" are just like "whom" because they are not used as the subjects of verb.



Blue Represents the Vocabulary



Yellow Represents the Static News



Red Represents the Grammar



**Decoding The Hindu Article**

# Doval to lead first international intelligence heads' Delhi meet

20 nations to participate in conference just ahead of the Raisina Dialogue

SUHASINI HAIDAR  
VIJAITA SINGH  
NEW DELHI

Two days before the Ministry of External Affairs (MEA) begins its annual Raisina Dialogue in Delhi, National Security Adviser **Ajit Doval** will lead discussions at India's first such conference of intelligence agency chiefs, also being held in the capital on Sunday.

The conference, modelled on the lines of the annual Munich Security Conference and Singapore's Shangri-La dialogue, is expected to bring together heads and deputy heads of the top intelligence and security organisations from more than 20 – mostly Western – countries and their allies. Intelligence chiefs and deputies from Australia, Germany, Israel, Singapore, Japan and New Zealand are among those expected to attend the conference.

Officials said the conference is being organised by country's external intelligence agency, the Research and Analysis Wing (RAW)



**Cordial relations:** PM Narendra Modi during the inaugural session of Raisina Dialogue 2020 in New Delhi. •PTI

and the National Security Council Secretariat (NSCS) that reports to National Security Adviser (NSA) Ajit Doval.

Sources said U.S. Central Intelligence Agency (CIA) Director William Burns and Canadian Security Intelligence Services (CSIS) director David Vigneault were expected originally, but had to cancel their attendance in the last few days due to different reasons. As a result, meetings on the sidelines of the "Five eyes alliance" of the U.S., U.K., Canada, New Zealand and Australia, who coordinate on terrorism and secur-

ity issues, as well as a first meeting of Quad countries' intelligence chiefs have been shelved.

The NSCS conference comes just before the MEA's "flagship conference on geopolitics and geoeconomics", the Raisina dialogue, held annually since 2016, kicks off on Tuesday.

Officials said that the intention of the conference was not a "meet and greet", but a more "sustained" plan to make connections between the agencies. Each session will be followed by intensive interactions between participants and specialists

in each area of intelligence operations. The intelligence chief meeting on Sunday will be overshadowed by the war in Ukraine, and the impact of Russia's strikes on Ukrainian cities as well as measures and sanctions by western countries against Russia.

Along with the humanitarian situation arising from the strikes and deaths of thousands of civilians, American and European officials have been warning about the threat of nuclear, and chemical-biological warfare during the conflict. India has also been keen to ensure the focus on events in Europe do not take away from international cooperation on security threats in the region, including Afghanistan, Pakistan and from China at the Line of Actual Control. The Modi government's refusal to criticise Russia directly, and continue to discuss trade and payment mechanisms with Moscow, circumventing the EU and the U.S. sanctions, would see more behind-the-scenes conversations, the sources expected.

## Vocabulary

Word	English Meaning	Hindi Meaning
Erratic	(Adjective): not even or regular in pattern or movement; unpredictable:	अिउथर

## Static News

The Raisina Dialogue is a multilateral conference held annually in New Delhi, India. Since its inception in 2016, the conference has emerged as India's flagship conference on geopolitics and geo-economics. The conference is hosted by the Observer Research Foundation, an independent think tank, in collaboration with the Ministry of External Affairs of India.

The first Raisina Dialogue was held from March 1–3, 2016. Over 100 speakers from over 35 countries attended to speak on the theme, "Asia: Regional and Global Connectivity".

## Grammar

### Types of uncountable nouns:

**Material Noun:** A material noun is simply the names of various raw materials or elements which exist in nature or the environment. These nouns are not countable means we cannot count them because they are in the forms of liquid, semi-liquid or solid.

Example: Joey bought a diamond ring to propose Rachael. ('Diamond' here refers to a material that is found naturally in our environment which makes it a material noun.)

**Abstract Noun:** An abstract noun is a noun that indicates an intangible thing such as an emotion, a feeling, a quality, or an idea. In other words, an abstract noun does not refer to a physical object. you cannot see, hear, touch, smell, or taste such things.

Example: Leonardo Di Caprio displays love at an excellent level in all of his movies. (Here 'love' is an emotion which makes it an abstract noun.)



Blue Represents the  
Vocabulary



Yellow Represents  
the Static News



Red Represents the  
Grammar