



## 'Supply, Distribution Couldn't Match Fast Growth at Patanjali'

BRANDS & COMPANIES ►► 5

## US Military Not Decided Yet on Funding Border Wall

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## Sarri's Job on the Line as Chelsea Face United

SPORTS: THE GREAT GAMES ►► 13



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## PE GEARS UP FOR ₹3,200-CR INVESTMENT

### Blackstone Likely to Assist Manipal's Medanta Operation

To fund Ranjan Pai's promoter holding co for 5 years through a structured deal

Reghu Balakrishnan & Arijit Barman

**Mumbai:** Blackstone is looking to invest about ₹3,200 crore (\$450 million) to help Ranjan Pai of the Manipal Group acquire Naresh Trehan's Medanta Hospital for ₹6,000 crore, said people with knowledge of the matter.

The world's largest private-equity firm is capitalising the Pai family's privately held, wholly owned umbrella entity Manipal Education & Medical Group (MEMG). Pai owns 60% of Manipal Hospitals through the promoter holding company with TPG and Temasek owning the rest.

These existing investors are also planning to proportionately infuse primary capital to retain their shareholding. TPG had invested about \$146 million in February 2015 in MEMG for a 22% stake while Singapore's investment company Temasek owns 18% of both Medanta and Manipal. Blackstone's structured equity investment will have a pre-agreed return, with a base rate and a subsequent 'ladder mechanism' based on financial parameters following the acquisition. This is likely to be a five-year facility. Pai's discussions with Trehan are said to be in the final stages. The ongoing due diligence is also expected to be completed in the next two weeks, following which the binding documentation process will begin. The acquisition is expected to be completed by March end,



**WHAT'S AT STAKE**  
Naresh Trehan, his family members, and cofounder Sunil Sachdeva own 55% of Medanta

Carlyle to cash out of its 27% Medanta stake

**FOOTPRINT**  
**Medanta:** Super specialty hospitals and clinics in Gurgaon, Lucknow, Indore, Ranchi and Sri Ganganagar

**Manipal:** Owns and operates 10 multi-specialty hospitals; also manages five teaching hospitals and several fertility clinics

**BLACKSTONE**  
PE firm, which manages \$472 billion of assets globally, has invested \$9.8 billion in India till date

giving Pai a much-needed presence in the north. Blackstone is said to be conducting due diligence independently. Pai and Blackstone declined to comment.

Pai-led Manipal Hospitals will be buying out the shareholders of Global Health, the entity that owns Medanta Hospitals, in an all-cash deal, said the people cited above. ET had reported on November 23 that both sides are inching closer to a deal.

"The final quantum of investment from Blackstone will be dependent on the deal math and how much the other investors finally agree to put in. Pai has a \$450 million Blackstone commitment, subject to diligence," said an executive on condition of anonymity.

## Banks Won't Sell Reliance Group Shares Till Sept 30



Anil Ambani group gets assurance from over 90% of lenders that pledged shares won't be sold

Prashant Mahesh @timesgroup.com

**Mumbai:** The Anil Ambani-led Reliance Group has reached an understanding with more than 90% of its lenders to avoid selling any stock pledged by the promoters until September 30 on account of lower collateral cover or reduced margin due to the recent unprecedented fall in share prices.

"We are grateful to our lenders for believing in the intrinsic and fundamental value of our companies, and granting their in-principle approval to standstill arrangements," said a Reliance Group spokesperson. "The group will pay principal and interest to lenders as per the schedule specified in the loan agreements. The group has also informed the lenders that it has appointed investment bankers to sell a part of its direct 30% shareholding in Reliance Power Ltd to institutional investors. Road shows will commence next week."

This is similar to an arrangement Essel Group reached with lenders in January, giving promoters time until September 30 after the shares of group companies crashed.

Three mutual fund houses have exposure of close to ₹1000 cr to Reliance Group companies	While Indiabulls and DHFL have a combined exposure of less than ₹100 cr, the rest is held by Franklin Templeton MF	The Anil Ambani group is second after Essel group to seal an arrangement with lenders	Lenders will not enforce security and not sell any promoters' pledged shares till Sept 30, '19
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## PEs in Talks for 10% in DHFL

Chairman Wadhawan plans to step down from active management after the stake sale

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**Mumbai:** Baring, Bain and Hero Fincorp are in talks to buy a 10% stake in Dewan Housing Finance Corp Ltd (DHFL), said people with knowledge of the matter. Chairman Kapil Wadhawan plans to step down from active management after the sale, they said.

"DHFL promoters are looking to sell a 10% stake to strategic investors through various ways, including an open offer," said one of the persons. "Private equity firms including Bain Capital, Baring India and Hero Fincorp are likely to bid for the stake after they lost out on Aadhar Housing Finance."

The DHFL stock had plummeted after a news portal accused it at the end of January of giving loans worth Rs 31,000 crore to "dubious" entities linked to the promoters, who were the ultimate beneficiaries. Reports of a ministry of corporate affairs investigation added to the pressure. The stock rebounded last week after the company said that Harshil Mehta was resigning as CEO. "Kapil Wadhawan has taken additional charge as CEO and he will remain in the position until a strategic partner comes in," said

## IL&FS to Form CoCs, Appoint Claim Adviser

IL&FS board will form committees of creditors at asset levels – the special purpose vehicles managing its projects – to assess their outstanding payments. It is also looking to appoint a claim adviser at the group level. ►► 8

one of the persons cited above. "He will step down once the sale process is concluded."

Even before the news report, DHFL had been hit by the liquidity woes that affected non-banking finance companies (NBFCs).

## PURE POLITICS

### 3 UP Camps in Wait and Watch Mode

It is a wait-and-watch game in UP as SP-BSP, Congress and BJP measure each other up and prepare a campaign pitch for respective vote banks. Aman Sharma spent a week in Lucknow, talking to leaders of the camps on their strategies.

### JDU Begins Identifying LS Seats

The JDU has begun identifying seats which it may get as its share within NDA in Bihar, reports Sanjay Singh. The list of LS seats shows JDU prefers seats which has a good combination of most backward and upper castes.

### After Twitter, Panel may Call FB & WhatsApp

The parliamentary standing committee on IT is expected to summon Facebook and WhatsApp as part of its discussions over safeguarding citizen rights on social media, reports Raghav Ohri. They are likely to be called in March. ►► 3

## Inside story

### ITAT Scraps Almost Entire Tax Demand on Harshad Mehta & Family

The Income Tax Appellate Tribunal has deleted more than ₹2,000 crore of additions made by the tax department on the members of the late Harshad Mehta's family for the assessment year 1992-93. Analyzing the various transactions relating to trades in money and stock markets, the tribunal looked into the facts in questioning the assessment order of February 1995 when the I-T department had pegged the untaxed income of the Mehtas at more than ₹2014 crore.

Brands & Companies ►► 5

### Power Shortages Likely During Polls as Discoms Miss Payments

India may be heading for power shortages during summer when the country will go to polls as private producers have not been paid ₹14,600 crore by state utilities which has created a shortage of funds, particularly for coal and rail transportation which requires advance payments.

Economy: Macro, Micro & More ►► 9

### Warehousing and Logistics may Draw \$10 b in Fresh Investments

Riding on structured reforms, including the infrastructure status and the implementation of GST Act, India's warehousing and logistics sector is estimated to attract nearly \$10 billion investments over the next 4-5 years. With addition of around 200 million sq ft warehousing space across India, total supply is expected to nearly double by 2022, estimated JLL India.

Brands & Companies ►► 5

**ET INSTA POLL**

Do you think surgical strike is the right response to Pulwama terror attack?

57% YES, 35% NO, 8% CAN'T SAY

TODAY'S QUESTION: Inequality is a bigger problem for India than poverty. Agree?

www.economicstimes.com

### Samsung India Importing ACs from Vietnam

Samsung India has started importing ACs from Vietnam through the FTA route. The Korean giant is importing its premium 'Wind-Free' range, but the industry says it might scale it up considering imports through FTA is cheaper after the increase in import duties on compressors. ►► 5

### India Inc Logs Double-digit Topline Growth

India Inc was able to clock a double-digit revenue growth for the fifth consecutive quarter in the three months to December 2018, but this was at the expense of profits and profitability. The pressure on margins and on the bottom line is expected to remain in the next two quarters. ►► 7

### Hybrid Vehicles May Get Sops Under FAME II

The government plans to incentivise hybrid vehicles, along with electric vehicles, to promote green mobility to help curb air pollution and oil imports. The heavy industry department has firmed up a proposal to extend incentives linked to battery size under FAME II. ►► 9

### \$100 M LIKELY INFUSION IN RENEWABLE POWER CO

## EverSource Eyes Ayana Stake



EverSource Capital is in talks to buy a minority stake in Ayana Renewable Power, which operates in India and South Asian markets. Ayana Renewable Power, fully owned by CDC, has PJ Nayak, former chairman of Axis Bank in India, as the chairman on its board. By 2022, Ayana plans to add at least 2,000 MW of renewable power in India, Bangladesh, Nepal, Bhutan, Sri Lanka and Myanmar, reports Reghu Balakrishnan.

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