

Business Standard

How markets performed last week

	Index on Feb 22, '19	*One-week	% chg over Dec 31, '18	
		Local currency	in US \$	
Sensex	35,871	0.2	-0.5	-2.5
Nifty	10,792	0.6	-0.7	-2.6
Dow Jones	26,032	0.6	11.6	11.6
Nasdaq	7,528	0.7	13.4	13.4
Hang Seng	28,816	3.3	11.5	11.3
Nikkei	21,426	2.5	7.0	6.1
FTSE	7,179	-0.8	6.7	9.2
DAX	11,458	1.4	8.5	7.3

*Change (%) over previous week Source: Bloomberg



ISSUES AND INSIGHTS P10
THE KOREAN WAVE HAS ENTERED INDIAN HOMES

POLITICS & PUBLIC AFFAIRS P15
FAULT LINES IN CONG BETWEEN GUJARAT'S WARHORSES, COLTS



PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

PM MODI TRANSFERS ₹2,021 CRORE TO OVER 10 MILLION FARMERS

Prime Minister Narendra Modi handed over Kisan Credit Cards to a few farmers in Gorakhpur on Sunday at the launch of arguably the world's largest farm sector scheme, titled the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan). With a click of the button, he transferred ₹2,021 crore to the bank accounts of more than 10 million beneficiaries in the first instalment under PM-Kisan. **18**

I'LL BE BACK IN MAY, SAYS MODI

COMPANIES P3 Alstom's Make In India locos fail on safety trial

In a setback for the Make In India initiative of Indian Railways and Alstom's plans in the country, the French major's electric locomotive has failed to clear a trial conducted by the Research Design and Standards Organisation. **SHINE JACOB** writes



BANKER'S TRUST: Corporate governance key to IDBI Bank's future

IDBI Bank is probably being shifted from ICU to high dependency unit. **TAMAL BANDYOPADHYAY** writes

BUSINESS LAW: Inspiring confidence in balance sheet

For Corporate India, the closer scrutiny of financial numbers comes at a cost. **SUDIPTO DEY** writes

STATSGURU: Changing inflation dynamics

Pre-election cheer for homebuyers

GST Council okays 5% rate for under-construction properties

ABHISHEK WAGHMARE
New Delhi, 24 February

The Goods and Services Tax (GST) Council at its meeting here on Sunday reduced the GST rate on under-construction houses. For flats priced more than ₹45 lakh, the new GST rate applicable from April 1, 2019, stands at 5 per cent, against 12 per cent currently.

COMPANIES P2
BORROWING COSTS OF DEVELOPERS GO UP BY 300 BASIS POINTS

The Council also cut GST rates on affordable housing to 1 per cent, from the current 8 per cent — less than what the ministerial panel on real estate had suggested. In both cases, the builders will not be eligible to claim input tax credit in the new structure.

Healthy competition between

CENTRE'S HOME RUN



property sellers will ensure the rate reduction will slash the cost of under-construction flats in the next financial year, Finance Minister Arun Jaitley told reporters after the meeting. Most experts hailed the decision. "This decision can potentially reduce buyers' payout by 4-6 per cent

In %	Category	Current GST rate	GST rate from Apr 1
12	Houses priced above ₹45 lakh	12	5
8	METROS: Houses smaller than 650 sq. ft priced below ₹45 lakh	8	1
8	NON-METROS: Houses smaller than 960 sq. ft priced below ₹45 lakh	8	1

Note: Approximate calculation from size in square metre Source: GST Council

on the overall purchase price, depending upon the category," Shishir Baijal, chairman & managing director (MD), Knight Frank India, said.

Jaitley said this decision could help achieve the policy objective of 'housing for all' in the next three years. **Turn to Page 8**

Etihad conditions may delay Jet resolution plan

ANEESH PHADNIS, SURAJEET DAS GUPTA & ABHIJIT LELE
Mumbai/New Delhi, 24 February

Etihad Airways is learnt to have abstained from voting on several resolutions to convert Jet Airways' debt into equity in the EGM the Naresh Goyal-led airline held last Thursday. Etihad has laid down stiff conditions for backing the resolution, a move that could delay the deal to bail out Jet. A delay in resolution will further squeeze Jet Airways, which is negotiating interim funding from banks.

The lenders' consortium is considering a ₹500-crore loan,



LONG-HAUL FLIGHT PLAN

Etihad has been pitching for SBI and NIF to own 51% and invest ₹2,200 crore in Jet Airways

The Gulf carrier will invest in Jet under a bank-led resolution plan that seeks to bridge a ₹8,500-crore gap

but a final decision is yet to be taken, Punjab National Bank Managing Director Sunil Mehta had said on Friday.

However, the lenders may seek additional securities, including share pledges or guarantees from promoters, while

sanctioning loans and are not planning to move the NCLT. A PTI report on Sunday, however, said lead lender SBI might consider taking Jet to the NCLT if the proposed resolution deal turned unfeasible. **Turn to Page 8**

RBI keeps bank CEOs in the waiting for FY18 bonus

HIT PAY DIRT?

Mint Road yet to clear 2017-18 pay deal

Delay seen as sign of new standards being set ahead of the same process for the current fiscal year

Annual financial inspection reports and risk-based supervision being gone over with a fine tooth-comb

Exposure to shadow banking and real estate under RBI lens

RAGHU MOHAN
New Delhi, 24 February

The Reserve Bank of India (RBI) is yet to clear the bonuses and stock options of the chief executive officers (CEOs) of private sector banks for 2017-18, even as the curtains are set to come down on fiscal 2018-19.

The logjam is due to the variable pay component of a new compensation policy in the works, even as the financials of these banks are being gone over with a fine tooth-comb.

The delay in giving the nod to CEO packages is by far the longest yet. "Usually the clearance comes in by October-November, but this year seems to be special," said a source in the know.

The central bank had taken time to clear the bonuses and stock options of private bank CEOs for 2016-17 too, but had given approval by the calendar end. **Turn to Page 8**

ALL IN A DAY	ECONOMY 4	COMPANIES 2	ECONOMY 5
	<p>Why rural India is reeling from stray cow menace</p> <p>In the first of a three-part series on cattle crisis, GEETANJALI KRISHNA writes how both farmers and cows are hit by the Centre's cow protection policies</p>	<p>Despite MIAL setback, Adanis keep airport biz dream intact</p> <p>The Adani group, with a presence in power, ports, etc, has made its intention clear: It now wants to be an aggressive player in airports, too. SURAJEET DAS GUPTA writes</p>	<p>Accord Software builds global profile in SatNav services</p> <p>Accord supplied Isro its first GPS receivers for launch vehicles and satellites, and for the Chandrayaan mission. AJAI SHUKLA reports</p>