

| THE MARKETS ON FRIDAY | | |
|------------------------|-----------|---------|
| | | Chg# |
| Sensex | 36,063.8 | ▲ 196.4 |
| Nifty | 10,863.5 | ▲ 71.0 |
| Nifty Futures* | 10,917.1 | ▲ 53.5 |
| Dollar | ₹70.9 | ₹70.8** |
| Euro | ₹80.7 | ₹80.8** |
| Brent crude (\$/bbl)** | 64.7** | 65.8** |
| Gold (10 gm)** | ₹32,820.0 | ₹335.0 |

* (Mar.) Premium on Nifty Spot; ** Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBI

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WEEKEND SEPARATE SECTION
KOLKATA GETS A FRESH LEASE OF LIFE

COMPANIES P3
TESLA SHIFTS TO ONLINE SALES MODEL TO CUT COSTS



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GST MOP-UP SLOWS TO ₹97,247 CR IN FEB

The goods and services tax (GST) collections fell to ₹97,247 crore in February from ₹1.02 trillion in January due to rate cuts announced for over 20 items. This was the eighth month when the GST collections could not hit the ₹1-trillion mark. Experts said the reduction of rates for 23 items that took effect from January 1, 2019 could have affected revenue mop-up to some extent. The February collection represents the revenue collected for business activities in January 2019.

ECONOMY P6 Manufacturing PMI hits 14-month high in Feb

New work orders, especially international ones, helped push manufacturing sector activity to a 14-month high in February, after two straight months of contraction, the Nikkei India Services Purchasing Managers' Index (PMI) showed.

Hasmukh Adhia named chairman of BoB

The Centre on Friday appointed former finance secretary Hasmukh Adhia chairman of Bank of Baroda (BoB). BoB will be the third-largest bank after the amalgamation with Vijaya Bank and Dena Bank.

BS ON SATURDAY SPECIALS

WEEKEND RUMINATIONS: The week's takeaways

The biggest positive takeaway from the military action over the past few days is the evidence of India's new diplomatic heft. **T N NINAN** writes

NATIONAL INTEREST: Imran Khan has a choice: Lead or follow on

In the past 50 years, Pakistan has lost face, support and economic status. Balakot has given Khan a chance to change that, writes **SHEKHAR GUPTA**

LUNCH WITH BS

Director's cut

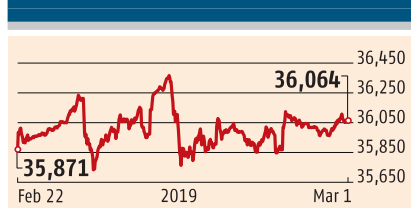
Every movie has changed her, but *Gully Boy* more so than any other, writer-director **ZOYA AKHTAR** tells **Urvi Malvania & Arundhiti Dasgupta**



COMPANIES P2 New cars boost February sales marginally

New model launches helped automobile sales in February rise a little over the year-ago period, according to data released by car companies on Friday.

SENSEX THIS WEEK



Net change 192 % change 0.5

TOP 3 SENSEX GAINERS & LOSERS

| Price in ₹ | Feb 22, '19 | Mar 1, '19 | % chg |
|--------------------|-------------|------------|-------|
| GAINERS | | | |
| Coal India | 215.3 | 232.4 | 8.0 |
| YES Bank | 222.0 | 237.4 | 7.0 |
| Sun Pharma | 430.4 | 448.3 | 4.1 |
| LOSERS | | | |
| Bharti Airtel | 313.0 | 307.1 | -1.9 |
| Hindustan Unilever | 1,767.8 | 1,735.0 | -1.9 |
| HDFC | 1,885.1 | 1,859.5 | -1.4 |

Compiled by BS Research Bureau Source: Bloomberg

GOOD TO BE BACK, SAYS ABHINANDAN



Indian Air Force pilot Abhinandan Varthaman at the Pakistani side of the Wagah border on Friday. He was captured by Pakistan after his jet went down following a strike by an enemy missile

PHOTO: PTI

India cheers as IAF pilot returns home

AGENCIES
Wagah/Attari, 1 March

It was a day of frenzy at the Wagah-Attari border with thousands of people and media persons waiting with tricolours, garlands, and cameras to give Wing Commander Abhinandan Varthaman a hero's welcome. After nearly three days in captivity and a long day completing formalities at the Wagah checkpoint on the Pakistani side, the Indian Air Force pilot finally entered India at 9.20 pm. Wearing a dark jacket and khaki trousers, he walked proudly toward the gates that separated his captor's country from his homeland.

He was soon whisked away by Indian

authorities for more formalities. Amritsar's Deputy Commissioner Shiv Dular Singh Dhillon told reporters that upon his return, the pilot smiled and remarked, "I am happy to be back in my country."

The DC said the Pakistani authorities "brought Wing Commander Abhinandan to the joint check post at Attari and he crossed over the Zero Line at around 9:21 pm. After going through some formalities at the Wagah-Attari border, he was handed over to the BSF authorities."

Before the pilot was driven away in an IAF vehicle, escorted by the Punjab police, Vice Chief Marshal R G K Kapoor read out a brief statement. Without taking questions, Kapoor said: "Wing Commander Abhinandan has just been handed over to us. He will be taken now for a detailed medical checkup."

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"Welcome home... Abhinandan! The nation is proud of your exemplary courage. Our armed forces are an inspiration for 130 crore Indians" **Narendra Modi, PM**

ED searches Kochhar's premises

SHRIMI CHOUDHARY
New Delhi, 1 March

The Enforcement Directorate (ED) on Friday carried out an extensive search operation at the residence of Chanda Kochhar, former managing director and chief executive officer at ICICI Bank, in the ₹3,250-crore Videocon group loan case. Business premises of her husband Deepak Kochhar and others were also searched in Mumbai and Aurangabad.

Confirming the development, an ED official said the searches were conducted in at least in five locations, including some premises of Videocon group companies. The search would continue over the weekend against the prime accused for their involvement in disbursing loans to the tune of ₹3,250 crore to Videocon group companies, it is learnt.

The Enforcement sleuths are probing the proceeds of crime which are suspected to have been used for creating assets. A special team from Delhi, assisted by Mumbai and Aurangabad police, has collected certain crucial



Former ICICI Bank MD & CEO Chanda Kochhar's residence in Mumbai

PHOTO: KAMLESH D PEDNEKAR

evidences from the location. "So far, we have seized several documents — both soft and digital copies and also hard disk and laptops — from the

premises which were being searched today. We are also in possession of some of the email trails exchanged between the prime accused in the case," the official added.

The ED is looking into multiple transactions including investment of ₹64 crore in Deepak Kochhar's NuPower Renewables through his firm Supreme Energy (SEPL).

The agency had registered a criminal case under the Prevention of Money Laundering Act (PMLA) earlier last month against Chanda Kochhar, her husband Deepak Kochhar, Videocon Industries chairman and MD, Venugopal Dhoot and others to probe alleged irregularities and corrupt practices in sanctioning of large loans by the ICICI Bank to the corporate group.

The ED had registered a money laundering case based on the first information report (FIR) of the Central Bureau of Investigation (CBI). The agency filed a case on January 22 accusing Kochhar and eight others in the matter.

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Norms for liquid MFs, open offer waiver tightened

Managing liquid mutual funds to get challenging; shadow over deal between Jet Airways and Etihad

JASH KRIPLANI & SHRIMI CHOUDHARY
Mumbai/New Delhi, 1 March

The Securities and Exchange Board of India (Sebi) tightened the valuation methodology for liquid mutual funds (MFs) and did away with the open offer exemption given to those seeking to acquire assets undergoing insolvency resolution.

To make sure liquid schemes reflect the underlying portfolio risks, Sebi has said all debt papers with maturity of 30 days or more to be marked to market. Earlier, fund houses didn't have to do so for securities that had less than 60-day maturity.

The move comes in light of the redemption risks faced by liquid schemes after the Infrastructure Leasing & Financial Services (IL&FS) crisis rattled markets in September last year.

Sebi has also restricted open offer exemptions to only scheduled commercial banks and financial institutions in debt restructuring cases. The exemptions will not be available for acquisitions of shares by "persons" other than lenders in case of allotment by the target Company or purchase from lenders. The move would impact those corporates who are undergoing resolution through the asset reconstruction companies (ARCs).

At present, ARCs who take control of sick companies are permitted to convert a portion of debt into shares of the borrower company as a measure of asset reconstruction. This may potentially derail the talks between UAE-based Etihad and debt-saddled Jet Airways. Etihad had asked waiver from the open offer for increasing its stake from the

IN A NUTSHELL

- ▶ **Debt MFs face tightening**
 - Mark-to-market applicable for all papers with maturity of over 30 days
 - Variation between reference and valuation price reduced to 0.025%
 - Uniform valuation methodology for below-investment grade papers
- ▶ **Bonanza for intermediaries**
 - Broker fee cut by 33%
 - Agri-commodity derivatives transactions cost cut by 93%
 - Regulatory fees paid by stock exchange cut by 80%
- ▶ **Boost for REITs, InvVits**
 - Leverage limit increased to 70% for InvVits; separate rules for unlisted InvVits
 - Rationalisation of lots for trading, allotment lot

existing 24 per cent.

According to the resolution plans, the banks led by State Bank of India are likely to hold 51 per cent stake in Jet.

Open offer exemption given to companies undergoing resolution plan under Insolvency and Bankruptcy Code (IBC) will continue in supervision of National Company Law Tribunal (NCLT).

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BNP Paribas sells 9.2% stake in SBI Life for ₹4,751 crore

SUBRATA PANDA
Mumbai, 1 March

BNP Paribas Cardif, the joint venture partner in SBI Life Insurance, has sold 9.2 per cent of its stake in the private life insurance company for ₹4,751 crore. This is one of the largest insurance deals in the country since 2016, when the first insurance company got listed.

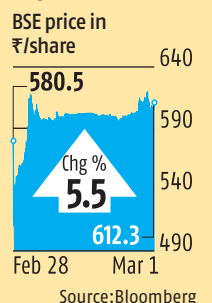
Of the 9.2 per cent stake sold by BNP Paribas CardifSA, CA Emerald Investments, a part of investment firm Carlyle

Group, acquired a 9 per cent stake in SBI Life Insurance in the open market through stock exchanges. The equity for this investment of the Carlyle Group came from CA Emerald Investments.

"CA Emerald Investments has acquired 90 million shares of SBI Life Insurance, representing 9 per cent of the total issued and paid-up share capital of the target company as of March 1, 2019," said CA Emerald Investments.

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SBI LIFE STOCK MOVEMENT



Source: Bloomberg

Naresh Goyal to staff: I'm willing to make any sacrifice

ANEESH PHADNIS
Mumbai, 1 March

Jet Airways Chairman Naresh Goyal has told employees he was willing to make any sacrifice for the viability and prosperity of the airline and assured them of detailed update on the resolution by March 18. This is the second communication from Goyal in a week and follows a joint statement he issued with Etihad Airways Chief Executive Officer (CEO) Tony Douglas.

Jet has delayed salaries and vendor payments and had to ground 21 planes due to non-payment of lease rents. A resolution plan is being finalised to restore the stressed airline but

differences have emerged between the airline partners and lenders on issues related to equity infusion, debt guarantees, concessions and waivers.

"While a few steps remain, some critical steps are behind us, and the remaining approval processes are well underway. I assure you that I am personally working (to ease) this situation as rapidly as possible. I do not, never have and never shall take your patience (for) granted. In the last 25 years, I have given my life for this company and its employees, and today more than ever I am willing to do whatever it takes to ensure that our Jet not only survives but also thrives and dominates and remains the first choice of customers as before."



"I have given my life for this company... I am willing to do whatever it takes to ensure that Jet not only survives but also thrives and remains the first choice of customers as before"

Naresh Goyal, founder, Jet Airways

Goyal wrote in the letter. He has also sought continued support from employees and expects the situation to gently ease for the airline within 20 days. He also assured them that

the airline CEO Vinay Dube would update them on resolution by March 18. The airline faces a funding gap of ₹8,500 crore. It aims to bridge that through equity infusion, and sale of

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AIRLINES CANCEL DEAL TO CARRY FLYERS OF GROUNDED JET FLIGHTS
JET REMOVES TWO MORE PLANES

aircraft, among others. The airline is urgently looking to raise ₹500 crore in debt but no agreement has been reached yet between the airline and its lenders.

Last month, the airline's pilots' union, National Aviators Guild, warned of non-cooperation from March 1 as the airline had failed to keep up with commitments. They later withdrew the protest in view of escalating India-Pakistan tension.