

Business Standard

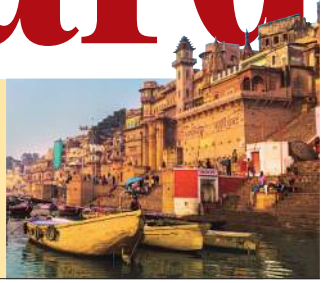
THE MARKETS ON THURSDAY		
		Chg#
Sensex	36,725.4	▲ 89.3
Nifty	11,058.2	▲ 5.2
Nifty futures*	11,098.2	▲ 40.0
Dollar	₹70.0	₹70.3**
Euro	₹79.2	₹79.5**
Brent crude (\$/bbl)**	66.5**	65.3**
Gold (10 gm)**	₹31,975.0	₹120.0

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



COMPANIES P2
HONDA SEES HYBRID AS FUTURE TO GREEN STRATEGY

ECONOMY & PUBLIC AFFAIRS P4
KASHI VISHWANATH HERITAGE ZONE: REDOING HISTORY



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NGT SLAPS ₹500-CR FINE ON VOLKSWAGEN

The National Green Tribunal (NGT) on Thursday slapped a fine of ₹500 crore on German carmaker Volkswagen for the presence of cheat devices in their diesel cars in India. The carmaker has been asked to deposit the sum with the Central Pollution Control Board (CPCB) within two months. The money, NGT said, could be used by the CPCB to improve the air quality in and around the Delhi-NCR. **2**

Jet grounds three more planes, takes total to 28

Jet Airways said on Thursday it grounded three more aircraft as it failed to make payments to its lessors, taking the tally of planes hit by the defaults to 28. With debts of more than \$1 billion, the carrier has defaulted on loans and has not paid pilots, leasing firms and suppliers for months. **REUTERS**

BACK PAGE P18

Sonia Gandhi to contest LS polls from Raebareli

The Congress on Thursday released its first list of 15 candidates for the Lok Sabha elections, fielding UPA Chairperson Sonia Gandhi from Raebareli and party president Rahul Gandhi from Amethi. The announcement put an end to speculation that Sonia Gandhi may not contest in the polls due to health reasons and the party's general secretary in-charge (East UP) Priyanka Gandhi Vadra may be fielded from her constituency.

THE SMART INVESTOR P10

Markets have priced in Modi win, say analysts

Markets are already pricing in a victory for the Narendra Modi-led National Democratic Alliance in the upcoming general elections, say analysts. Even though stocks may remain volatile in the run-up to the polls, as political parties stitch up alliances, the long-term trajectory for the markets remains bullish, they add. So far this year, the benchmark Sensex and the Nifty50 indices have gained 1.5 per cent and 1.7 per cent, respectively.

ECONOMY & PUBLIC AFFAIRS P6

US trade deficit with India drops for 2nd year

Days after the United States cut off India's duty-free access to the American market under its largest preferential trade scheme, the Generalized System of Preferences (GSP), official figures from Washington DC showed that its trade deficit has actually fallen over the past two years, with this figure slipping to \$21.3 billion in 2018. In 2017, the US' trade deficit with India was \$22.3 billion, down from \$24.4 billion in the previous year.

Centre pushes for revival of power sector

Cabinet approves new projects, hydropower policy, revival scheme for stressed assets in its last meeting

SHREYA JAI
New Delhi, 7 March

The central government has cleared projects and schemes totalling ₹31,000 crore to boost investment in the languishing power sector. The Cabinet Committee on Economic Affairs (CCEA) approved two thermal power and two hydropower projects, a hydropower scheme and a revival scheme for stressed assets on Thursday, probably the last Cabinet meeting before the Lok Sabha elections.

Hydropower has been devoid of investment for a decade. In this segment, any projects above 25 Mw in capacity would now come under the category of renewable energy. This would entail a hydro power purchase obligation on states and get it priority status. With this, India would achieve one of the targets it has committed to under the global climate change treaty for reducing of emissions — sourcing 40 per cent of its total energy consumption from renewable sources.

R K Singh, minister of state for power and new & renewable energy, said budgetary support would be provided for allied infrastructure of hydro power units, to contain the cost.

"Budget support for funding cost of the flood moderation component, enabling infrastructure such as roads and bridges, would be given on case to case. This would be limited to ₹1.5 crore per Mw for up to 200 Mw projects and ₹1 crore per Mw for above 200 Mw projects," he told reporters.

Turn to Page 15



APPROVED PROJECTS

Buxar Super Thermal Power Project (Bihar)

CAPACITY
1,320 MW
COST
₹10,439 cr

Khurja Super Thermal Power Plant (UP)

CAPACITY
1,320 MW
COST
₹11,089 cr

Kiru hydro power project (J&K)

CAPACITY
624 MW
COST
₹4,288 cr

Teesta Stage-VI hydro power project (Sikkim)

CAPACITY
500 MW
COST
₹5,748 cr

RELATED REPORTS 4

- ▶ MORE POWERS FOR GoM DECIDING ON PRIVATISATION OF STATE-OWNED FIRMS
- ▶ NOD TO PHASED MANUFACTURING PLAN FOR BATTERIES
- ▶ ORDINANCE ON RESERVATION ROSTER FOR VARSITY FACULTY

Sugar mills get fresh soft loan of ₹15,500 cr

The Cabinet on Thursday cleared an extra soft loan of ₹15,500 crore to boost ethanol capacity in sugar mills. The government will bear an expenditure of ₹3,355 crore as interest subvention for this. **4**

BUSINESS STANDARD INSURANCE ROUND TABLE

18% GST on premium is brutal: Irdai member



Nileshe Sathe says govt has a role to play in improving insurance penetration

BS REPORTER
Mumbai, 7 March

The levying of an 18 per cent tax on insurance premiums is detrimental to improving the penetration of insurance in the country and should be rolled back, said Nileshe Sathe, a member of the Insurance Regulatory and Development Authority of India (Irdai) and chief guest at the annual insurance round table of *Business Standard*.

"With low social security provisions happening or possible in India, charging premiums at 18 per cent GST (goods and services tax) is brutal," Sathe said in his keynote address on Wednesday. "Do you think increasing penetration in India is the responsibility of Irdai or insurance companies only? It is the responsibility of every stakeholder, including the government," he said, adding that Irdai had informed the government that most other

countries, including developed markets, "do not charge any tax on insurance premiums".

The government must also allow separate tax breaks for pension products of insurance companies, in line with ₹50,000 separate head made for the new pension scheme, he said. Sathe encouraged e-commerce firms to enter the insurance sector, saying it would improve the awareness and penetration of insurance products.

"Let the Amazons and the Flipkarts come into insurance. I am sure there will be more and more people who will appreciate and buy insurance as its penetration and density is low... There is a lot of market," he said. **Turn to Page 15**

MORE STORIES P11

- ▶ Millennials ask questions, choose products better'
- ▶ Insurance firms cannot be assessed on quarterly basis'

Analjit Singh plans to sell stake, real estate to repay loans

SURAJEET DAS GUPTA
New Delhi, 7 March

Max group promoter Analjit Singh has put together a plan to sell a minority stake in Max Financial Services (MFSL), the holding company of Max Life, as well as some real estate assets to repay loans it had raised through the pledging of promoter shares in two listed companies. According to merchant banking sources, the process is expected to be completed in four to six months.

The promoters have, however, decided not to sell off or merge the life insurance business with a strategic investor as they nearly did a few years ago. Max Life's proposed merger with HDFC Life was called off in July 2017.

Singh is also planning to sell 5 per cent of his 12 per cent stake in the entity formed after the merger of KKR-backed Radiant Life Care and Max Healthcare, which will run the hospital business.

As of January 31, 2019, the promoters pledged 75.59 per cent of their stake in MFSL and 73.55 per cent in Max India (MIL), the holding company of its healthcare, health insurance and senior living businesses, to the lenders. The promoters

PROMOTER OWNERSHIP STATUS

Listed holding co.	Promoter holding (%)	% of shares pledged	Firms under the holding company
MFSL	28.30	75.59	Max Life
MIL	40.96	73.55	Max Bupa, Antara, Max Healthcare
MVIL	47.16	---	Max Estates, Max Speciality Films, Max I

MFSL: Max Financial Services
MIL: Max India
MVIL: Max Ventures & Industries
Note: The group has announced sale of promoter stake in Max Healthcare and Max Bupa
Source: Max group



Founder Analjit Singh is set to be back in active role

control over 28.3 per cent in MFSL and 40.96 per cent in MIL.

The \$3-billion group might also consider selling off its specialty films business in which it has a 49 per cent stake.

Singh, who earlier decided to play only a mentoring role in the group and withdrew from the boards of his companies, is set to play an active role again by re-entering as non-executive chairman in MFSL

as well as Max India, sources in the know said. He will also become group chairman, as against the current designation of chairman emeritus.

The promoters, who recently sold their 51 per cent stake in health insurance firm Max Bupa to True North, will now concentrate on insurance, real estate, hospitality and another new business, which is still to be finalised. **Turn to Page 15**

INTERNATIONAL WOMEN'S DAY



Women make up over half the staff at the world's highest LPG bottling plant in Ladakh

The cold desert comes alive with women power

SHINE JACOB
New Delhi, 7 March

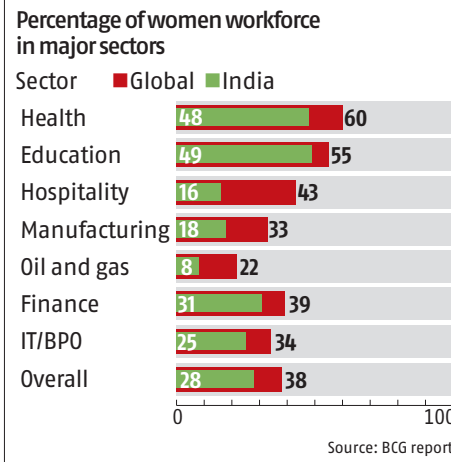
At more than 11,800 feet from sea level in Phey Village of Ladakh, Padma Angmo and 10 other women work at the world's highest LPG bottling plant. Run by Indian Oil Corporation (IOC), the country's largest fuel retailer, the plant ensures cooking gas access to far-flung areas of Ladakh and Kargil, besides serving the security forces.

"I feel proud to serve the people of region," says Padma, a local who has been employed here since its commissioning in 2001-02. At the site, where temperature can fall to

minus 30 degrees, women make up more than half the staff of 20. Their activities include filling and handling of cylinders, performing quality control checks, maintenance of the plant, managing documents, gardening and looking after the canteen. They represent a change in the oil and gas sector where gender diversity is the lowest across industries globally. Even more so

RELATED STORIES
▶ Brands flog the formula for Women's Day P15
▶ Storming male bastion: Women rewrite the 'code' P5

LONG WAY TO GO



in India. "While women account for 28 per cent of the total workforce in India, the share of women in oil and gas is the lowest across major sectors at 8 per cent," says Anirban Mukherjee, partner and director, The Boston Consulting Group (BCG). **Turn to Page 15**

GIC to subscribe to Airtel rights issue

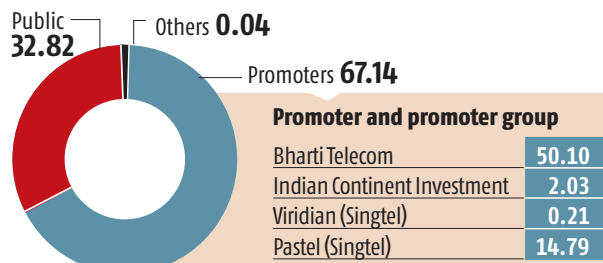
MEGHA MANCHANDA
New Delhi, 7 March

Bharti Airtel on Thursday said GIC, formerly known as Government of Singapore Investment Corporation, has committed to subscribing to the company's rights issue of ₹25,000 crore. This is expected to reduce its leverage and strengthen the balance sheet amid fierce competition.

The promoter group of Bharti Airtel, including the Bharti group and Singtel, would subscribe to ₹11,785.7 crore in the rights issue, one of the largest such exercise by an Indian company, while GIC will subscribe to ₹5,000 crore by way of renoucement in their

WHO OWNS HOW MUCH

Bharti Airtel shareholding pattern (as of December 2018)



Note: Besides Viridian and Pastel, Singtel had a 48.9% stake in Bharti Telecom, and has effective ownership of 39.5% in Bharti Airtel
Source: BSE India

favour. GIC is a sovereign wealth fund established by the Government of Singapore in 1981 to manage Singapore's foreign reserves. Analysts feel it is the right move by Bharti Airtel

to safeguard its rights issue in case it is undersubscribed or subscribed less than 90 per cent of the total value. In that case the promoters and external investors will fund the issue.

The promoters hold 67 per cent in Bharti Airtel and the issuance of shares under the rights issue would be in line with the shareholding. The promoter and promoter group reserves the right to subscribe either itself or through investors for additional shares in the issue, including in the event of undersubscription by public, in accordance with the applicable laws, Bharti Airtel said in a statement.

"Singtel and Airtel's major shareholders Bharti group and Bharti Telecom intend to subscribe to their full entitlement except for renunciation by Bharti Telecom in favour of GIC Singapore, which will commit approximately ₹5,000 crore," it in a statement. **Turn to Page 15**



SUZLON TO REJIG OVERSEAS DEBT

Renewable power company Suzlon Energy has hired Houlihan Lokey, an investment banking company, to help it restructure its foreign currency convertible bonds worth ₹1,200 crore, which is due in July. The bondholders will have to take a substantial haircut on their investment as the company's financials have deteriorated since the bonds were issued. **DEV CHATTERJEE writes 3**