

THE MARKETS ON FRIDAY

	Chg.#
Sensex	36671.4 ▼ 54.0
Nifty	11035.4 ▼ 22.8
Nifty futures*	11076.1 ▲ 40.6
Dollar	₹70.2 ₹70.0**
Euro	₹78.7 ₹79.2**
Brent crude (\$/bbl)**	63.8** 65.5**
Gold (10 gm)***	₹32150.0 ▲ ₹175.0

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

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WEEKEND SEPARATE SECTION

INDUS PEOPLE: THE SINDHI COMMUNITY'S JOURNEY

WORLD P4

CHINA INFLATED GDP GROWTH RATE FOR NINE YEARS: STUDY



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ED INVESTIGATING PHILIP MORRIS, GODFREY PHILLIPS

The Enforcement Directorate is investigating Philip Morris International and its Indian partner Godfrey Phillips for alleged violation of the country's laws, a senior directorate source told Reuters on Friday. The ED has been looking into the firms and the scope of the probe is much broader than alleged foreign investment law violations.

Subhash Chandra Garg named finance secretary

Economic Affairs Secretary Subhash Chandra Garg was on Friday named finance secretary, according to a personnel ministry order. The Appointments Committee of the Cabinet has approved designating Garg finance secretary, it said.

ASHU KHULLAR TO TAKE OVER AS CITI INDIA HEAD

Citibank has named Ashu Khullar, head of Asia-Pacific capital markets origination, Citibank India head, effective from April 1. He succeeds Pramit Jhaveri, who will become vice-chairman of banking, capital markets and advisory for Asia Pacific from April 1.

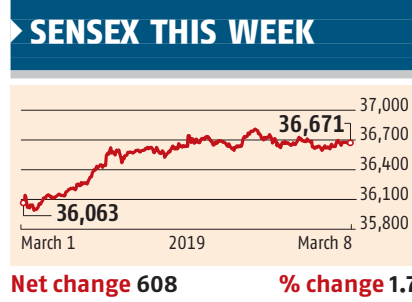
BS ON SATURDAY SPECIALS

WEEKEND RUMINATIONS: Campaign silences
The Opposition has failed to say what they stand for at a time when the government has ramped up efforts to list its achievements. **TN NINAN** writes

NATIONAL INTEREST: Long march to peace with Pakistan
India needs to invest in its military to scare Pakistan to peace and at the same time get Indians to understand the realities of war, writes **SHEKHAR GUPTA**

LUNCH WITH BS
Tamluk to T-3
PARESH MAITY tells **Pavan Lall** about his journey from small town Bengal to the homes of the rich and famous

BACK PAGE P14
SC sends Ayodhya dispute for in-camera mediation
The Supreme Court on Friday decided to send the Ram Janmabhoomi-Babri Masjid land title dispute for mediation to a three-member team led by retired apex court judge Fakkir Mohamed Ibrahim Kalifulla and gave it eight weeks to complete the process.



ArcelorMittal wins bid for Essar Steel

NCLT OKAYS ₹42,000-CR OFFER TO TAKE OVER STRESSED FIRM | ESSAR PROMOTERS MAY MOVE NCLAT ON MONDAY

VINAY UMARJI & ISHITA AYAN DUTT
Ahmedabad/Kolkata, 8 March

In a major win for L N Mittal-led ArcelorMittal, the National Company Law Tribunal (NCLT) Ahmedabad on Friday approved its ₹42,000-crore takeover bid for debt-laden Essar Steel India Ltd (ESIL).

Pronouncing the order by reading the operative part of it, the two-member Bench of adjudicating authorities — Harihar Prakash Chaturvedi and Manorama Kumari — also suggested a “better implementation” of Arcelor’s resolution plan.

The tribunal suggested that instead of bagging 92 per cent under the proposed plan, financial creditors’ share could be 85 per cent so that operational creditors might get 15 per cent instead of 8 per cent.

The tribunal also suggested including Standard Chartered Bank (SCB) in the 85 per cent share among financial creditors, unlike ArcelorMittal’s proposed plan, which excludes most of SCB’s claims. However, the tribunal maintained these were merely suggestions and would not affect its order approving ArcelorMittal’s plan.

“This court has limited jurisdiction and cannot impose its view on the commercial wisdom of the committee of creditors,” the Bench stated, while reading the operative part of the order.

ArcelorMittal’s bid includes an upfront payment of ₹42,000 crore (\$5.7 billion) towards the debt reso-



THE WINNING PLAN

₹42,000 cr Upfront payment towards ESIL’s debt resolution

₹8,000 cr Additional capital injection into ESIL

12-15 mtpa Long-term target for finished steel shipments

₹18,697 cr Planned capital expenditure, to be implemented in two stages over six years

The first stage will involve investments to increase the production of finished steel goods to 6.5 mtpa, and to 8.5 mtpa in the second stage by the end of 2024

Source: ArcelorMittal’s offer

lution of ESIL with an additional ₹8,000 crore (\$1.1 billion) of capital infusion into the company to support operational improvement, increase production levels and deliver enhanced levels of profitability. In October 2018, the committee of creditors (CoC) of Essar Steel had voted to approve ArcelorMittal’s plan and a letter of intent was issued.

“We welcome today’s pronouncement by the NCLT

Ahmedabad. While we need to review the full written order once it becomes available, we hope to complete the transaction as soon as possible,” an ArcelorMittal spokesperson stated. As in the case of Bhushan Steel, where Tata Steel had moved in within 72 hours of winning the bid in the tribunal, ArcelorMittal may seek to move in to take hold of Essar Steel India Ltd.

Turn to Page 10

Sterling Bio lenders agree to 65% haircut

DEV CHATTERJEE & ABHIJIT LELE
Mumbai, 8 March

Lenders have agreed to a one-time settlement offer made by the controversial promoters of Sterling Biotech, who have defaulted on bank dues worth ₹15,000 crore. The promoters, bankers said, have made an offer that entails a haircut of close to 65 per cent for the lenders.

In a statement to the stock exchanges, the company said, “The committee of creditors has approved the withdrawal of the Corporate Insolvency Resolution Process of the company with requisite majority.”

Lenders had rejected a resolution plan by ACG Associated Capsules Pvt Ltd and also another on liquidation, the company had

said on Wednesday. A senior public sector bank executive said the promoters Chetan and Nitin Sandesara have roped in an overseas investor to repay the loans and plan to pay part of the outstanding amount to show that their intention is to clear the debt. “The promoter has already deposited 5 per cent of the OTS (one-time settlement) offer to banks,” said

the source. While going in for resolution, the Indian lenders have the option either to recover, rectify or restructure the account. In this case there is no issue of restructuring and is a case of recovery by way of sale of assets or settlement, said a banker. Almost 90 per cent of the lenders have agreed to the OTS.

Turn to Page 10

ALOK INDUSTRIES GOES TO RIL, JM FINANCIAL ARC

The NCLT’s Ahmedabad Bench on Friday approved the joint bid by Reliance Industries and JM Financial Asset Reconstruction Company for Alok Industries. The winning bid was ₹5,000 crore, which was close to Alok Industries’ liquidation value of ₹4,000-4,500 crore.

NCLAT SLAMS LIBERTY HOUSE

The NCLAT on Friday came down heavily on Liberty House for not pursuing the corporate insolvency resolution process after having been selected the highest bidder for Amtek group company ARGIL. “You are a failure party... All the time dragging your feet. You are in bad reputation,” a two-member Bench said.

Turn to Page 10

Amazon back in the ring with record seller figures

KARAN CHOUDHURY
New Delhi, 8 March

Amazon India seems to be back on track after adding over 50,000 sellers since January. Their numbers are at an all-time high, at 450,000 merchants. This is after making drastic changes in its business model and going through a rapid transition to be compliant with foreign direct investment (FDI) norms in the e-commerce sector.

E-commerce firms had to change the way they functioned after the government enforced new FDI norms in the sector on February 1. According to Amazon India, the company is compliant with all FDI norms in the e-commerce sector. For the time being, it has even stopped a few vendors, including Shoppers Stop, from selling on the platform as it has a 5 per cent stake in the retail major.

The company, however, claims they have not seen any change in the growth rate of sellers.

“It has not changed at all. We are seeing similar growth rates. Seller interest has been phenomenal. As far as being compliant with norms goes, we have always been compliant. The number of sellers has been steadily increasing. Till December last year, we had around 400,000 sellers, now the number has jumped to over 450,000. From a run-rate perspective, we are not seeing any changes at all,” said Gopal Pillai, director and general manager, seller services at Amazon India.

Turn to Page 10



AMAZON INDIA IN NUMBERS

70	45,000	450,000
Warehouses in India	Direct and indirect employees	Sellers

ANTI-PROFITEERING BODY FINES CLOUDTAIL ₹11 LAKH

The National Anti-Profiteering Authority has imposed a fine of ₹10.79 lakh on Cloudtail India, a joint venture between Amazon.com and Narayana Murthy’s family office Catamaran Ventures, for alleged profiteering on the sale of printing cartridges after the goods and services tax was cut from 28 per cent to 18 per cent. Besides, an interest rate at the rate of 18 per cent was imposed on the fine. **INDIVJAL DHASMANA** reports

5

SBI to link saving deposits, loan pricing to repo rate from May 1

ABHIJIT LELE
Mumbai, 8 March

State Bank of India (SBI), the country’s largest bank, will use the Reserve Bank of India’s (RBI) policy repo rate as a benchmark to set the savings deposit rates and those for short-term loans from May 1 this year.

It is the first bank to announce a timeline to switch to an external benchmark. The bank’s decision to link its key pricing decisions on savings bank deposits and short-term



SBI is the first lender to announce a timeline to switch to an external benchmark

loans to the repo rate will help it to address rigidities in the balance sheet and ensure a

quick transmission of changes in the RBI’s policy rates, SBI said in a statement. It will link savings bank deposits with balances of more than ₹1 lakh to the repo rate. The current effective rate on savings deposits is 3.50 per annum, 2.75 percentage points below the current repo rate of 6.25 per cent.

Term deposits will continue to be priced on the basis of market conditions, SBI Chief Financial Officer Prashant Kumar said.

Turn to Page 10

Poll season sets off a fortnight of project blitz

Cabinet has cleared 94 proposals in 16 days

SHINE JACOB & INDIVJAL DHASMANA
New Delhi, 8 March

In a race against the clock, Prime Minister Narendra Modi has inaugurated over 50 projects worth at least ₹2 trillion (excluding the ₹75,000 crore per annum PM Kisan Scheme) and his Cabinet has cleared 94 proposals in 16 days — all to beat the model code of conduct, to be announced any time now by the Election Commission.

Once the code comes into effect, the government will not be able to announce programmes or welfare measures. Modi has been busy laying stones, cutting ribbons, and unveiling plaques across the country. He has inaugurated projects such as a Kalashnikov rifle-

IN TOP GEAR

Major projects inaugurated/announced by PM on Friday

- PM inaugurated and laid foundation stones for projects worth ₹32,500 crore in Ghaziabad (UP)
- Projects included foundation-laying of RRTS to connect Delhi and Meerut, inauguration of a new civil terminal building at Hindon airport, and an extension of Delhi Metro’s Red Line
- PM also inaugurated Phase-II of Lucknow Metro, apart from laying the foundations of Metro rail projects in Kanpur and Agra

manufacturing facility in Amethi, bestowed manna worth ₹33,000 crore to NDA-ruled Bihar, and inaugurated the National War Memorial at India Gate.



Prime Minister Narendra Modi at a foundation-laying ceremony in Varanasi on Friday

PHOTO: PTI

- In Kanpur, he laid the foundation stone for the expansion of the Panki thermal power project at an investment of ₹5,800 crore
- In Varanasi, he laid the foundation stone for the Kashi Vishwanath Temple’s beautification

On Friday itself, the PM launched a series of development projects in five Uttar Pradesh cities, including his parliamentary constituency, Varanasi.

Turn to Page 10