



ECONOMY & PUBLIC AFFAIRS **P5**  
NIZAM'S FAMILY WINS ₹35-MN  
COURT BATTLE AGAINST PAKISTAN

COMPANIES **P3**  
OTT WAR: MULTIPLEX CHAINS OFFER  
NEXT-LEVEL 'MOTION SEATS'



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

LOAN *MELAS*: PSBs TO  
SKIP POLL-BOUND  
STATES IN PHASE 1

Public sector banks (PSBs) will start outreach camps for retail and MSME credit in poll-bound states — Maharashtra, Haryana, and Jharkhand — from October 21, instead of October 3. These states are now under the model code of conduct, which puts curbs on any activity seen as promoting government programmes. The first phase of the initiative will run in 250 districts from October 3 to 7. The second phase covering 150 districts will start from October 21.

ABHIJIT LEE

COMPANIES **P2**  
B2B e-com firm Udaan  
raises \$585 million

Udaan, the business-to-business (B2B) e-commerce platform, said it had raised \$585 million from Tencent, Altimeter, Footpath Ventures, Hillhouse, GGV Capital, and Citi Ventures. Existing investors Lightspeed Venture Partners and DST Global also invested in the round. This takes the funding raised by Udaan till date to \$870 million since 2016.

PEERZADA ABRAR reports



**COOPERATIVE BANK MESS:**  
The last boarding call

Time is running out fast for urban co-operative banks, and the coming years will see the sector go through a sea change, write RAGHU MOHAN & ABHISHEK WAGHMARE

**TECHNOLOGY:**  
Farming gets frugal

New irrigation technologies use far less water and help farmers to be more productive, write DILIP KUMAR JHA & BIBHU RANJAN MISHRA

**PERSONAL FINANCE:**  
Fine print of festival sales

Retailers, both online and offline, use strategies and numbers that can confuse you. TINESH BHASIN writes

# Questions over Tata investment in GMR Airports

AAI seeks solicitor general's opinion on  
legality of the proposed transaction

ARINDAM MAJUMDER  
New Delhi, 2 October

The plan of the Tata group and two foreign entities to invest ₹8,000 crore in GMR Airports (GAL) might face more regulatory delays because it reportedly violates a clause that prevents airline groups from holding more than 10 per cent stake in Delhi International Airport (DIAL).

The Tatas hold majority stakes in two airlines — Vistara and Air Asia India. If the deal goes through, the Tata group will have a 20 per cent stake in GAL. This would give it a 12.8 per cent stake in DIAL.

GAL has a 64 per cent stake in DIAL, while the Airports Authority of India (AAI) and German company Fraport own 26 and 10 per cent, respectively.

The Tata group was making the investment through its arm Tata Realty Infrastructure. Its co-investors were Valkyrie Investment and Solis Capital Singapore. It has been given conditional approval by the Competition Commission of India (CCI).

Sources aware of the development said the AAI had sought the opinion of the Solicitor General of India on the legality of the transaction.

“An approval from the CCI is not final as it violates an agreement entered between GMR and the Government of India in 2006, when Delhi Airport was being privatised. The AAI has sought the opinion of the Solicitor General and will act accordingly. The deal is not final as it needs approval from the AAI by virtue of being a joint venture partner,” said a government official.

The deal, announced in March this year, has taken longer than expected and faced delays because of various regula-



## GLOBAL CASES

- **Lufthansa holds 5% in Fraport**, which operates Frankfurt Airport
- **Qatar Investment Authority, which operates Qatar Airways**, holds 20% stake in Heathrow Airport
- **Thai AirAsia is bidding** for Pattaya Airport
- **Qatar Airport is in the process of buying 25%** in Vnukovo Airport in Russia

tory issues. As a result, GMR has been forced to raise additional bonds to meet debt obligations.

“Any delay in materialisation of the deal beyond December shall be a credit negative for GMR,” rating firm CARE said last month.

The Ministry of Civil Aviation has carried out a stakeholder's consultation over the process, which included seeking views from other airlines.

“Some concerns have been raised by other airlines that the Tata group holding such a large stake in GMR can distort the level playing field and give unfair advantage to Vistara and Air Asia India,” the official said.

Turn to Page 15 ▶

# Half of BSE500 companies slump to pre-tax cut levels

Concerns about financial  
sector health weigh on  
investors' minds

SUNDAR SETHURAMAN  
Mumbai, 2 October

The euphoria created by the surprise reduction in the corporate tax rate is waning as concerns about the health of the country's financial sector roils the stock market. Stock prices of nearly half of the BSE500 companies are back to pre-tax cut levels.

The turmoil in the financial sector has erased all the gains made by several companies after September 19, when Finance Minister Nirmala Sitharaman cut the corporate tax rate to 22 per cent (excluding surcharges) from 30 per cent earlier. Following the announcement, the Sensex had surged over 8 per cent in two days as analysts raised earnings estimates and stock price targets. Over 85 per cent of the members of the BSE500 universe had seen their stock prices jump in the two trading sessions after the tax



## FADING IMPACT

Financial stocks or those undergoing stress have corrected the most

LOSERS	Change (%)*	GAINERS	Change (%)*
YES Bank	-41	Shipping Corp	33
DHFL	-35	BPCL	30
Coffee Day	-34	Siemens	25
Indiabulls Housing	-32	GET&D	24
Reliance Capital	-31	Concor	23
Indiabulls Ventures	-30	HPCL	23
Srei Infra	-30	GIC	22
Suzlon Energy	-26	ICICI Sec	20
Indiabulls Real Estate	-25	Bajaj Finance	19
Zee Entertainment	-25	Escorts	19

\*Change over Sep 19 close

Source: Capitaline

cut. However, only 55 per cent of them have managed to hold on to those gains. Share prices of 230 of the 501 companies are currently lower than what they were before the fiscal stimulus was provided by the government.

Companies whose share prices have fallen much below the September 19 levels are mainly financial stocks or those expe-

riencing financial stress.

“Stock prices are ultimately a function of earnings. For the market to go up on a sustained basis, you need the economy to do well and earnings growth to start coming in. In the interim, there will be worries about the issues in the financial sector,” said Jyotivardhan Jaipuria, founder, Valentis Advisors.

Turn to Page 15 ▶

## Cox & Kings cancels festive Euro tours

Cox & Kings on Tuesday cancelled European group tours at the last minute and put hundreds of employees on notice after a delay in raising funds, confirmed the troubled tour operator. It has already defaulted on loan repayments and closed some of its overseas branches because of cash crunch. Employees have also not been paid for three months. On Monday, it asked hundreds of staff to leave, sparking protests at its Mumbai office.

ANEESH PHADNIS & AVISHEK RAKSHIT write

2 ▶



## YES Bank bonds slump by record after stock crash

One of India's largest private sector lenders slumped by a record in the bond market on Wednesday, as concerns mount over the health of the nation's finance sector amid a shadow banking crisis. Dollar bonds of YES Bank, which has sizable exposure to cash-strapped shadow lenders, slumped a record ₹5.5 to ₹80.9 on the dollar on Wednesday, the lowest since the bonds were sold in 2018.

Kapoor daughters 'dejected' with stake sale

P10

## PAYING TRIBUTE TO THE MAHATMA



Prime Minister Narendra Modi pays tribute to Mahatma Gandhi on his 150th birth anniversary, at Parliament House on Wednesday

PHOTO: PTI

### INSIDE PAGES

PM PROPOSES  
'EINSTEIN  
CHALLENGE'  
TO SPREAD  
GANDHI'S  
IDEALS

P6

ONLY CONG  
WALKED THE  
PATH SHOWN  
BY BAPU:  
SONIA

P6

1 MILLION  
SCHOOLKIDS  
BUILD & LIGHT  
SOLAR LAMPS

P12

# Order books decline for Surat's textile industry in festive season

Slowdown, long-pending input tax credit refunds hit the city hard

VINAY UMARI

Ahmedabad, 2 October

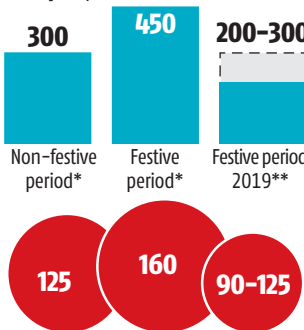
As the festive season approaches, the order books at Surat's textile industry, one of the largest in the country, are down by 40 per cent as compared with last year, owing to the overall market slowdown coupled with long-pending input tax credit refunds blocking working capital.

For every component of the industry — manufacturing, processing or trading — orders from within and outside the state have been drying up. Usually, Diwali is the time things pick up, even if demand has been lacklustre the rest of the year. But this time, that old festive magic isn't working and there is no respite from the gloom.

In the days before demonetisation and the goods and services tax (GST) system, Surat used to manufacture and

## SURAT'S SHRINKING TEXTILE BUSINESS

■ Daily despatch (Volume in trucks)  
● Daily despatch (Value in ₹ cr)



trade 40 million metres of textiles daily. It is now 20-25 million metres per day.

“While the industry had seen a severe impact immediately following



### WHY THE SLUMP IS WORRYING

- At 25 million metres per day, Surat contributes 70-80% to synthetic textile manufacturing in the country
- Capacity utilisation is down by 20-40% for the 320-odd textile processing units in the city

\*Last three years' average; \*\* Sept-Oct period

Source: Industry

demonetisation and the GST rollout, the festive season for the last two years had provided some respite.

Turn to Page 15 ▶