

THE MARKETS ON MONDAY			Chg#
Sensex	41,155.1	▼	458.1
Nifty	12,119.0	▼	129.3
Nifty futures*	12,166.3	▲	47.3
Dollar	₹71.4		₹71.3**
Euro	₹78.8		₹78.7**
Brent crude (\$/bbl)**	58.9		60.0**
Gold (10 gm)**	₹40,651.0	▲	₹655.0

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

ED ARRESTS DHFL EX-CMD WADHAWAN IN IQBAL MIRCHI CASE

The Enforcement Directorate (ED) on Monday arrested Dewan Housing Finance's (DHFL's) former CMD Kapil Wadhawan for his alleged role in financing the loan to gangster Iqbal Mirchi, which was used for terror financing.

ECONOMY & PUBLIC AFFAIRS P6

HDFC reports threefold rise in pre-tax profit

Mortgage lender HDFC reported a 219 per cent rise in its profit before tax (PBT) at ₹9,143 crore in Q3, mainly aided by a one-time fair value gain of ₹9,020 crore. Its PBT was ₹2,868.80 crore in last year's Q3.

ECONOMY & PUBLIC AFFAIRS P4

As MFs shun CPs, trade volume falls sharply

The mutual fund industry seems to have shunned commercial papers after a Sebi diktat. In January, the traded volume of CPs has been ₹34,659.85 crore, lower than December's ₹49,066 crore.

THE SMART INVESTOR II P11

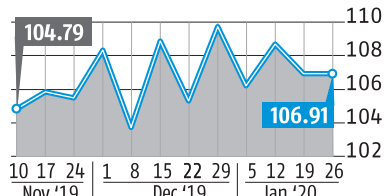
Centre puts out ad for post of Sebi chairman

The Centre on Monday put out an advertisement seeking applications for the post of Sebi chairman and gave two weeks' time to applicants. Current Chairman Ajay Tyagi's tenure ends on March 1.

THE CMIE TRACKER

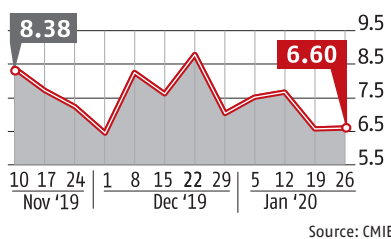
CONSUMER SENTIMENTS INDEX

(Base: September - December 2015 = 100)



UNEMPLOYMENT RATE

(%)



WHERE ARE THE JOBS?

RESULTS RECKONER

Quarter ended Dec 31, 2019; common sample of 250 companies (results available of 291)

SALES

Dec 31, '18	29.3%	₹4.99 trillion	↗
Dec 31, '19	4.2%	₹5.20 trillion	↗

PROFIT BEFORE TAX

Dec 31, '18	14.9%	₹71,980 cr	↗
Dec 31, '19	15.8%	₹83,330 cr	↗

NET PROFIT

Dec 31, '18	15.5%	₹51,660 cr	↗
Dec 31, '19	22.2%	₹63,129 cr	↗

Companies with zero sales excluded; given the change in corporation tax rates, to give a fair comparison the profit before tax has been considered; compiled by BS Research Bureau Source: Capitaline

Business Standard



ECONOMY P5

BILLIE EILISH WINS TOP AWARDS, MAKES HISTORY AT THE GRAMMYS

COMPANIES P2

BROOKFIELD TO FORAY INTO CO-LIVING SPACE



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

Air India sale gets wings with better deal terms

ARINDAM MAJUMDER

New Delhi, 27 January

WHAT'S CHANGED

PARAMETERS	Apr-18	Jan-20
Stake sale	76 %	100 %
Net worth for eligibility	₹ 5,000 cr	₹ 3,500 cr
Lock-in period	3 years	1 year
Merger with existing business	Not allowed	Allowed
Debt & liabilities	In excess of total assets	Equivalent to total assets
Treatment of employees	To be clarified after submission of EoI	Clarified in first stage

EoI: Expression of interest. Source: Preliminary information memorandum

"LAST TIME, THE GOVERNMENT WAS VERY CAUTIOUS AS WE WERE APPROACHING AN ELECTION. THIS TIME WE ARE READY TO TAKE BOLD STEPS"

HARDEEP SINGH PURI

Civil aviation minister



Almost two years after a failed attempt, the government on Monday launched the biggest privatisation exercise in value terms, inviting preliminary bids for Air India with sweetened deal terms. Full management control, reduced debt, a leaner organisation and flexibility to form a consortium are among the relaxed terms on offer for Air India divestment as potential bidders weigh their options to buy what was once a national asset.

According to the bid document, the government would divest its entire stake in the state-owned airline and subsidiary Air India Express, along with its joint venture Air India SATS Airport Services. The Air India brand will, however, have to be retained by the new owner.

"After no bids were received last year, we analysed critical scenarios and worked diligently to make it more attractive this time," Civil Aviation Minister Hardeep Singh Puri said.

The government has announced it would absorb 30 per cent more in debt and liabilities, than in the previous year. With that significant change, the

government will pass on ₹23,286.50 crore to the new owner, while absorbing a huge chunk of the current liabilities. Of around ₹22,000 crore of liabilities, the new owner will have to absorb only those which are backed by assets.

"Out of the balance liabilities, other than debt, certain identified current and non-current liabilities that are equivalent to sum of certain identified current and non-current assets, are proposed to be retained in Air India and Air India Express, as on date of the closing of the proposed transaction," the sale document said.

Sources involved in the sale process said Air India's fixed assets had increased by over ₹3,000 crore from ₹27,000 crore in 2018. "Almost 56 per cent of the total fleet of Air India is owned by the

airline. The new owner will be able to do sale and lease back of those aircraft, further reducing the debt," the official pointed out.

The reduction in debt and hence, interest costs, will be about 61 per cent under the new terms, as against 35 per cent in March 2018 during the government's previous effort to sell Air India.

Disinvestment or DIPAM Secretary Tuhin Kanta Pandey pointed out that assets of Air India were equivalent to the assets of the airline and no liabilities in excess of assets would be passed on to the new owner.

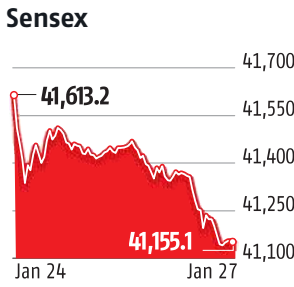
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Mkts catch coronavirus flu



A student who arrived from China waits to be tested for coronavirus infection, in Patna

PHOTO: PTI



Global markets tumbled, oil prices slumped, and gold turned costlier as the rapidly spreading coronavirus — which has claimed 81 lives in China thus far — fuelled concern about its potential impact on the world economy. The Indian indices fell over 1 per cent as earnings disappointment, coupled with the virus scare, hit sentiment. "Volatility in stocks will continue for two reasons: The spread of the coronavirus and quarterly results," said Chokkalingam G, head of Equinomics Research & Advisory.

₹ vs \$

inverted scale



Gold

(\$/Oz)



Brent crude

\$59.21/barrel



WORLD INDICES SLIP INTO THE RED

America - 00.20 IST

NASDAQ	Previous: 9,315	Last: 9,181	Change: 1.4
DOW JONES	Previous: 28,990	Last: 28,657	Change: 1.1
S&P 500	Previous: 3,295	Last: 3,256	Change: 1.2

Asia

NIFTY	Previous: 12,248	Last: 12,119	Change: 1.1
NIKKEI	Previous: 23,827	Last: 23,343	Change: 2.0

Europe

DAX	Previous: 13,577	Last: 13,205	Change: 2.7
FTSE 100	Previous: 7,585	Last: 7,412	Change: 2.3

SAMIE MODAK

INDIGO PRE-TAX PROFIT JUMPS 3 TIMES

IndiGo saw its pre-tax profit jump three times to ₹556 crore in the third quarter of the financial year 2019-20 (Q3FY20) on strong revenue growth. The company expects to complete modification of its Airbus A320neo engines by May-end but expects a challenging fourth quarter due to lean season, the company said. Revenue from operations grew 25.5 per cent to ₹9,931 crore in Q3FY20 on a year-on-year basis as the airline expanded its network and improved its seat occupancy by two percentage points to 87.6 per cent.

PAGE 11 INDIGO LIKELY TO HIT AIR POCKET IN MARCH QUARTER

PSU insurance firms seek ₹12k-crore infusion as merger put on fast track

NAMRATA ACHARYA
Kolkata, 27 January

Three public sector general insurance companies, slated to be merged, are expecting a ₹12,000-crore fund infusion in this financial year (FY20).

The boards of the three insurance companies — National Insurance Company, Oriental Insurance Company, and United India Insurance Company — formally gave the nod for their merger last week, putting the much-delayed merger process on the fast track.

"Several months ago, the Department of Financial Services (DFS) had recommended the fund infusion of ₹12,000 crore. We hope it will come soon. The final call will be taken at the highest level," said a senior official of one of the firms.

According to sources, while the DFS has recommended the capital infusion,

KEY NUMBERS



	Solvency ratio	Profit/loss before tax* (₹ cr)	Combined ratio* (%)
National Insurance	1.04 (Q4 FY19)	NA	NA
Oriental Insurance	1.56 (Q2 FY20)	-330	137
United India Insurance	1.05 (Q2 FY20)	-1,091	139.8

Note: Q2 data on solvency ratio of National Insurance is not available *Till Q2FY20 Source: General Insurance Council and public disclosure

this needs to be approved by Union Finance Minister Nirmala Sitharaman. The DFS is also holding performance review meetings with insurance companies this week, said sources.

A senior official of another firm said if the firms didn't get the funds, the merger was unlikely to be a useful

exercise.

"The board approval is an indication that the government is serious about the merger. There are expectations that the government might infuse the funds before the merger," the official said.

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