

STOCKS  
IN THE NEWS

Force Motors

1,177.20

1,170

1,094.95

1,112.90

1,050

1,170

1,230

December vehicle sales up 62% at 2,747 units;YoY

₹1,177.20 CLOSE

7.51% UP\*

Hindustan Petroleum Corporation

267.15

263.80

244.70

240

285

Oil surges after Trump threatens Iraq sanctions, Iran retaliation

₹244.70 CLOSE

7.24% DOWN\*

Bajaj Finance

4,237.85

4,192.50

3,998.20

4,100

4,400

Top loser among the S&P BSE Sensex stocks

₹ 3,998.20 CLOSE

4.63% DOWN\*

Adani Green Energy

200.20

192.65

158.60

175

225

FPIs holding touched all-time high at 20.8% in December quarter

₹200.20 CLOSE

3.92% UP\*

Reliance Industries

1,537.25

1,550

1,544.20

1,501.50

1,490

1,510

1,530

Lost ₹24,000–crore market capitalisation in a single day

₹1,501.50 CLOSE

2.33% DOWN\*

IN BRIEF

## DGCA to issue notices to 100 GoAir pilots for FDTL violation

Directorate General of Civil Aviation (DGCA) has started the process of issuing show cause notices to around 100 pilots and senior executives of GoAir over alleged violation of flight duty time limit (FDTL) norms, a senior official said on Monday. A source said GoAir cancelled as many as 40 flights between December 23 and 24. During this period, it also reported air turn back of two if its aircraft due to engine glitches and they were later taken out of operations for further inspection. The airline had said on December 26 that due to inclement weather in north India, it experienced extensive flight delays and diversions leading to cancellation of flights as its crew approached its FDTL in the past two-three days. "This was further exacerbated due to the CAA protests wherein our crew members were unable to report for duty," the airline had said. Asked if the DGCA has initiated the process of issuing notices to 100 pilots and senior officials of budget carrier GoAir over violation of FDTL norms, the senior official replied in the affirmative. **PTI**

## Citi's investment bank plans to hire 2,500 coders in 2020

Citigroup plans to recruit 2,500 programmers this year for the unit that houses its traders and investment bankers, bulking up on coders and data scientists as technology reshapes the business. Roughly three-quarters of the company's trade orders last year were electronic, according to Stuart Riley, global head of operations and technology for the bank's Institutional Clients Group. The ICG arm will add programmers in locations from New York to Chennai. **BLOOMBERG**

## DHFL appoints Grant Thornton transaction auditor

The resolution professional of Dewan Housing Finance (DHFL) has appointed Grant Thornton India LLP the transaction auditor of DHFL. Grant Thornton has been appointed to ascertain if the corporate debtor entered into transactions that were preferential in nature and if transactions were undervalued. Moreover, the role of the transaction auditor will be to determine whether DHFL entered into transactions defrauding the creditors or it was involved in fraudulent transactions and wrongful trading. **PTI**

## ACs to become dearer to 2021 by up to 13%

With new energy efficiency norms coming into effect from January 1, 2021, prices of air conditioners (ACs) may go up by 8 to 13 per cent. The revised energy efficiency norms released by the Bureau of Energy Efficiency indicate a 9 to 11 per cent rise in energy efficiency levels for three-star and five-star ACs once the new norms kick in. **BS REPORTER**

## Flipkart unveils payments solution Visa Safe Click

Walmart-owned Flipkart on Monday announced the launch of Visa Safe Click (VSC), powered by Visa, the payments technology giant. VSC, a new payment solution now available on Flipkart platform, will enable the e-commerce platform to deploy India's first in-app device-based network authentication solution. This solution will eliminate the need for one time passwords (OTP) for transactions up to ₹2,000, while also ensuring a completely secure payment experience. Flipkart said it hopes to reduce the steps in the payment system. **BS REPORTER**

## GCPL eyes mid-single digit volume Q3 growth

Godrej Consumer Products (GCPL) on Monday informed the stock exchanges that it expects volume growth to remain marginally higher than mid-single digit in the local market in the October-December quarter. Despite weak demand in India, it has managed to grow its business, GCPL said. Highlighting the overall challenges it has faced in recent months, GCPL further said, "During the quarter, we witnessed relatively mixed demand and across some of our geographies of operations. In India, demand continued to be challenging, impacted by a general consumption slowdown." However, the uptick in volume growth was led by gradual recovery in the household insecticides business and new product launches. Effective marketing campaigns and tactical consumer offers further aided its sales. While GCPL did not specify its sales value growth, it said the number may mirror the trend of the past few quarters' sales value growth. In the past three quarters, sales growth rates in India ranged between 0.9 and -1 per cent (-ve 1%) year-on-year (YoY). According to Edelweiss Securities' estimates, GCPL is set to clock 6 to 6.5 per cent YoY volume growth. Edelweiss said this could be the second highest volume growth in the staples category in October-December quarter after Nestlé's. Despite continuing slowdown, GCPL said it "looked forward to a gradual improvement in consumer demand in the quarters ahead, driven by good monsoon and the government's stimuli." **ARNAB DUTTA**

# Action against corrupt shouldn't be seen as crackdown on India Inc: PM

CORPORATE TAX RATE AT ALL-TIME LOW; COMMITTED TO REMOVING DIFFICULTIES FACING INDUSTRY, SAYS PM

THE TARGET TO NEARLY DOUBLE THE SIZE OF THE ECONOMY TO \$5 TRN IS JUST A PHASE AND THE TARGETS ARE BIGGER AND HIGHER, SAYS MODI

BS REPORTERS  
New Delhi/Mumbai, 6 January

Prime Minister Narendra Modi on Monday met top industrialists including Mukesh Ambani and Ratan Tata for an "extensive" interaction and later followed it up with an address meant to revive the business sentiments, sending out a positive message ahead of the Union Budget. During his meeting with India Inc bigwigs during the day, the PM focused on issues facing the industry and measures needed to boost the economy. Speaking at the centenary celebrations of Kirloskar Brothers in the evening, he encouraged businesses to invest without fear, stressing that action against a few corrupt entities should not be seen as government crackdown on the corporate sector. The government will walk shoulder to shoulder with the industry, he added, in a bid to revive the animal spirit. Besides Tata and Ambani, the meeting with the PM was attended by Sunil Mittal, N Chandrasekaran, Anand Mahindra, Sajjan Jindal, Gautam Adani, Venu Srinivasan, A M Naik and Anil Agarwal, among others. An official in the Prime Minister's Office said, "The PM had an extensive interaction with leading business stalwarts to discuss ways to improve growth and job creation". The Modi government will present its next budget on February 1 and Indian companies are expecting a cut in income tax rates to revive consumer demand. Rationalisation of Goods and Services Tax (GST) is also high on India Inc expectations from the Budget. Although the government has already taken a series of steps to boost the sentiments, including a corporate tax rate cut, companies remain hesitant about fresh investments due to low consumer demand. At the Kirloskar event, Modi asked the industry to shun pessimism and work towards the \$5-trillion economy goal set by the government. "The target of \$5-trillion economy is just a phase, our targets are bigger, higher," he said. "At the beginning of the new year, I will again tell the Indian industry not to let disappointment affect you. Go ahead with new energy... whichever corner of the country you go to for your expansion, the Indian government will walk shoulder to shoulder with you," the PM said. The corporate tax rate in India is the lowest ever and GST as well as public sector banking reforms have already been rolled out, Modi told the audience. These reforms were longed for a long time, he added. Reaching out to the businesses, Modi said action against a few corrupt corporate entities should not be seen as government crackdown on the corporate sector. "The attempt was to allow the industry to create wealth fearlessly in a transparent environment where there are no obstacles." The government is attempting to rid the industry of web of laws, the PM pointed out. "The attempt has been to bring transparency, efficiency and accountability in tax system, and reduce human interface with the tax department," he said. "As we enter the new year, I have no hesitation in saying that this decade will be for the Indian entrepreneurs," he said. **Thackeray, India Inc meet today** Mumbai: Chief Minister of Maharashtra Uddhav Thackeray will meet industrialists in Mumbai on Tuesday to get their inputs and expectations to make the state's economy reach the \$1-trillion mark in the next few years.



Prime Minister Narendra Modi with business tycoons in New Delhi on Monday

PHOTO: PTI

## Telecom revenues likely to exceed target by ₹50,000 cr

SURAJEET DAS GUPTA  
New Delhi, 6 January

The government could surpass its budgetary target for revenues from the telecom sector for 2019-20 by anything between ₹13,000 crore and more than ₹50,000 crore, depending on the fate of the review petition with the Supreme Court, which had imposed a ₹1.47-trillion bill on telcos in the form of licence fees and spectrum user charges (SUCs).

In its July Budget, the government had targeted more than ₹50,519 crore in 2019-20 from the telecom sector, an increase of 28 per cent from the previous year, which would mainly come from licence fees, SUCs, and deferred payments for spectrum bought earlier.

Rustling up money for the government is important for it to keep its fiscal deficit in control. Especially as there are clear indications that its target for non-tax revenues from disinvestment in public sector undertakings could fall woefully short. For instance, the government has set up a disinvestment target of ₹1.05 trillion for FY20 so far, but has managed to raise only ₹17,364 crore. With Bharat Petroleum Corporation and Air India off the disinvestment list this year, the target looks unachievable. The delay in the disinvestment plan comes at a time when the government's fiscal deficit touched 115 per cent of the FY20 Budget estimate in November.

There is more hope from telecom. Based on current estimates, the government will continue to get revenues of ₹21,444 crore from deferred spectrum payment for FY20. However, the adverse impact on this revenue will be felt in the next financial year (2020-21) because the government as part of the relief package has decided to provide telcos with a moratorium on this payment for the next two financial years.

According to estimates by the Cellular Operators Association of India (COAI), the industry is expected to fork out over ₹17,500 crore this financial year as licence fees and SUCs. The estimate takes into consideration that after flat revenue growth in the initial



**WHAT TELCOS ARE PAYING**  
Government revenue from SUC, licence fee and deferred spectrum – **₹38,944 crore**

**OPTIONS FOR PAYMENT BY TELCOS AFTER THE SUPREME COURT ORDER**

■ Revenue based on SC directions for three players – Bharti, Voda Idea and Tata (upfront payment of 25%) – **₹23,629 crore**

■ Revenue based on SC directions paid by all telcos at 25% upfront – **₹36,750 crore**

■ Revenue if all telcos pay their dues (at 30% upfront payment) – **₹51,540 crore**

■ Revenue from non-telcos at 25% upfront – **₹56,919 crore**

quarters, it will go up in the last two quarters as a result of telcos increasing tariffs by 15-40 per cent in October last year.

The clincher will be the decision the court takes on the review petitions filed by the telcos. Analyst say one scenario could be that the court decides to allow a staggered payment scheme, in which 25 per cent of

the money is paid upfront (like for deferred spectrum, where upfront payment ranged from 25 per cent to 35 per cent) and the rest in instalments over a few years. In that case, the government will get an additional ₹36,500 crore from telcos, helping it to increase its revenues from the sector to more than ₹75,000 crore.

But some analysts say prudently only the dues of Airtel, Idea, Jio, and the Tatas should be taken into consideration because the other players have shut shop and left the country or are going through the insolvency process. In that case, the dues to be paid upfront based on 25 per cent would be ₹24,000 crore. Even then that would be ₹13,000 crore more than the target.

However, in case the court agrees to an upfront payment of 35 per cent, the equation would change dramatically and the additional cash that will come to the government would be over ₹51,000 crore, which would substantially make up for the shortfall in disinvestment.

The calculations do not include what the Department of Telecommunications, on the basis of the same formula as directed by the court, is planning to demand from non-telcos. As a result of this, these non telcos, which include GAIL, Power Grid, and Railtel, have to fork out over ₹2.27 trillion to the government. If this decision is upheld, it could solve most of the government's fiscal deficit problem.

## Synergy Group gives new EoI for Jet Airways

SUBRATA PANDA  
Mumbai, 6 January

South America-based Synergy Group has again given a formal Expression of Interest (EoI) for beleaguered Jet Airways, sources said.

The latest deadline for EoI applications is January 15, the Committee of Creditors (CoC) had decided at their latest meeting.

There were reports that the Hinduja Group would also apply but the sources say this is yet to happen.

Synergy had given an EoI for Jet in the first round of bidding. However, it failed to give a debt resolution plan for the airline company, even after getting several extensions. The lenders subsequently decided to call afresh for EoIs.

Synergy is led by Bolivian-born Germán Efromovich. It owns majority stake in Avianca Airlines, the continent's second largest.

The Resolution Professional appointed for Jet had earlier told the National Company Law Tribunal that two other entities had expressed early interest in investing. However, it is unclear if they will still do so. One of these is from West Asia and the other is an Indian entity, backed by a British investor.

In the first round of bidding, Synergy had questions



for the civil aviation ministry on availability of slots in the domestic and international routes. It wanted answers to these before giving a resolution plan. The ministry wanted a resolution plan on the table before giving any assurance on slot allocation.

Jet's share price has gained in the past five trading days. On Monday, it closed at ₹35.90.

Jet Airways was admitted under the insolvency process on June 20, 2019, after its bankers failed to find any takers despite months of negotiations. The airline stopped flying on April 17; it had around 14,000 employees on that date.

Creditor claims on the airline are for ₹36,090 crore, of which ₹14,640 crore had been admitted as on October 20. Jet has completed 180 days under insolvency proceedings, which have been extended for another 90 days.

## Nano ends 2019 with zero output, sells one unit

PRESS TRUST OF INDIA  
New Delhi, 6 January



Tata Motors did not produce a single unit of its entry-level car Nano in 2019 although it sold just one unit in February even as the company is yet to officially retire Ratan Tata's "people's car".

According to a regulatory filing by the company, Tata Motors had zero production and sales of the Nano in December 2019 while it

produced 82 units and sold 88 units in December 2018.

Similarly, in November 2019 there was zero production and sales of the entry-level model, whereas in the year-ago period it produced 66 units and sold 77 units.

In October 2019 also, according to the filing, it did not produce or sell any unit of the Nano while in the year-ago month it rolled out 71 units while selling 54 units.

In the first nine months of 2019

also Tata Motors did not produce a single unit of Nano.

The company did not sell a single unit in any month last year except February when it sold just one, according to several regulatory filings by the company.

Tata Motors has so far been maintaining that no decision has been made yet on the future of the Nano saying production planning of a car is a "conscious management of demand, system invento-

ry and planned efficiencies".

It has, however, admitted that in its current form the Nano will not meet the new safety regulations and BS-VI emission norms.

Tata Motors had unveiled Nano in January 2008 at the Auto Expo with much expectations of being "the people's car", as dubbed by the then Tata group chief Ratan Tata. However, it could not live up to the billing with sales dwindling over the years.