

FINANCIAL EXPRESS

VOL. XLV NO. 304, 24 PAGES, ₹6.00 (PATNA ₹6.00, RAIPUR ₹7.00) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

SENSEX: 41,170.12 ▼ 152.88 NIFTY: 12,080.85 ▼ 45.05 NIKKEI 225: 23,479.15 ▲ 78.45 HANG SENG: 27,609.16 ▼ 46.65 ₹/\$: 71.66 ▼ 0.10 ₹/€: 77.31 ▲ 0.22 BRENT: \$59.41 ▲ \$0.29 GOLD: ₹41,590.00 ▲ ₹99.00

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IN THE NEWS
Coronavirus fears grip South Korea
 SCORES OF new coronavirus cases and a first death in South Korea fanned fears on Thursday of the global spread of the pathogen as research suggested it was more contagious than thought and China appealed to its Southeast Asian neighbours for solidarity, reports Reuters.

ENCASHING BANK GUARANTEES

DoT to seek legal view if payments not made

Bharti chairman Sunil Mittal meets telecom minister RS Prasad, says taxes on the sector need to be rationalised

KIRAN RATHEE
 New Delhi, February 20

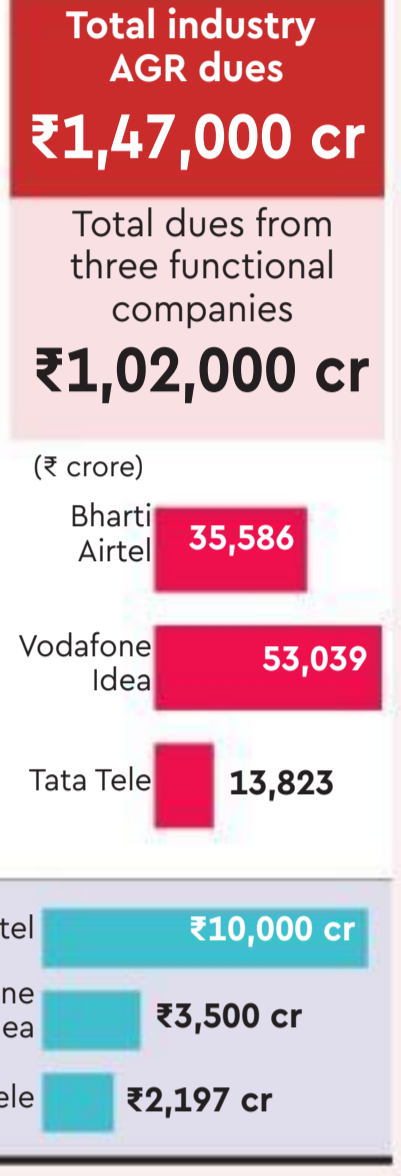
WITH NO SOLUTION in sight relating to the adjusted gross revenue (AGR) crisis even after nearly a week of a stern warning by the Supreme Court to the government as well as industry, Bharti Group chairman Sunil Mittal on Thursday met telecom minister Ravi Shankar Prasad.

DoT sources said that the operators have sought 7-10 days to make more payments. The government cannot do much in terms of relief on the AGR issue as it has to comply with the SC order but it will strike a balance between compliance to the SC order, the telecom sector's health and consumer interest.

The DoT is also seeking legal opinion from the solicitor-general whether it can encash the



Bharti Group chairman Sunil Mittal in New Delhi on Thursday



bank guarantees of the companies which have not paid the full amount till now.

As regards rationalisation of taxes and levies, the DoT has in the past written to the finance ministry for cut in licence fee.

Emerging from the meeting, Mittal acknowledged that the

AGR issue is a major crisis for the industry but added that he met the minister to make suggestions relating to the overall health of the sector.

Continued on Page 15
Fitch Ratings takes Bharti Airtel off 'watch negative': P6

● PACT SIGNED

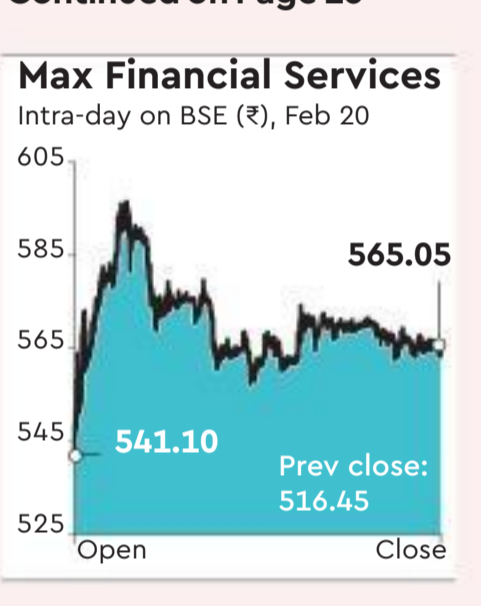
Axis Bank, Max Life eye strategic partnership

FE BUREAU
 Mumbai, February 20

MAX FINANCIAL SERVICES and Axis Bank disclosed to the exchanges on Thursday they had signed a confidentiality and exclusivity arrangement to explore the possibility of the bank entering into a long-term strategic partnership with Max Life.

Max Financial Services holds a 72.5% stake in Max Life while Mitsui Sumitomo Insurance and Axis Bank hold 25.5% and 2% respectively. Shares of Max Financial rose by over 15% during Thursday's trading session.

Although the firms did not disclose details, there is speculation the lender may be looking to acquire a stake of around 20% stake in the life insurer.



CAPITAL RAISING

Hindujas, Cerberus to partner to bid for Yes Bank stake

Representatives of Cerberus, Hinduja group met RBI officials earlier this month

BAIJU KALESH & SUVASHREE GHOSH
 Mumbai, February 20

HINDUJA GROUP IS partnering with private equity firm Cerberus Capital Management in seeking to pick up a stake in embattled Yes Bank, according to people familiar with the matter.

Representatives of Cerberus and the UK-based Hinduja group, run by brothers Gopichand Hinduja and Ashok Hinduja, met Reserve Bank of India officials earlier this month regarding the bid, the people said, asking not to be identified as the information is private.

The beleaguered Indian lender has been struggling to

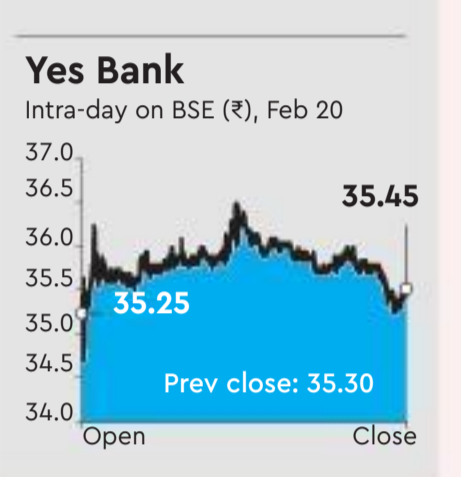
including JC Flowers & Co, Tilden Park Capital Management, Oak Hill Advisors and Silver Point Capital have submitted non-binding expressions of interest, Yes Bank said in a stock exchange filing in Mumbai on February 12.

Shares of Yes Bank rose 0.4%. The bank's 2023 dollar bond climbed about 1 cent to 84.5 cents, according to Bloomberg-compiled prices.

"A high pedigree long-term investor could make all the difference for the bank which is under investor scrutiny," said Kranthi Bathini, an analyst at WealthMills Securities. "The ball is in the regulator's court now."

The Hindujas already hold a stake in IndusInd Bank, another private lender.

A spokesman for Hinduja Group declined to comment while spokespeople for Cerberus, the RBI and Yes Bank didn't respond to emails seeking comment.



raise capital for the past few months, amid concerns about the quality of its assets and its exposure to the stressed shadow banking sector. Firms

Continued on Page 15

Special Features
'Instead of mobile-only plans we created smart TV apps'
 Tarun Katial, CEO, ZEE5 India, talks about boosting subscriptions by customising the app for low-end smartphones, investing in ad tech to lure advertisers, and more
BrandWagon, P13

Quick Picks
Govt issues import licences for refined palm oil from 3 countries
 INDIA HAS issued about 70 licences for importing about 5 lakh tonne of refined palm oil from three countries — Nepal, Indonesia and Bangladesh, sources said, reports PTI. On January 8, the government had imposed restrictions on imports of refined palm oil. The directorate general of foreign trade has issued about 60-70 import licences to import about 5 lakh tonne of refined palm oil, sources said. The licences will be valid for a period of 18 months only. During April-December this fiscal, India imported about 23 lakh tonne of refined palm oil, or about 2.5 lakh tonne every month. **PAGE 12**

Third round of expressions of interest invited for Jet Airways
 THE RESOLUTION professional (RP) of the grounded Jet Airways on Thursday invited expressions of interest (EOIs) for the third time since the airline went into insolvency in June 2019, reports **FE Bureau** in Mumbai. The fresh round of EOIs comes after a Russian state-owned fund showed interest in the debt-laden airline. The deadline for submission of EOIs is Sunday, subject to approval from Jet's committee of creditors (CoC) and the adjudicating authority. A resolution plan has to be submitted by March 9, a company notification stated. **PAGE 6**

● ALL-STOCK DEAL
Morgan Stanley to buy E*Trade in \$13-billion deal
BLOOMBERG
 New York, February 20

MORGAN STANLEY AGREED to buy discount brokerage E*Trade Financial Corp for \$13 billion, pushing further into the retail market in the biggest acquisition by a Wall Street firm since the financial crisis.

The all-stock takeover adds E*Trade's \$360 billion of client assets to Morgan Stanley's \$2.7 trillion, the companies said Thursday in a statement. Morgan Stanley also gets E*Trade's direct-to-consumer and digital capabilities to complement its full-service, advisory-focused brokerage.

"Our clients increasingly want digital access and digital banking, and their clients want wealth-management advice," CEO James Gorman said in an interview. "It's the continuing evolution of Morgan Stanley into a stable, well-diversified business."

In reshaping the firm since the financial crisis, Gorman has been emphasising Morgan Stanley's wealth-management powerhouse.

Full report on Page 14

BRAINSTORMING

MPC members sparred on policy space, fiscal line

CHETAN GHATE
 "Given fiscal uncertainty, MPC may have to accept tighter than desired monetary conditions... Don't see scope for further rate cuts..."

RAVINDRA H DHOLAKIA
 "Only 5 bps genuine fiscal slippage in FY20... Given the 'serious slowdown', it's contractionary fiscal policy... Real interest rates are high and there's definite space for policy rate action".

MICHAEL DEBABRATA PATRA
 "Monetary policy has headroom, but a good fix is needed on the shape of the inflation hump it has chosen to look through. Cost pushes to core inflation new and ominous risks..."

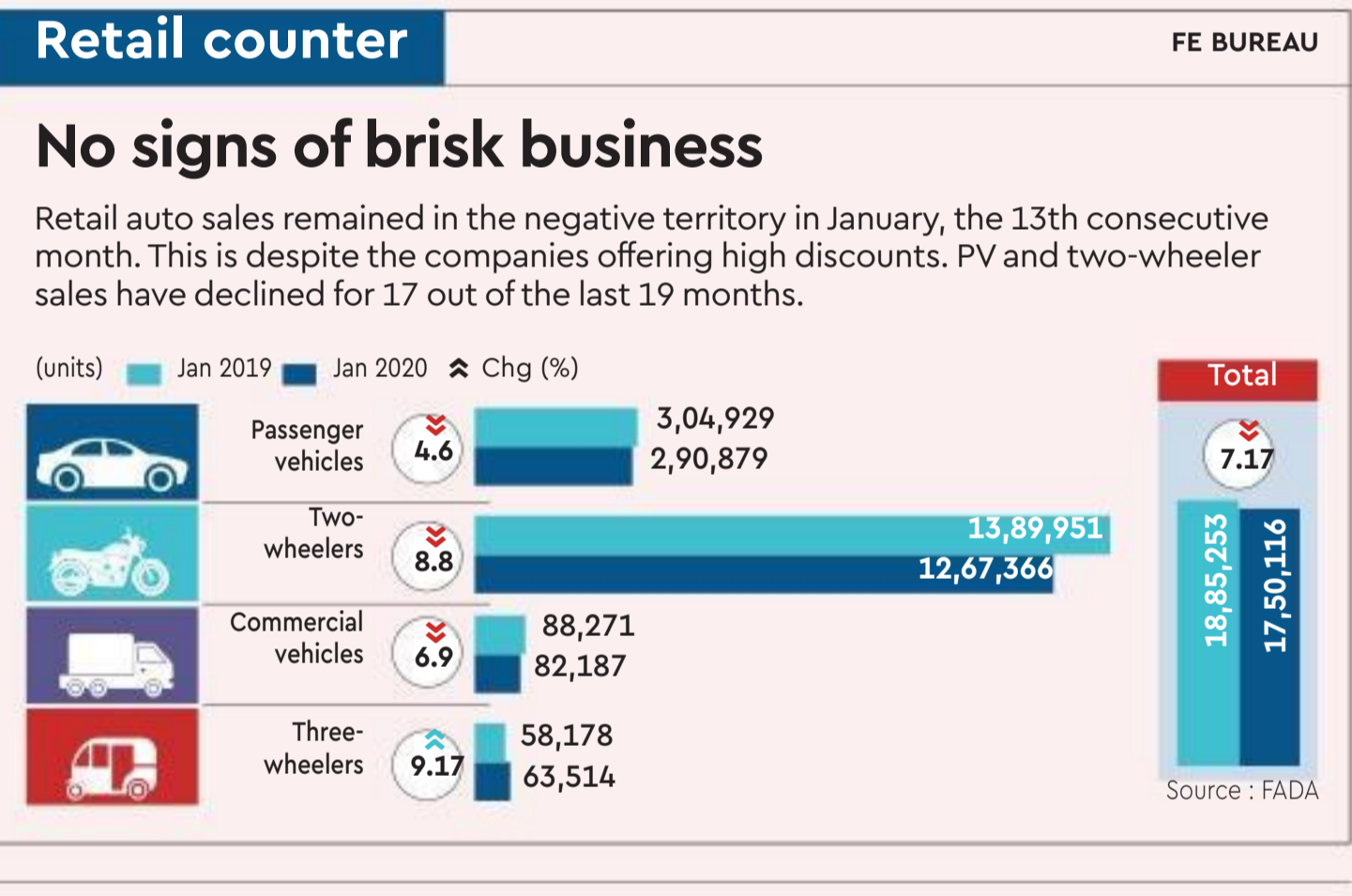
FE BUREAU
 Mumbai, February 20

WHILE AGREEING THAT inflation outlook remained 'highly uncertain', the members of the Monetary Policy Committee (MPC) sparred at its 21st meeting here between February 4-6, on whether policy space was available for further rate action in the current cycle and if the Budget toed the right fiscal line. Calling the Centre's fiscal stance for FY20 and FY21, as unveiled in the recent Budget 'contractionary' rather than counter-cyclical,

Ravindra Dholakia said that given India's 'high' real interest rates and still "very low" global rates, "there is a definite space for policy rate action". He, however, laced his argument, saying, "We need to wait for the other half of the fiscal policy given by the budget of the States".

The hawk in the pack was Chetan Ghate who saw the need to accept tighter-than-desired monetary conditions to stick to the medium-term inflation target.

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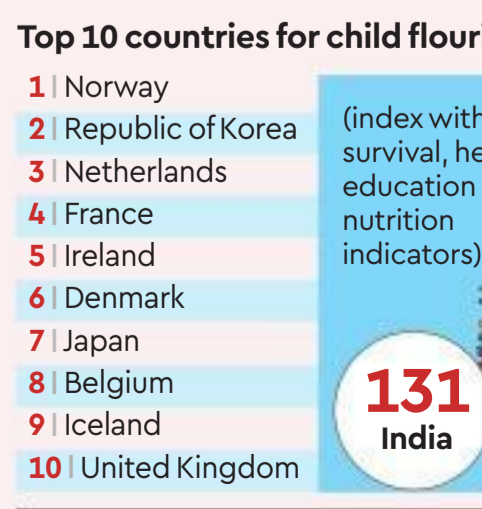


UN REPORT

India ranked 77th on sustainability, 131st on 'child flourishing'
YOSHITA SINGH
 United Nations, February 20

INDIA RANKED 77TH on a sustainability index that takes into account per capita carbon emissions and ability of children in a nation to live healthy lives and was placed 131st on a ranking that measures the best chance at survival and well-being for children, according to a UN-backed report.

The report was released on Wednesday by a commission of over 40 child and adolescent health experts from around



Lancet medical journal.

In the report assessing the capacity of 180 countries to ensure that their youngsters

can survive and thrive, India ranks 77th on the Sustainability Index and 131st on the Flourishing Index, it said.

Continued on Page 15

Flourishing is the geometric mean of Surviving and Thriving. For Surviving, the authors selected maternal survival, survival in children younger than five years old, suicide, access to maternal and child health services, basic hygiene and sanitation, and lack of extreme poverty.

For Thriving, the domains were educational achievement, growth and nutrition, reproductive freedom, and protection from violence.

Continued on Page 15

SBI

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