

THE MARKETS ON THURSDAY			Chg#
Sensex	41,170.1	▼	152.9
Nifty	12,080.9	▼	45.1
Nifty futures*	12,079.0	▼	1.9
Dollar	₹71.7		₹71.6**
Euro	₹77.3		₹77.5**
Brent crude (\$/bbl)**	50.02**		59.1**
Gold (10 gm)***	₹41,575.0▲		₹106.0

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

GOVT TAKES A CALL TO SAVE STRESSED TELECOM SECTOR

After back-to-back parleys this week between the top management of telecom firms and the government, a consensus seem to have emerged on the need to save the financially stressed sector. While Vodafone Idea Chairman Kumar Mangalam Birla and Chief Executive Ravinder Takkar have been doing the rounds in the DoT and North Block over the last few days, Bharti Airtel Chairman Sunil Mittal joined in as well to seek relief for the telecom industry, faced with a bill of ₹1.47 trillion in pending dues linked to adjusted gross revenue.

Hindujas, Cerberus to place joint bid for YES Bank stake

Hinduja Group is partnering 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 RBI officials earlier this month regarding the bid.

COMPANIES P3 GST profiteering: HC stays penalty against Nestlé

Coming to the rescue of fast-moving consumer goods giant Nestlé, the Delhi High Court has again stayed a National Anti-Profitteering Authority order to recover ₹73 crore by March, for not passing on the benefit of a GST rate cut to consumers.

States get ₹20,000 cr as GST compensation

The Centre has released ₹19,950 crore as GST compensation to states and union territories for October. Generally, the Union government releases compensation for two months and this is the first time it has given compensation for one month.

ECONOMY & PUBLIC AFFAIRS P4 MPC waits for opportune time for a rate cut

When the Monetary Policy Committee (MPC) members met earlier this month, they decided to keep the repo rate unchanged as they wanted to maximise the impact of future rate cuts, show the minutes of the meeting. The MPC focused on letting the economy show signs of improvement, following the growth-supportive measures of the government.

MARKETS CLOSED TODAY

Stock, currency, commodities and bond markets will remain closed on Friday on account of Shivratri.



COMPANIES P2 VALUATIONS OF INDIAN UNICORNS STAGNATE

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

COMPANIES P2 TATA GROUP M-CAP SOARS 40% IN 3 YRS UNDER CHANDRA



GMR to sell 49% stake in airport biz to French firm

₹10,780 cr deal values GMR Airports at ₹22,000 cr; pact with Tatas cancelled over airline ownership norms

ARINDAM MAJUMDER
New Delhi, 20 February

GMR Group has signed an agreement with Groupe ADP of France to sell a 49 per cent stake in its airport-holding company. The group will raise ₹10,780 crore from the deal, which will help it pare debt. The deal values GMR Airports at ₹22,000 crore.

GMR had in March 2019 signed a definitive agreement with a Tata group-led consortium to sell 44 per cent in the company. In January this year, it decided to divest a 49 per cent stake. But despite getting clearance from the Competition Commission of India (CCI), the deal faced hurdles because it violated a clause that prevents airline groups from holding more than a 10 per cent stake in Delhi International Airport Limited (DIAL).

The Tatas hold a majority stake in Vistara and AirAsia India. GMR holds 64 per cent stake in DIAL.

The new deal will give a fresh lease of life to GMR Group's debt-restructuring plan, which was held up due to the regulatory hurdle for the Tata deal. GMR Infra has a debt of ₹25,660 crore in its books.

"The partnership with Groupe ADP is in line with GMR's business direction to become a global airport developer and operator," G M Rao, chairman of GMR Group said. "We have been on a journey of defining airports of the future with key focus on passenger experience by leveraging enhanced technology and offering superior amenities. With Groupe ADP, GMR will have smoother access to global markets, opening up newer avenues for business growth."

According to the company, the first tranche of ₹5,248 crore will be immediately received by the company.

"This money will help deleverage the group further and result in improved cash flows and profitability," the company said. The structuring of the deal will unfold in two phases: The first phase will be realised in the coming days for a 24.99 per cent stake. The second phase, for 24.01 per cent, is subject to certain regulatory conditions, for obtaining approvals from the Reserve



"WITH GROUPE ADP, GMR WILL HAVE SMOOTHER ACCESS TO GLOBAL MARKETS, OPENING UP NEWER AVENUES OF BUSINESS GROWTH"

G M RAO, CHAIRMAN, GMR GROUP

FLYING HIGH

AIRPORTS OPERATED BY GMR GROUP: IGI Airport (New Delhi), Rajiv Gandhi International Airport (Hyderabad), and Philippines' Mactan Cebu International Airport (in partnership with Megawide)

AIRPORTS DEVELOPED AND MANAGED BY GROUPE ADP: Paris-Charles de Gaulle, Paris-Orly, and Paris-Le Bourget

336.5 million
Combined number of passengers handled by GMR Airports and Groupe ADP in 2019, 'the highest across the world'

Bank of India. It will be concluded during the upcoming months, Groupe ADP said.

Analysts said the current deal seemed to be better than the earlier one as it would wipe out additional corporate debt of ₹18 billion and would alleviate all the concerns surrounding the corporate debt.

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AXIS BANK IN TALKS TO BUY STAKE IN MAX LIFE

Axis Bank has entered into an exclusive agreement with Max Financial Services and Max Life Insurance to explore a long-term strategic partnership with the life insurance arm. The deal will involve Axis Bank acquiring a significant stake in the life insurer but the amount has not been finalised yet. The boards of Max Financial Services and Max Life Insurance Company on Thursday gave a go-ahead to both the companies to explore options with Axis Bank.

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CAA PROTEST FALLOUT

Govt likely to defer key socio-economic survey

SOMESH JHA

New Delhi, 20 February

In the possible first blow to the country's statistical system arising out of the protests against the Citizenship Amendment Act (CAA), the government may defer a key socio-economic survey because surveyors are facing the wrath of people who see it as a data collection exercise for determining their citizenship.

The decision to recommend the postponement of the National Statistical Office's 78th round of survey on "domestic tourism expenditure" and "multiple indicators", which began last month, was taken at a meeting of an expert committee, known as the working group, according to three persons in the know.

"An expert group met on Wednesday and recommended deferring the survey due to various challenges being faced by field investigators in various parts of the country. The government has to take the final call now," a person aware of the development said.

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THE FINE PRINT

78TH ROUND OF NSO SURVEY

Domestic Tourism Expenditure and Multiple Indicator Survey

PERIOD

January-December 2020

OBJECTIVES

Collect info on tourism expenditure and for developing indicators of Sustainable Development Goals, 2030

TOPICS COVERED

Food insecurity, household characteristics and facilities, education and skills, migration, purchase or construction of a residential place, documents such as birth certificate, use of mobile/internet connections

STATUS

An expert committee has recommended deferring the survey due to protests against CAA, NRC

POWER DEMAND GROWTH LOWERED, BUT NOTHING OFFICIAL ABOUT IT

The Ministry of Power has refused to acknowledge a report by the Central Electricity Authority (CEA), its technical arm, which estimates around 20 per cent lower growth in demand than earlier forecast, sources said. This is after the demand estimates were revised and calculated using another 'econometric' methodology to arrive at more accurate results. SHREYA JAI writes

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Every penny counts as GST officers send demand notices to companies

Desperate push to meet collection target; firms receive notices for as low as ₹2

DILASHA SETH

New Delhi, 20 February

₹5.9858630140000004! This is not a figure from an S Ramanujan-G H Hardy conversation but a demand notice given by tax officials to a company on paying interest because the goods and services tax (GST) return had overshot the deadline.

After directions from the Central Board of Indirect Taxes and Customs (CBIC) to recover goods and services tax interest, totalling ₹46,000 crore, field officials are busy sending notices for recoveries, which sometimes are in single digits.

One such client in equity information services has been asked to deposit ₹5 (after rounding off the liability cited above) as interest, another ₹2.

A company received notice for paying ₹zero, which is the approximate figure for its interest liabilities.

The strong stance regarding interest collection is aimed at meeting the

TAX MOP-UP WOES

CGST numbers (FY20)

₹5.26trn
Budget estimate

₹5.14trn
Revised estimate

₹4.14trn
Apr-Jan collection

10.4%
Apr-Jan collection growth

21.0%
Required growth rate for Feb-Mar

Sources: Budget documents; govt

challenging GST indirect tax revenue target for FY20.

"Records indicate that you have filed your GSTR 3B return for the period ... after due dates in which you have not calculated and paid interest liability under section 50 of CGST Act 2017 ... you are advised to deposit interest amount of ₹5 ... (else) appropriate legal action for recovery of interest due to delayed filing of return shall be initiated," read one such notice.

Central GST collection grew by 10.4 per cent in the April-January period and has to grow by 21 per cent in the last two months of the current fiscal year to meet the revised estimate, which was scaled down by ₹1 trillion from the Budget Estimates (of 2019-20) in the recent Budget (of 2020-21).

Experts say issuing such notices would make payers fearful and ease of doing business would suffer.

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High-powered meet today to salvage stuck power projects

DEV CHATTERJEE

Mumbai, 20 February

Lenders, burdened with ₹1 trillion of bad loans in the power sector, are looking forward to a new government scheme, which could salvage stranded thermal power projects and help banks recover their stuck capital.

Senior officials of the power ministry are meeting all stakeholders, including executives of NTPC, distribution companies, and banks, in New Delhi on Friday to take a call on the scheme. Floated by the new and renewable energy ministry, the scheme seeks to bundle supply from renewable power projects with thermal power projects.

"The option being discussed is to bundle renewable power with thermal power, which will help remove difficulties of intermittent power supply by renewable power sources and, at the same time, salvage stalled thermal power plants and our loans," said a banker privy to the discussions. "The bundling will help all stakeholders including consumers, power generators, distribution, transmission companies, and banks," he said.

FEELING STRESSED

₹2.36 TRILLION

Total value of 34 stressed power projects

₹1.76 tm* ₹60,489 cr
Stranded Equity loans value

Note: Figures as of March 2018
*A few projects have completed debt resolution; Source: Parliamentary Standing Committee on Energy report/IEFA

A WIN-WIN DEAL

- New scheme to bundle renewable energy with thermal power
- Scheme to help banks recover debt from thermal firms
- Power producers will have to sign fresh PPAs after bidding

