

Business Standard

THE MARKETS ON TUESDAY		Chg#
Sensex	40,281.2	▼ 82.0
Nifty	11,797.9	▼ 31.5
Nifty Futures*	11,823.2	▲ 25.3
Dollar	₹71.9	₹72.0**
Euro	₹77.9	₹77.9**
Brent crude (\$/bbl)**	55.0**	55.6**
Gold (10 gm)**	₹42,637.0	₹778.0

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



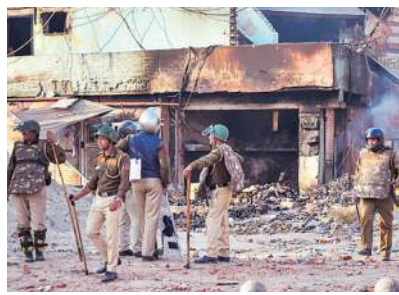
COMPANIES P2
NADELLA FOR DIVERSE TEAMS TO PROTECT AI FROM BIAS

COMPANIES P2
BINNY BANSAL BETS ON FINTECH LENDER RUPEEK



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

DELHI VIOLENCE TOLL RISES TO 13, MORE THAN 200 INJURED



Delhi Police on Tuesday said 13 people, including one policeman, had been killed in violence in northeast Delhi and they were responding to incidents involving anti-social elements. Over 200 people, including 48 police persons, have been injured and half the civilians had suffered gunshot wounds, hospital authorities said. The police denied promulgation of shoot-at-sight orders.

THE SMART INVESTOR P10 SBI Cards IPO price set at ₹750-755 apiece

SBI Cards and Payment Services (SBI Cards), a subsidiary of State Bank of India, has set a price band of ₹750-755 per share for its initial public offering (IPO). At the top end, the issue size works out to ₹10,355-crore (\$1.4 billion), making it the largest Asian IPO in 2020 and the fifth-biggest domestic IPO ever.

ECONOMY & PUBLIC AFFAIRS P14 Airport privatisation put on back burner

The second round of privatising six airports — in Amritsar, Varanasi, Bhubaneswar, Indore, Raipur and Trichy — has been put on the back burner, as different arms of the government are debating whether to cap the number of airports an entity can bid for.

BS ON WEDNESDAY SPECIAL



MONEY MANAGER Now Boarding

Private banks are struggling to get top-class independent directors on their boards, and it is time to review the BR Act, writes RAGHU MOHAN

THE SMART INVESTOR P10 FPI registrations from Mauritius allowed: Sebi

The Securities and Exchange Board of India (Sebi) on Tuesday said that foreign portfolio investors (FPIs) from Mauritius would continue to be eligible for registration with increased monitoring. The clarification comes as a relief for market players as the Financial Action Task Force's move to put Mauritius on the 'grey list' had created uncertainty.

ECONOMY & PUBLIC AFFAIRS P14 5 SC judges down with H1N1, CJI holds meeting

With five Supreme Court judges infected with H1N1, Chief Justice of India S A Bobde on Tuesday held a meeting with judges and suggested that lawyers and the court staff be vaccinated to curb the infection. Justice DY Chandrachud said it was decided to make H1N1 vaccination available for inoculation.

US PRESIDENT CONCLUDES INDIA VISIT

Lot of chemistry, but little maths

- Trump's visit helps cement strong personal rapport between him and PM Modi
- Agreements signed on defence & energy but long-awaited trade deal remains elusive

ARCHIS MOHAN, SUBHAYAN CHAKRABORTY & SHREYA JAI
New Delhi, 25 February

US President Donald Trump's 36-hour visit to India did not see any deadlocks broken on the bilateral trade deal, but he seemed to nudge New Delhi to keep Chinese 5G network providers away from India. Trump said 5G should "be a tool for freedom, progress and prosperity" and "not a conduit for suppression and censorship".

The visiting leader did not alter his views on Kashmir, and even reiterated his offer to mediate between India and Pakistan. There were no assurances forthcoming on India's concerns on H1B visas and a totalisation agreement.

He also brought up the issue of religious tolerance in India, but said it was "up to India to deal with" the reported violence against Muslims in Delhi.

However, both sides ended the day satisfied. New Delhi termed it a "very extraordinary visit", alluding to the chemistry between Trump and Prime Minister Narendra Modi and "lots of interest" the visit had generated in the US.

If the visit was a personal triumph for Modi, with Trump praising him as a "tough", "terrific" and a "nice man who is doing a fantastic job", it seemed more so for Trump, who is preparing for re-election.



TALKING BUSINESS
\$2.6 billion
Worth of 24 SeaHawk helicopters that India will buy from Lockheed Martin

6 Apache copters India plans to order

3 MoUs on safety of medical devices, energy cooperation, and mental health signed between two countries

■ A big trade deal likely by the end of the year, says Trump

In the course of the day, Trump on several occasions referred to the grand welcome he received in Ahmedabad on Monday, stating that he had on good authority that he was given the biggest welcome ever accorded to a visiting foreign leader in India.

At the joint press conference, the US president confirmed the two sides signed defence deals worth \$3 billion, with India's military to purchase Apache and MH-60 Romeo helicopters. In the meeting between Modi and Trump at Hyderabad House, the two leaders said there had been "tremendous progress" in negotiations between India and the US for a "big and comprehensive" trade deal which will be of great importance to both the countries.

The two sides signed three other agreements, including those on the safety of medical devices and energy cooperation between Indian Oil Corporation, Exxon Mobil India LNG, and Chart Industries.

Later in the day, at an interaction with the media, he hoped to bridge the \$16.9-billion trade deficit his country had with India and appreciated investment by Indian business in the US.

However, the president repeatedly said India was the "highest tariff country" in the world, the US "has to be treated fairly", and how during his tenure the trade deficit had narrowed.



Trump said it was "up to India to deal with" the reported violence against Muslims in Delhi

India should cut tariffs: Trump

SUBHAYAN CHAKRABORTY
New Delhi, 25 February

Import duties in India continue to be among the highest in the world, and a trade deal will need to rectify that, US President Donald Trump said on Tuesday.

However, despite arguing that some progress had been made, Trump did not give a deadline for the signing of the deal, and said it was unlikely before the year-end.

Addressing a large gathering of the Indian and foreign media, Trump also announced his support for Prime Minister Narendra Modi's policies.

"We talked for a long time. Prime Minister Modi is a religious and calm man. But he is also a very strong and tough person," he said, vouching for the PM's ability to counter the threat of terrorism.

However, the personal bonhomie may not lead to a change in America's position on economic relations.

Sebi finds listing norm violations at IndiGo

PRESS TRUST OF INDIA
New Delhi, 25 February

A preliminary probe by the Securities and Exchange Board of India (Sebi) has suggested prima facie violations of corporate governance and listing disclosure norms in certain related-party transactions involving budget carrier IndiGo's parent firm, InterGlobe Aviation, sources said.

While the company said it had not received any communication from Sebi on this, its shares plunged sharply in afternoon trade on Tuesday.

IndiGo has been facing a probe by Sebi ever since a public spat came to light between the two founders of the airline, Rahul Bhatia and Rakesh Gangwal, including over certain related-party transactions involving one of the warring promoters.

Sources said that a preliminary probe had now suggested violations of listing disclosure norms and fair corporate governance practices at the company.

InterGlobe shares closed 4.68 per cent lower at ₹1,376.70 on the BSE, after hitting an intra-day low of ₹1,334 in afternoon trade following a sudden plunge after media reports about the Sebi probe came.

"We would like to state that the news item published in some media is factually incorrect and the company has not received any communication from Sebi in this regard," the company said in a filing to the BSE. This came after the exchange sought a clarification from the company on the reports. There was no official word on the probe from Sebi. All agreements between the two warring founders as well as those between the company and its various investors and associates, including related parties, were being looked into by the watchdog.



TURBULENT TIMES

- Preliminary probe suggests violations of corporate governance and listing disclosure norms in certain related-party transactions
- IndiGo has been facing a probe by the market regulator ever since a public spat came to light between its founders
- InterGlobe shares closed 4.68% lower at ₹1,376.70 apiece on Tuesday

PAGE 9 EDIT: LESS THAN TREMENDOUS TRUMP IN INDIA: DAY 2 QUADRILATERAL INITIATIVE TO BE REVITALISED INDIAN CEOs LAUD RELAXED RULES IN THE US NO TRADE DEAL, BUT TWO NATIONS SIGN 3 MoUs PAGE 4

₹500 notes to push ₹2,000 out in mega ATM reboot

Biggest recalibration since demonetisation; ₹2,000 notes to remain legal tender but to be pulled out of circulation

RAGHU MOHAN
Mumbai, 25 February

A major exercise to recalibrate the country's 240,000-odd automated teller machines (ATMs) is underway to replace ₹2,000 notes with ₹500 notes. While the highest-denomination currency will remain legal tender, it will gradually be pulled out of circulation, sources in the know said.

Of the four cassettes within ATMs, three will now be filled with ₹500 notes, and the fourth will either hold notes of ₹100 or ₹200 denominations. Cassettes holding ₹2,000 notes have already been replaced in many ATMs, and may well be on their way out within a year. Banks are not putting ₹2,000 notes back into play as earlier — these are going into their currency chests, on way to the Reserve Bank of India's (RBI's) vaults.

The RBI data shows that the share of ₹2,000 notes as a percentage of the value of banknotes in circulation — 50.2 per cent in FY17 — has been taken up by the ₹500 notes, which had a share of 51 per cent in FY19 — a near-perfect swap.

Multiple sources in banks and ATM-deploying

THE WHIFF OF CASH



and cash logistics firms (CLFs) said while the till-boxes were being slowly rebooted, there was no need for customers to panic.

"The ₹2,000 note is very much legal tender, it is just being slowly pulled out of circulation. You have more of the ₹500 notes in circulation these days," said the chief executive officer of a CLF. A senior official at a bank said, "In the post-

Three of the four cassettes of an ATM will soon hold ₹500 notes; the fourth will either hold ₹100 or ₹200 notes

Cassettes holding ₹2,000 notes have been replaced in many ATMs, and may be on their way out within a year

The ₹2,000-note is going into banks' currency chests, on way to RBI's vaults

Cost of loading cash in ATMs will go up as cash vans will have to make more trips

NCR Corp has a 50%-plus share of the 240,000 deployed ATMs

demonetisation phase, we needed to have this higher denomination (of ₹2,000) to get the economy re-monetised quickly."

The pace of the ATM reboot will depend on the engineers and how quickly they are moved — it takes about 30 minutes to fix a machine.

An immediate fallout of the ATM reboot is that banks and white-label ATM deployers may stand

to earn more by way of inter-change (currently at ₹15 per swipe) as customers have to punch in more transactions.

It was, however, pointed out the average ticket-size of cash withdrawals is at about ₹3,600, and the largest single-swipe pull-out at ₹10,000 was an "outlier".

"If anything, the cost of loading these ATMs will go up as we have to put in more cash in denominations less than ₹2,000, and it means more trips by cash vans to do so," said the CEO of a managed services' operator.

Subash Garg, former secretary, the Department of Economic Affairs, had in November 2019 said "a good chunk of the ₹2,000 notes are actually not in circulation, having been hoarded. The ₹2,000 note, therefore, is not presently working as a currency of transaction." He added that "withdrawing these notes from circulation would not cause any disruption. A simple method, depositing these notes in the bank accounts (no counter replacement), can be used to manage the process." It is this process which has now led to ATMs being recalibrated.

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