

# Sunday Business Standard

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## US, TALIBAN SIGN HISTORIC TROOP WITHDRAWAL DEAL



The deal was signed by US special envoy Zalmay Khalilzad (left) and Taliban leader Mullah Abdul Ghani Baradar PHOTO: REUTERS

The United States signed a historic deal with Taliban insurgents on Saturday that could pave the way toward a full withdrawal of foreign soldiers from Afghanistan over the next 14 months and represent a step toward ending the 18-year Afghan war. While the agreement paves the way for the United States to gradually pull out of its longest war, many expect that talks to come between the multiple Afghan sides will be far more complicated.

## GMR seeks shareholder nod for airport stake sale

GMR Infrastructure on Saturday said it would seek shareholders' nod for minority stake sale in its airport business. In a notice to shareholders, the company sought approval for "divestment of minority equity stake in GMR Airports Ltd". On February 21, it was announced that Groupe ADP would acquire a 49 per cent stake in GMR Airports (GAL) for ₹10,780 crore.

## Modi unveils 10,000 FPOs to boost farm income

To augment farm income by helping farmers trade their produce, Prime Minister Narendra Modi on Saturday launched 10,000 farmer producer organisations (FPOs) across the country. Modi said the government would spend ₹5,000 crore over the next five years to strengthen FPOs.

## Harley looks for new chief to end sales woes

Harley-Davidson has named a board member hailed for turning around the Puma brand's business as its interim chief as the motorcycle maker gropes for a strategy to woo young customers and revive sales. Jochen Zeitz was asked to take over after CEO Matthew Levatich stepped down.

## Navy makes a case for third aircraft carrier



Opponents claim it will create another white elephant, but naval planners say funding is possible, writes AJAI SHUKLA

## Airtel pays up ₹18,000 crore as AGR dues

Govt's expectation from the telecom major was double of what's been paid

MEGHA MANCHANDA  
New Delhi, 29 February

Sunil Mittal-led Bharti Airtel on Saturday made a surprise announcement that may alter the ongoing narrative related to adjusted gross revenue (AGR) and the hefty bill of ₹1.47 trillion slapped on the telecom industry.

In a regulatory filing with the stock exchanges, Bharti Airtel said it had paid its full and final AGR-linked dues of ₹18,000 crore to the Department of Telecommunications (DoT) after its self-assessment exercise. The government calculation of Airtel's AGR-linked dues, estimated at ₹35,500 crore, is almost double of what the telco has handed over.

The company explained that it had carried out self-assessment from FY 2006-07 onwards up to December 31, 2019, and interest thereon up to February 29, 2020, in line with the AGR judgment.

This announcement came a day after a meeting of the Digital Communications Commission (DCC), the apex decision-making body for the telecom sector, remained inconclusive on providing relief to the financially stressed industry.

Bharti Airtel had initially paid ₹10,000 crore to the DoT on February 17 in compliance with the Supreme Court judgment. The company on Saturday paid an additional amount of ₹3,004 crore towards the full and final amounts due. "In addition to the aforementioned amounts paid basis our self-assessment, we have also deposited an additional amount of ₹3,000 crore, as an ad-hoc payment (subject to subsequent refund/adjustment) to cover differences, if any, arising from the reconciliation exercise with the DoT," Airtel said in the BSE filing.

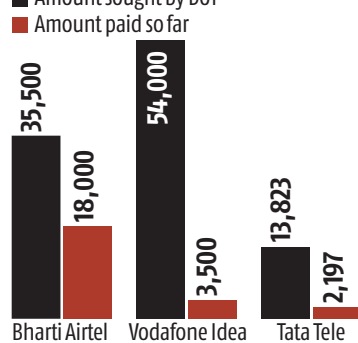
Earlier, Tata Teleservices had paid



Sunil Mittal led-Bharti Airtel said it had settled all its dues

## TELECOM TIFF

Figures in ₹ crore



₹2,197 crore as its AGR dues to the DoT, saying it was the company's full and final payment. The government had estimated around ₹14,000 crore as Tata Teleservice's AGR dues.

While, these two companies have made their AGR payments after self-assessment, Vodafone Idea has made a payment of only ₹3,500 crore so far against AGR dues estimated at more than ₹50,000 crore.

## PAY \$50,000 MORE FOR US INVESTOR VISA FROM APRIL 1

From April 1, Indians will have to pay a 5 per cent additional tax on the EB-5 investor visa, in addition to the price increase that was announced by the US government in November, a new report has said. "Beginning April 1, there will be a 5 per cent tax on the remittances out of India. Although, this additional tax would impact all visa categories, it will predominantly create a barrier for people investing in the EB-5 visa program," said American Bazaar in a report on Friday. The United States legal immigration agency raised the minimum investment amount of the EB-5 investor visa programme to \$900,000 from \$500,000 for the first time since the 1990's. NEHA ALAWADHI reports

## Gold, silver may continue slide in the short term

2-3% fall likely on profit booking, margin calls in other asset classes

DILIP KUMAR JHA  
Mumbai, 29 February

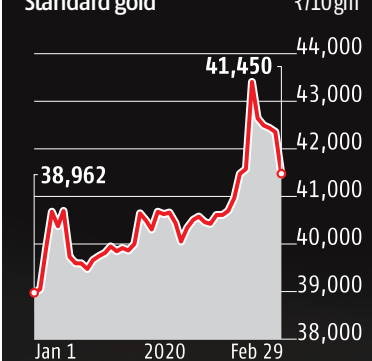
Gold prices are likely to remain under pressure in the short term with a possible decline of 2-3 per cent as investors look to cover margin calls in other asset classes, such as equities, metals, energy, and currencies, amid a global market sell-off triggered by the spread of coronavirus.

Most global stock markets suffered their worst week since the financial crisis of 2008. The Sensex ended the week with a 7 per cent loss, with about ₹12 trillion of investor wealth being wiped off. On Friday, the Sensex plunged 1,448 points, or 3.6 per cent, prompting gold and silver investors to cash out to cover the losses in other assets classes.

Navneet Damani, vice-president, Motilal Oswal Financial Services, forecasts gold prices to decline by about ₹1,000 per 10 gm to ₹40,400 next week.

Gold futures for delivery in April closed at ₹41,300 per 10 gm on Friday, a decline of 2.56 per cent from the previous day. Silver was the bigger loser as it plunged 5.65 per cent to close at ₹44,066 a kg for delivery in May. Both precious metals followed the decline in their prices in the international markets.

## GOLD RUSH



Feb 29 price based on market sources Source: IBIA

## TRUMP CALLS VIRUS THREAT A 'HOAX'

United States President Donald Trump downplayed the risk of coronavirus in the US at a campaign rally in South Carolina, accusing the opposition Democrats and the press of stirring up hysteria. He called the COVID-19 the Democrats' "new hoax." "The Democrats are politicising it," he said. "They don't have any clue."

According to the Centers for Disease Control more than 60 people are infected with the disease in the US, the majority of them in California. "The Democrat policy of open borders is a direct threat to the health and well-being of all Americans," Trump said. "You see it with the coronavirus." He blamed Democrats for "politicising the coronavirus" after he overcame the "impeachment hoax". "This is their new hoax," Trump said.

AGENCIES

## GOVT MAY IMPOSE DUTIES ON 100 CHINESE IMPORTS

Gold extended its decline in the physical markets in Mumbai on Saturday following global cues. Standard gold in the benchmark Zaveri Bazaar declined by a marginal 0.2

P6

## AMID CRISIS, CHINA HAILS ITSELF AS LEADER

## CHINA FACTORY ACTIVITY TUMBLES TO ALL-TIME LOW

per cent on Friday to close the week at ₹42,354 per 10g, after a spike of over 10 per cent since the coronavirus outbreak in China came to light in early January. Turn to Page 4

## SBI Cards allots ₹2,800 cr shares to anchor investors

SAMIE MODAK  
Mumbai, 29 February

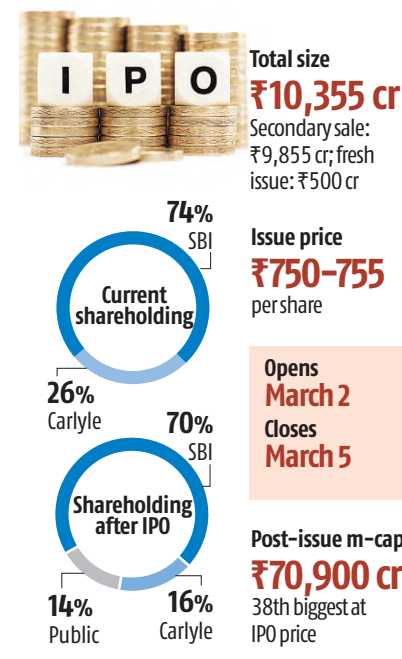
SBI Cards and Payment Services (SBI Cards), a subsidiary of State Bank of India (SBI), has allotted nearly ₹2,800 crore worth of shares to anchor investors ahead of its initial share sale, starting on Monday.

Anchor investors are institutional investors who commit to subscribe to the shares in an initial public offering (IPO) ahead of its opening. Other investors look at the demand and the quality of the anchor book to decide whether to apply for the IPO.

Total 36.7 million shares have been allotted to 75 anchor investors at ₹755 apiece, the top-end of the IPO price band. Some of these investors are sovereign funds belonging to the Singapore and Kuwait governments, Fidelity, Nomura, BNP Paribas, GMO, and Blackrock. Among the 12 mutual funds who got the allotment of shares for their 48 schemes are ICICI Prudential MF, Birla MF, Axis MF, and Kotak MF.

Shares allotted to anchor investors are subject to a 90-day lock-in period.

## IPO IN NUMBERS



## Banks revise salary-hike offer to 15%

Employees' unions defer 3-day strike

With banks improving their salary-hike offer to 15 per cent from the earlier 12.5 per cent, the employees' and officers' unions have deferred their three-day strike scheduled this month. The demand for a five-day work week will, however, be discussed again. This was decided at a meeting held between the Indian Banks' Association (IBA) and the unions on Saturday.

Other demands such as the encashment of five days of privilege leave a year will be discussed further. The meeting also decided to expedite discussions on the improvement in family pension, which has been recommended to the government.

Banking unions had given a call for a three-day strike from March 11.

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## As the city limps back, Delhiites count the economic cost of riots

According to the Delhi Chamber of Commerce, the violence caused damage of about ₹25,000 crore; residents rue initial administrative apathy

SUBHAYAN CHAKRABORTY, SHINE JACOB & ARUP ROYCHOUDHURY  
New Delhi, 29 February

When the row of shops was being set ablaze, Ashok Sharma knew there was not much he could do to save his store. Paint, after all, is highly flammable and his was a paint and hardware store, one of the largest in the market on Johripur Road as you enter Karawal Nagar from the Johri Enclave Metro Station side. The shop and the warehouse behind it, which Sharma also owned and ran with his nephew, are a charred ruin.

"We had over ₹1 crore worth of paint, household electric components, and sanitary hardware and fittings in the shop and the warehouse. It's all gone," Sharma said as we peered through the blackened and broken iron shutters to look inside. A melted mess of paint cans, bathroom fittings, and pipes lay inside, still emitting heat.

As we talked, municipal workers cleaned the debris on the road with bulldozers. Karawal Nagar looks like a war zone, the road littered with rocks, bricks, bottles, garbage, and the burnt-out husks of what were once cars and motorcycles. A strange stench fills the air, a mix of ash, urine, vomit, sewage, rotting food, and — somewhere — a rotting corpse.

While local business associations across northeast Delhi count their losses, the Delhi Chamber of Commerce believes the riots



A garage full of burnt cars in northeast Delhi (left); CRPF personnel guard the Gokulpuri tyre market where some 80 shops were gutted PHOTOS: BS REPORTER & PTI

resulted in at least ₹25,000 crore worth of damage, given that a large number of showrooms on the main roads were torched. Many godowns loaded with wholesale goods were looted and small factories were also gutted in the interior areas.

Having lived his entire life in this part of northeast Delhi, not far from the Loni Border with Uttar Pradesh, Sharma set up his store and

warehouse around 20 years ago. "This is a mixed market. This store belongs to a Hindu, that one belongs to a Muslim. There has never been any trouble. Even in 1984 and 1992-93, things were very peaceful. We have never seen anything like this," Sharma said.

As strange as it seems, Sharma is lucky. Business Standard spoke to dozens of store owners and shopkeepers in Karawal Nagar,



Bhajanpura and Chandbagh, as well as members of the Gokulpuri Tyre Market Association (some 80 shops were gutted in the tyre market) and found that Sharma was among the few who had insured his business. "My daily sales used to comfortably cross ₹10,000. All is lost now. But we have been told we can expect some ₹40 lakh in insurance payouts," he said.

A few metres away, Amit Agarwal is surveying

the damage to his wholesale business. He used to sell pan masala, gutka, chips, snacks and other food items to the pan and cigarette shops in the area. Apart from the outer structure, there is nothing left of his business.

"Who thinks about insurance sir? We never thought about that until this Monday, until the petrol bombs destroyed our lives," said Agarwal, who says he used to earn ₹2 lakh per day. "My accounts book was inside the shop as well. Now I don't know who owes me what or what I owe others," he said.

Agarwal's uncle owns the house at the end of the lane. All his tenants are Muslims. Once the violence started, most residents fled. Some of the men have returned to assess the damage, while the police make their rounds, register in hand, asking them what they lost.

It is too late. The lament here is the absence of any police or media presence at all in Karawal Nagar for a good 36 hours after the violence started on Monday. "This is an utter failure of the administration. Nobody outside even knew this area was up in flames," said Agarwal's neighbour Gulfaan who works at a printing press in Mandawali in East Delhi. He gets paid on a daily basis and does not know when he will be able to return to work.

Next to Agarwal's store is a parking lot for local residents. Around 70 charred vehicles stood here, an eerie sight.

Simply having insurance may not be enough. Turn to Page 12