12 pages in 1 section MUMBAI (CITY) VOLUME XIII NUMBER 51

OIL'S BREAKUP IN VIENNA IS EAVING SCARS ACROSS MKT

ASIA'S FRIED-CHICKEN KING TAKES \$2-BILLION HIT WITH US GAMBLE



POLITICAL CORRECTNESS **CAN'T JUSTIFY TRADE DEAL: JAISHANKAR**



Foreign Minister S Jaishankar on Saturday said trade deals must be justified by trade calculations and not political correctness. He said that in a globalised world, no economy could be an island unto itself, "But the exercise of engagement - and its terms - must be very objectively assessed. Trade outcomes must be primarily justified by trade calculations, not by political correctness," he said.

COMPANIES P2

Early signs of turnaround visible, says Prem Watsa

India Holdings Prem Watsa said that though 2019 was a tough year for the Indian economy, there were indications that the downward trend in some key economic indicators had bottomed out. A gradual consumption-driven recovery would take place, he said.

Multiplex chains go into overdrive to add screens

Multiplex chains are on an overdrive to add screens to boost revenues. Leading multiplex chain owner PVR Cinemas that opened 83 screens during 2019-20 has now set a target of 120–130 screens for the next fiscal. Inox Leisure has readied a pipeline of 1,118 screens and 148 properties.

ECONOMY & PUBLIC AFFAIRS P6 ECL Finance puts ₹2k cr of

stressed assets up for sale

ECL Finance, the non-banking finance arm of Edelweiss Group, has invited expressions of interest for stressed assets worth ₹2,393.4 crore. These will be sold to asset reconstruction companies. Most of the accounts are from the real estate sector, either non-performing assets or special mention account 2-category loans.

RCom's resolution plan filed before NCLT

The resolution professional of Reliance Communications has approached the National Company Law Tribunal with a resolution plan approved by the creditors of the telecom firm under the Insolvency and Bankruptcy Code, according to a regulatory filing. The plan entails realisation of around ₹23,000 crore from sale of RCom assets and clawback of money paid to some of the lenders.

IN DEPTH

After riots, exodus



Distrust between communities may lead to permanent displacement for thousands, write **ARINDAM MAJUMDER** and **SOMESH JHA**

SBI readies ₹10k-cr war chest for YES

State Bank in touch with potential co-investors, will respond to RBI on final plan tomorrow as due diligence underway

ABHIJIT LELE & AGENCIES

PUBLISHED SIMULTANEOUSLY FROM BENGALURU, KOLKATA, MUMBAI AND NEW DELHI

State Bank of India (SBI) is ready to invest up to ₹10,000 crore for a 49 per cent stake in YES Bank as part of a bailout and revival plan. The bank would initially invest ₹2,450 crore, but was ready to invest the additional amount if required, SBI Chairman Rajnish Kumar told reporters here on Saturday.

"I have already set the (investment) boundary of ₹10,000 crore," Kumar said, adding this was based on the assumption of higher capital

requirement by the bank. Assuming the private lender issues 20 billion shares at ₹10 apiece (with face value of ₹2 each), the total capital raise will be ₹20,000 crore. And for the 49 per cent stake, SBI will need to put in about ₹10,000 crore, Kumar said, while elaborating his plans for the Reserve Bank of India (RBI)-initiated reconstruction scheme. The bank was already in touch with oth-

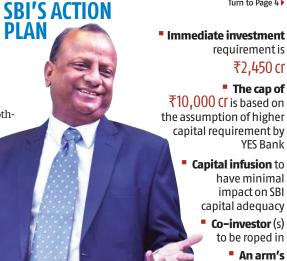
er investors to pump funds into the struggling lender. "23 potential investors have approached us to $invest\,and\,they\,include\,some\,very$ good names," he said. According to him, those planning to invest more than 5 per cent in the bank will come under the 'fit and proper' criteria formulated by the RBI. Depending upon the interest from other investors, SBI's final investment amount would be determined, he said. The legal and

investment teams of SBI, Kumar said, were in the process of conducting due diligence on the draft restructuring plan for the private bank and would approach the RBI on Monday with responses. With SBI being a national institute of importance, it needed to step in and protect YES Bank from collapse,

Responding to questions whether SBI was being pressured by the government to carry out a rescue of YES Bank, Kumar said the private bank needed to survive. "The failure of YES Bank would have consequences for the Indian economy," he added.

The SBI chairman said the bank had sufficient capital as its capital adequacy ratio (CAR) was 50 basis points in excess of the RBI's norms. The CAR of the bank stood at 13.73 per cent, with the tier I component being 11.59 per cent at the end of December 2019. Kumar added that the government won't be required to step in with funds to save YES Bank.

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be kept with YES Bank Not seeking additional capital from govt

length

relationship to

SBI Chairman RAJNISH SBI shareholders would not be compromised

ED expands probe against Rana Kapoor

Grills him for several hours; conducts searches at his daughters' houses



SHRIMI CHOUDHARY New Delhi, 7 March

Widening its investigation against YES Bank co-founder Rana Kapoor, the Enforcement Directorate (ED) on Saturday questioned him for several hours at its Ballard Pier office in Mumbai, even as the agency conducted searches at residences of his three daughters in Delhi and Mumbai, said officials in the know. Kapoor's wife and daughters were also quizzed for hours, they said.

The questioning of the former YES Bank CEO was going on at the time of going

According to the officials, Kapoor's wife, Bindu, and his daughters - Rakhee Kapoor Tandon, Roshni Kapoor and Radha Kapoor own "several companies", and allegedly received kickbacks from various corporate entities in exchange for the disbursal of loans by YES Bank. These kickbacks were through complex transactions involving the promoters of Dewan Housing Finance (DHFL) and some more firms, the officials said.

Initial investigation suggests that the loan amount of ₹600 crore sanctioned by DHFL to Doit Urban Ventures, a company controlled by the family of Rana Kapoor, was actually the kickback for not repaying the loan to YES Bank.

Democratic Youth Federation of India protests against the

Companies with \$10-bn net worth can bid for BPCL

May 2 set as deadline to submit Eols, PSUs kept out

SHINE JACOB & JYOTI MUKUL New Delhi, 7 March

The government on Saturday invited bids for a majority stake in Bharat Petroleum Corp Ltd (BPCL), more than three months after the Union Cabinet approved the strategic divestment. Private companies with a net worth of over \$10 billion (₹74,000 crore) will be eligible to bid by May 2.

Based on the current market capitalisation of ₹87,388 crore, the government stake of 52.98 per cent in BPCL is valued at around ₹46,300 crore. This sale is key to meeting the government's disinvestment target of ₹2.1 trillion in the financial year 2020-21. So far, the disinvestment exercise has fetched the government ₹34,845 crore during the current financial year.

to participate in the proposed stake sale.

Department of Investment and Public Asset Management (Dipam) made it clear that none of the public sector undertakings will be allowed

KEY PERFORMANCE METRICS

■Crude throughput



2017-18 2018-19

GROSS REVENUE ₹2.77 trn ₹3.38 trn 2017-18 2018-19

NET PROFIT

(₹crore) 7,919 7,132

MARKET SHARE

23.80% 23.83% 2017-18 2018-19

MT: Million tonnes Source: BPCL annual report

Gold-silver ratio nears 30-year high

Gold demand rising for the past 6 months on buying by central banks **GOLDEN**

RAJESH BHAYANI Mumbai, 7 March

The gold-to-silver ratio, which indicates the relative strength of the two metals, is testing the three-decadehigh level of 100, seen in February 1991. Currently, the ratio is at 96.5.

The ratio rises when silver underperforms gold. In the past, whenever the ratio has increased to a very high level, it has never sustained and fallen. The ratio shows how many ounces of silver can be bought with one ounce of gold.

Traders in India, like their global peers, trade on the basis of this ratio. If they expect the ratio to rise, they ouy gold and sell silver.

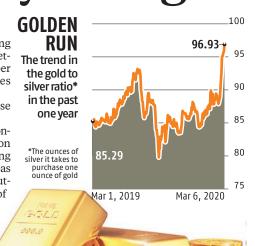
The gold-silver ratio is currently at 96.5. It has seen a jump of about 19 per cent in the past six months. Gold prices have also jumped in this period to ₹44,960 (per 10 gm) and moderated thereafter. This shows the ing as silver still doesn't look strong market's clear preference for gold," Ajay Kedia, director, Commodities, said.

"Globally, gold demand has been rising in the past six months as central banks have been buying gold. Gold prices also got support from the US-China trade war, US-Middle East geopolitical tensions and the rapid spread of coronavirus. Traders are still buying gold as a safe haven in these uncertain market conditions. Silver remained stable compared to gold as industrial demand is poor. The gold-silver ratio can reach the 1991 levels of 100," Kedia said.

So far, traders have been saying that the ratio will not sustain at high levels and silver will start outperforming gold. This is possible if gold falls faster than silver or if silver rises faster than gold. However, they are now refraining from commentfollowing weaknesses in base metals. This is important as over 55 per cent of the silver demand comes from industry.

There are reasons for gold to rise further or outperform silver.

Metal Focus, a London-based consultancy, said in its latest report on gold that apart from the spreading virus causing damage in newer areas and the Federal Reserve sharply cutting interest rates, "the impact of political turmoil and geopolitical tensions also proved positive for the metal. Among the various problems, some that stand out include uncertainties ahead of the US presidential election as well as Brexit negotiations, and ongoing tensions across the Middle East".



INTERNATIONAL WOMEN'S DAY

INDIA INC VOWS TO PROMOTE **GENDER DIVERSITY** Even as employment of

women in the formal sector shows a decline in recent years, top Indian companies are going out of their way to celebrate International Women's Day by offering

special offers and organising events for women. The long-term goal of many well-run companies is to hire more women and empower them. From financial services to manufacturing firms, corporate leaders are taking steps to ensure diversity and inclusiveness. There is still a long way to go, as gender gaps have stagnated.

MORE REPORTS ON PAGE 12 **CHANGING TRENDS**

IN WOMEN'S COMMUTE

AND SOCIAL **SCHEMES**

Empty offices, full homes: Internet feels the coronavirus 'strain'

SCOTT MORITZ

7 March

With more people working from home to avoid coronavirus, will the internet break? The short answer is probably not. The longer answer is that there will be disruptions.

To protect workers and help stem the spread of COVID-19, companies like Twitter and JPMorgan Chase & Co. are



telling employees who can work from home to stay home. In all, 42 million Americans. about 29 per cent of the US workforce, are able to work from home. And as schools close to keep kids out of harm's way, the pressure on home networks will grow.

'The weak link in the chain, where the system could get overloaded, is going to be the home broadband network," said Lisa Pierce, a network

expert with Gartner. "People will hit congestion, just like a highway, where the speed goes from 60 miles an hour to 20."

Residences and neighbourhoods served by lower bandwidth cable and copper-wire connections will be among $the first\, affected.\, Whole\, families$ sharing a single wi-fi signal, all logging in at once to work or firing up TVs and tablets to stay connected and entertained, should also expect delays.

Strong backbone

On the whole, the big networks of fibreoptic cable that crisscross the country will continue to operate, hauling internet traffic between cities, according to US phone service giants AT&T and Verizon Communications. "As an engineer, I will tell you that we

will have the capacity in our system that employees and customers need access to, at times like this," said Jeff McElfresh, chief executive officer of AT&T Communications, which



Firms like Twitter and JPMorgan Chase & Co are telling workers to work from home. In all, 42 million Americans, 29 per cent of the US workforce, are able to work from home

oversees landline, wireless and TV services. "We can provide the ability to work where customers need to work and help them continue to be productive. It's something I'm proud of. This is

something we do right." The phone companies' underlying confidence in their networks is due, in part, to the fact that the volume of traffic won't

necessarily change. What will change

INDIA CASES JUMP

Three more positive cases of

TO 34 AS 3 MORE

novel coronavirus have

been reported in India,

taking the total number of

confirmed cases to 34, the

from Ladakh with travel

history to Iran, while one is

from Tamil Nadu and had

visited 0man, the ministry

were stable.

said, adding all the patients

Union health ministry said on

Saturday. Of the three, two are

TEST POSITIVE

are the patterns. Traffic will originate less from offices with powerful connections and more from residential areas. Cable and phone companies that

provide home broadband might

develop bottlenecks at network nodes MALLS, SHOPPING where multiple lines converge. Among the biggest network **COMPLEXES** cloggers, or bandwidth hogs, will be

FEEL THE PINCH With COVID-19 cases being reported in Mumbai, Thane,

Agra, Noida and Delhi, retailers, multiplex operators, mall developers and eatery owners are bearing the brunt of the outbreak, "There is a clear business impact. People are avoiding crowded places and gatherings across cities," said the Confederation of All India Traders. VIVEAT SUSAN PINTO & **SOHINI DAS** report

videoconferencing to all the shows the kids are watching because schools are closed, it could be a problem if everyone is trying to get on at the same time."

popular video and social-media

services, like Netflix, YouTube, Facetime and Skype, according to

of all network traffic," he said.

"The moment you add in

Roger Entner, an analyst with Recon

Analytics. "Video is already 70 per cent

Diffuse impact

broadband capacity.

Problems are likely to range from dropped connections to slow downloads or loss of video feeds. These are familiar conditions in climates where snow days keep folks at home and can test the limits of home

> BLOOMBERG Turn to Page 4