Rs 70.93

Rs 92.61

+59.83

+12.95

+22.30

864.85

756.77

+255

+245

+200

+8.00

+0.25

Yield (%)

3.60

5.12

5.44

6.41

41932.56

12356 25

28980.25

323.10

COMMODITIES

40395

38900

46300

46400

4108

455.50

**MONEY MARKET** 

**IN BRIEF** 

**GMR** debt

reduction

■ NEW DELHI: GMR Infra-

structure on Thursday

said it will sell a 49 per cent

stake instead of 44.44 per

cent in its airport business

to Tata Group subsidiary

TRIL Urban Transport as

the group continues with

efforts to trim its debt. PTI

**Insurance merger** 

■ NEW DELHI: HDFC ERGO

Health, erstwhile Apollo

will merge with HDFC

ERGO through a share

HDFC ERGO Health ap-

merger at its meeting on

■ CALCUTTA: The EPFO will

allow members, who have

left service, to self update

their date of exit in the

EPF records online At

least two months should

elapse since the date of

help the members to

leaving service. This will

transfer their accounts or

withdraw their money.

**BOTTOM LINERS** 

'We're compatible on

Facebook, but he

avoids me on Twitter.'

proved the scheme of

January 15. PTI

PF self update

swap deal. The board of di

rector of HDFC ERGO and

Munich Health Insurance

\*per barrel in Rs; # per kg in Rs

Nifty 500 | 10110.80 | +23.75

**Most active on NSE** 

Bharti Airtel 473.90

Gold (10 gram in Rs)

15625.23 +119.00

14647.54 +113.68

Price\* Traded value#

1383.80 1466.93

1538.70 901.84

2240.00 696.94

Previous 41872.73

US \$

**UK Pound** 

BSE

NSE

Nifty

Scrip

SBI

Pure

Portion

Crude<sup>3</sup>

Copper#

Call rate

91-day T-Bill

1-vear Gilt

5-year Gilt

10-year Gilt

Hallmark

Silver (kg in Rs)

IndusInd

Reliance

Next 50

Sensex

Midcap

Smallcap

Future Group founder Kishore Biyani on the coming together of physical and digital retail formats



**CALCUTTA FRIDAY 17 JANUARY 2020** 

**Banks stare** 

at fresh

stress

**OUR SPECIAL** 

CORRESPONDENT

Mumbai: The banking sector

may feel the heat of the

Supreme Court dismissing the

review petition filed by tele-

some stress in their exposure

to the sector, estimated at over

Rs one lakh crore. This comes

at a time there has been some

Bank of India (RBI) disclosed

in a report that after rising for

seven consecutive years, the

gross non performing asset

(GNPA) ratio of all commer-

cial banks declined in 2018-19

to 9.1 per cent from 11.2 per

banks improved to 11.6 per

The gross NPAs of PSU

cent in the preceding year.

8,95,601 crore in 2017-18.

Recently, the Reserve

relief on the NPA front.

The lenders could face

com companies.

# SC squashes AGR review plea

**OUR SPECIAL CORRESPONDENT** 

New Delhi: The Supreme Court on Thursday dismissed the petitions of Bharti Airtel and Vodafone Idea seeking a review of certain directions passed in its judgment on October 24 favouring the government on the recovery of telecom dues worth Rs 1.47 lakh crore. The operators will have to now pay up their dues by January 23

Bharti Airtel and Vodafone Idea are the worst affected by the squashing of the review petition, and both the operators have said they would explore the possibility of a curative petition.

A bench comprising Justices Arun Mishra, S.A. Nazeer and M.R. Shah in an in-chamber hearing did not find merit in the review plea and dismissed it. In an inchamber hearing, the judges first take a call on whether the review pleas need to be heard at all and if so whether in an open court or not.

"Applications for hearing in open court/oral hearing are rejected. Having

### **WHO OWES WHAT**

AGR dues (in Rs crore) Vodafone Idea 53,039 35,586 **Tata Teleservices** 13,823 1.72\* 22,168 **Power Grid** GNFC 15,019 RailTel Corp

\* in Rs lakh crore

■ Total dues of telcos: Rs 1.47 lakh cr ■ Total dues of non-telcos: Rs 3 lakh cr

perused the review petitions and the connected papers with meticulous care, we do not find any justifiable reason to entertain the review petitions. The review petitions are, accordingly, dismissed," the bench said

Vodafone Idea and Airtel face statuto-

crore respectively. Tata Teleservices, which has sold its consumer mobility business to Airtel, faces dues of Rs 13,823 crore. Including the three, some 15 opertors need to pay over Rs 1.47 lakh crore.

"While respecting the Supreme Court's decision, we would like to express our disappointment as we believe the long standing disputes raised regarding the AGR definition were bonafide and genuine. The industry continues to face severe financial stress and the outcome could further erode the viability of the sector as a whole," a Bharti Airtel spokesperson said.

"We wish to inform you that Hon'ble Supreme Court, has dismissed the review petition filed by the company and other telecom operators. The company is exploring further options, including filing of a curative petition." Vodafone Idea said in a stock exchange filing.

The telecom department has also sought about Rs 3 lakh crore from nontelecom companies such as GAIL.

## **NPA WORRY**

have fallen to 9% in 2018-19 after rising for seven consecutive years

telecom seen at over Rs 1 lakh crore

remains a major concern

Analysts at Jefferies had earlier said in a report that even if the telecom companies were in a position to make the payments, it will put stress on their already leveraged bal ance sheets.

payment itself will use up all existing and operating cash flows ex interest over the next three years. Even with a moratorium on spectrum dues, it will not have funding for capex. Bharti is better positioned, but full payment will require it to curtail capex," the brokerage had warned.

It had pointed out that the cent during the year from 14.6 per cent in the last fiscal. In absolute terms, it reduced to Rs 7.39.541 crore against Rs

While bankers are monitoring the situation after the apex court ruling, the main concern is with regard to the exposure to Vodafone Idea. It is estimated that lenders

that include the State Bank of India, IndusInd Bank, Punjab National Bank, Bank of Baroda and ICICI Bank have an exposure of around Rs 17,000 crore to Vodafone Idea

■ Gross NPA ratio of banks

Exposure of banks to

■ Voda Idea, with exposure of around Rs 17000 crore,

"For Vodafone Idea, the

ruling was a major negative for Vodafone Idea and raised concerns on its balance sheet However, the implications for Bharti Airtel were mixed as a weaker Vodafone Idea was positive for the company in the medium term.

Ratings agency Fitch had earlier said the apex court judgment was credit-negative for the industry. "It is uncertain if the government would allow the payment of dues in instalments over five or 10 years after the court's ruling on the review petition," it had said.

### **Checks on** investment advisers

**OUR BUREAU** 

Mumbai: Market watchdog Sebi has proposed a new set of norms for investment advisers, under which they will have to segregate their advisory and product distribution activities, as part of its effort to strengthen the regulatory framework.

Besides, the regulator has suggested that investment advisers (IA) should not come out with any investment advice suggesting assured returns to clients in the investment advisory document

Also, Sebi has suggested mechanisms for charging fees from clients and proposed to raise the net worth requirement for IAs.

### **DOS & DONT'S**

Clear distinction between two services—investment advice and distribution of the investment products

Should not give any advice implying assured returns

■ Will not seek power of attorney from clients for auto implementation of

investment advice Further, it has proposed that IAs should clearly declare to the client that they will not seek any power of attorney from its clients for auto imple-

mentation of investment ad-The new set of proposals are intended to strengthen the regulatory framework for investment advisers as well as empower them to effectively discharge their responsibilities towards the investors who

are their clients, the regulator said in a draft proposal. Sebi said it has been receiving numerous investor complaints against investment advisers and most of the complaints were related to assured returns being offered by IAs, charging of exorbitant fees from clients with a false promises of handsome returns, misselling without adhering to the risk profile of the client, nondisclosure of complete service fees and charges and extracting money in the name of vari-

ous charges The regulator has come out with fresh proposals in this regard and sought public comments on the proposals till January 30.

The final regulation will be put in place after taking into consideration the views of all stakeholders.

## Voda Idea faces survival test

**OUR SPECIAL CORRESPONDENT** 

Mumbai: The dismissal of the review petition on adjusted gross revenue (AGR) by the Supreme Court has raised the possibility of two players dominating the market. All eyes are now on the future of Vodafone Idea, which has a subscriber base of over 33.62 crore

The joint venture between the AV Birla group and Vodafone Plc appears to be the most vulnerable as it faces dues of Rs 53,000 crore and has not yet tied up the required funds.

On the other hand, Bharti Airtel is on a relatively strong position as it has raised \$3 billion through a mix of qualified institutional placement (QIP) and foreign currency convertible bonds (FCCBs)

**OUR BUREAU** 

New Delhi: The Enforcement

Directorate (ED) has sum-

moned the senior executives

of AirAsia, including its CEO

Tony Fernandes, next week

for questioning in a money

laundering case, officials said

a case under the Prevention of

Money Laundering Act

(PMLA) against the airline

Fernandes has been sum-

moned here on January 20, a

few others from the airline's current and past management

have been asked to depose be-

and its officials in 2018.

The agency had registered

The officials said while

on Thursday.

While a spokesperson from Vodafone Idea was not available for comment, there have been clear indications from its ton brass of the company's unwillingness to raise fresh capital to meet its dues and the possibility of shutting down operations in the absence of any relief.

"I think that we can expect much more stimulus from the government because it is required for the sector to survive. If we weren't getting anything then I think it is the end of the story for Vodafone Idea....It does not make sense to put good money after bad," Kumar Mangalam Birla, chairman of Vodafone Idea, had said at an event in December. The dues that Vodafone Idea will have to pay are more than three times its market capitalisation.

During the second quarter ended Sep-

tember 30, the company had posted a consolidated loss of Rs 50,921.9 crore after making provisions of Rs 25,680 crore as dues to the government.

#### **Beneficiaries**

In the absence of relief and with Vodafone Idea taking a painful decision, Jio and Bharti Airtel would be the major gainers.

"Given the implications of today's development on both telcos and non-telcos, there is a possibility of the government making some relaxation in the payment tenure. For this to happen, the Centre will have to take an approval from the Supreme Court," an analyst said.

Apart from Airtel and Vodafone Idea, PSU firms such as GAIL have dues with the government.

## **Ex-NSE** boss gets relief

**OUR BUREAU** 

Mumbai: In the high-profile NSE co-location case, regulator Sebi on Thursday exonerated nine current and former officials of the exchange, including ex-MD and CEO Ravi Narain, saving they cannot be held responsible for any misconduct or non-compliance in the so-called "dark-fibre issue".

The former officials who have been absolved from the charges are the exchange's senior vice-president (operations) R. Nandakumar, co-location head Jagdish Joshi and chief technology officers (CTO) N. Muralidharan and Ravi Apte.

The current officials of the exchange to br exonerated are its chief operating officer (trading) Mayur Sindhwad, CTO-projects Sankarson Banerjee, CTO-operations G. Shenoy and vice-president regulations Suprabhat Lala.

The order came after an investigation by the Securities and Exchange Board of India (Sebi) against several former and current NSE employees and stock brokers in the co-location matter. It was alleged that certain stock brokers

were permitted to avail themselves point-topoint (P2P) dark fibre connectivity from Sampark Infotainment Pyt Ltd. a non-empanelled service provider, and the connectivity provided by this company conferred a latency advantage to a few brokers which resulted in a substantial increase in their turnover during the period from April-August, 2015.

While granting permission to stockbrokers to establish P2P connectivity from its co-location facility with the help of Sampark, the NSE has been alleged to adopt a discriminatory approach towards a large number of other stock brokers, by allowing Sampark's services to be availed by only a few selected stock brokers.

It has been alleged that the NSE has not acted in a fair and equitable manner while dealing with its members and these nine officials were allegedly employed at top positions of the exchange during the period.

#### fore it for questioning India Ltd (NCCF). The CBI booked Adani En-The ED probe is related to lent transactions of Rs 22 allegations that the airline crore, involving non-existent terprises, the then NCCF chairman Virender Singh, the tried to manipulate governentities in India and Singament policies through corrupt pore, were carried out in an inthen managing director of means to get an international NCCF G.P. Gupta and its senstance involving the airline. ior advisor S.C. Singhal under licence for its Indian venture, The CBI and the ED, in

AirAsia India Limited. The case under PMLA was registered by the ED in May 2018 two days after the CBI filed a criminal complaint. Berhad The ED is also probing this case under Fema.

AirAsia India at present has flights connecting 21 do-



**ED** to quiz AirAsia

chief on laundering

**Tony Fernandes** 

cording to an aircraft fleet tracking website, it has 29 Airbus A320 planes Investigation into the case

was initiated on ousted Tata Group chairman Cyrus Mistry's allegation that fraudu-

criminal FIRs, had booked AirAsia group CEO Fernandes, former deputy group CEO of Malaysia-based Air Asia Tharumalingam Kanagalingam, also known as Bo Lingam, and R. Venkataramanan, director of AirAsia India Ltd. Bangalore.

lecting a company for a tender mestic destinations and acto supply coal to power stations in Andhra Pradesh, officials said on Thursday. The tender enquiry was forwarded to seven PSUs, in cluding National Co-cooperative Consumer Federation

> various IPC sections and Provisions of Prevention of Corruption Act for allegedly favouring the Ahmedabadbased company in the tender.

**CBI** books

**Adani firm** 

New Delhi: The CBI has regis-

tered a case of cheating and cor-

ruption against Adani Enter-

prises and a former chairman

and an ex-managing director of

multi-state cooperative NCCF

for alleged irregularities in se-

The Adani group said the matter is an old one and it was a preliminary investigation report only. PTI

# the anvil

Calcutta: The Centre is looking to carry out more judicial reforms to improve the ease of doing business in India, Anurag Singh Thakur, the minister of state for finance, said in Calcutta on Thursday.

At a joint forum of the chambers of commerce and two bodies of professional association in the run-up to the Union budget, Thakur said: "The country has done so well in ease of doing business ranking that has gone up from 142 to 63. But as far as the the arbitration and judicial system is concerned, our ranking is very poor. It is an area of concern.'

The World Bank comes out with a ranking for countries on doing business on 11 parameters. While India has done well in bankruptcy, it has done poorly in "enforcing

Thakur, however, said the government would beef up the bankruptcy process with more benches at NCLT and branches of NCLAT in several

The minister also held out cause of a legal quagmire.

## **Goyal barb at Amazon OUR SPECIAL**

CORRESPONDENT New Delhi: Union commerce

minister Piyush Goyal on Thursday said Amazon was not doing any favour to India by investing a billion dollars in the country. He asked the US retailer to follow the letter and spirit of the law and questioned how the firm could incur such "big" losses but for predatory pricing.

"They (Amazon) may have put in a billion dollars but if they make a loss of a billion dollars every year, then jolly well will have to finance that billion dollars. So, it is not as if

It is not as if they are doing a favour to India when they invest a billion dollars

**PIYUSH GOYAL** 

they are doing a favour to India when they invest a billion dollars," he said at a conference here

Amazon founder Jeff Bezos had on Wednesday said the \$1billion investment by Amazon.com would help to bring small and medium businesses

online. This investment was in addition to the \$5.5-billion funding announced earlier.

#### US trade talks Goyal said India was in ad-

vanced stages to resolve some of the trade issues with Washington and was keen to expand ties, including a free trade pact. "With the US we are at an advanced stage of dialogue to sort out some of the pressing issues," Goyal said

The two countries have been locked in trade disputes for months, slapping higher tariffs on each other's products and the US withdrawing a key concession to India.

## **Trade truce spinoffs**

R. SURYAMURTHY

New Delhi: India expects the US-China trade deal to spur global demand and boost shipments from the country.

However, analysts have raised concerns over increased imports by Beijing after the deal that could restrict Indian exports to China 'Some of the features of the deal such as

China's adherence to IPR and patent, no competitive currency management and removal of foreign equity limits in many sectors will benefit all partners countries, including India,' Ajay Sahai, director general and CEO of the Federation of Indian Export Organisations, told The Telegraph.

"However, as China has agreed to import additional US goods and services worth \$200

billion in calendar year 2020 and 2021, it may come at the cost of other countries' exports to China. We have to evaluate its impact on chemicals, pharma, iron and steel, cotton, marine products and rice which figure on the list of products.

But what needs to be seen is the implementation of the deal in its letter and spirit, which can have a positive impact. "Yes, it will help in boosting growth in global trade and removing uncertainties, provided the implementation is done in letter and spirit," Sahai said.

India gained about \$755 million in additional exports, mainly of chemicals, metals and ore, to the US in the first half of 2019 because of the trade diversion effects of Washington's tariff war with China, a study by the UN trade and in-

## Mission to multiply IT export

A STAFF REPORTER

Calcutta: Bengal finance and industries minister Amit Mitra on Thursday said IT software and services exports from the state could increase to Rs 40.000 crore over the next three years

"IT software and services export in 2018-19 was Rs 22,897 crore. When we came to office. it was Rs 8,335 crore. I am setting a target of Rs 40,000 crore in the next three years," Mitra said at TiECon, the entrepreneurship conference organised by global non-profit entity

He said growth would be on the back of IT industry players such as TCS expanding in the state as well as the government offering infrastructure in the smaller cities.



Amit Mitra with Rajeev Kumar in Calcutta on Thursday. Picture by Sanat Kumar Sinha

"We don't want the IT sector to be present in Calcutta only. We want it to be present to tier II and tier III locations. That is why the state government is setting up infrastructure in the form of IT parks in different parts of Bengal," said Mitra, who also heads the information technology depart-

ment. The state is developing gar, Malda and Purulia.

IT department officials said they have received an encouraging response in these parks, with the government offering competitive rates.

17 IT parks in cities such as Asansol, Barjora, Krishnana-

"It is easier to fill up (IT

parks) in places like Burdwan and Siliguri. But we will have to work on filling up in places such as Purulia," said Mitra. The minister said that having signed an MoU with

Japan's Fujisoft, the state government is keen to explore the possibility of the application of 3D printing in different sectors. 'My interest is not just in the training of IT professionals. I want MSMEs in the state to benefit from the technology

in terms of design," Mitra said.

Sectors such as fan manufac-

turing and gems and jewellery

could benefit from 3D printing. The minister also urged the newly appointed principal secretary to the state IT and electronics department, Rajeev Kumar, to look into a proposal of TiE to set up an incubation centre.

### **Judicial** reforms on

**OUR BUREAU** 

contracts'

states, including Calcutta.

hope for Bengal's beleaguered real estate sector which is worried about not benefitting from a central scheme for completing unfinished projects be-