

“We were expecting the MAX to return to service by January 2020 but that hasn't happened”

SpiceJet CMD Ajay Singh



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CALCUTTA SATURDAY 15 FEBRUARY 2020

DoT diktat lacks clarity

OUR SPECIAL CORRESPONDENT

New Delhi: Confusion reins over the department of telecom's order (DoT) to the telecom operators to cough up their AGR dues by Friday midnight.

After the Supreme Court rap on Friday morning, the DoT cracked its whip on adjusted gross revenues (AGRs), demanding the dues be paid by 11:59pm.

However, the order lacked clarity on the amount of sum to be paid within the extremely short window. Neither is it clear what action the DoT plans to take against those who fail to meet the deadline.

Bharti Airtel has already said it would pay Rs 10,000 crore by February 20 and the

AGR COUNT: WHO OWES WHAT

Telecom (Figures in Rs cr)	PSUs (Figures in Rs crore)		
Vodafone Idea	53,039	GAIL	1,72,655.73
Bharti Airtel	35,586	Oil India	48,489.26
Reliance Jio*	195	PowerGrid	22,062.65
Tata Tele**	13,823	GNFC	15,019.97
		Delhi Metro Rail	5,481.52

*Dues paid; **Sold to Airtel
■ Around 15 telcos need to pay over Rs 1.47 lakh cr

■ PSUs need to pay Rs 2.65 lakh cr in AGR dues to govt

rest of the dues before the next date of hearing on the AGR case in the Supreme Court.

The order issued later on Friday by the UP (West) Telecom Circle, said: "With reference to subject cited above, you are hereby directed to make the payment of outstanding dues of licence fee and spec-

trium usage charges by 14.02.2020, 11:59 PM positively."

The DoT calculated that Airtel, Vodafone Idea and others owe as much as Rs 1.47 lakh crore in past dues including penalties and interest; non-telecom companies, who had taken licences from the DoT, owe another Rs 2.65 lakh crore.

valuation also fell Rs 2,988.03 crore to Rs 9,884.97 crore on the BSE.

Vodafone Idea on Thursday reported widening of losses to Rs 6,438.8 crore in the third quarter of 2019-20 against Rs 5,004.6 crore a year ago, as the telco continued to sound out warnings on "material uncertainty" casting "significant doubt" on its ability to continue as a going concern.

"The Supreme Court ruling will impact the asset quality of banks having exposure to the telecom sector. Bank stocks will be under pressure given the high inflation and the RBI being unlikely to cut rates in the near term. The Indian market is also affected by the fall in the global markets following the increase in coronavirus cases," said Vinod Nair, head of research at Geojit Financial Services.

Rate-sensitive auto stocks dropped as official data showed wholesale inflation rising to 3.1 per cent in January, further reducing prospects of a rate cut by RBI.

SBI steers clear of support

Mumbai: It is incumbent on the telecom companies to find money and it will be safe to presume that they would have made some arrangements for it by now, SBI chairman Rajnish Kumar said on Friday.

The comment on telecom companies comes on a day the apex court made it clear that they will have to cough up the Rs 1.47 lakh crore in adjusted gross revenue (AGR) dues and questioned why contempt proceedings should not be initiated against those who are coming in the way of implementing its order.

"It is now for the telecom companies to decide how they will find the money or what course of action they will take," Kumar told reporters on the sidelines of a Nasscom event here.

"They (telcos) would have made their arrangements is what I presume," Kumar said, adding that it has not been approached by any of the telecom company.

Kumar said the bank has a Rs 29,000-crore exposure to the telecom sector and another up to Rs 14,000 crore in non-fund based exposure, which will devolve only if there is non-payment of dues. The bank's gross non-performing assets include Rs 9,000 crore from the telecom sector, Kumar said.



Rajnish Kumar

Exports fall in January

OUR SPECIAL CORRESPONDENT

New Delhi: The country's exports contracted for the sixth month running by 1.66 per cent in January to \$25.97 billion, amidst fears the outbreak of the coronavirus will put a downward pressure on the world economy and impact export demand.

Imports, too, declined 0.75 per cent to \$41.14 billion, leaving a trade deficit of \$15.17 billion in January. The deficit was \$15.05 billion in January 2019, according to data released by the commerce ministry.

The president of the Federation of Indian Export Organisations (Fieo), Sharad Kumar Saraf, said, "Global and domestic factors have again pulled down the monthly exports. Besides protectionism and liquidity concerns, the sudden spread of the coronavirus in China has further worsened the global sentiment and the exporters are delaying their shipments."

Out of the 30 major items each in India's export and import baskets, 21 export items and 17 imported goods witnessed contraction.

Exports of ready-made garment fell 5 per cent, gems and jewellery 11.6 per cent and engineering fell 4 per cent.

Aditi Nayar, principal economist at Icrta Ltd, said the rise in the trade deficit to a seven-month high has primarily been led by a sharp rise in crude oil imports, which grew 15.3 per cent.

"The impact and duration of the coronavirus threat on

CORONA CLOUD

	\$ bn	% change
Exports	25.97	↓ 1.66
Imports	41.14	↓ 0.75
Deficit	15.17	↑ 0.79



manufacturing supply chains, tourism and trade poses a risk to the level of exports and imports of goods and services in the ongoing quarter. Regardless, the decline in commodity prices will cushion the impact on the current account deficit, which is now expected to print around 1 per cent of GDP in 2019-20," she added.

Trade with US

With less than 10 days left for the visit of US President Donald Trump to India, officials of both the countries are yet to resolve differences in various sectors, including agriculture, poultry and dairy.

The deal should be mutually beneficial and it should not compromise India's interest, PTI said quoting sources.

Although talks are ongoing on, there is no clarity if a trade pact will be signed during Trump's two-day visit, beginning February 24.

The sources said India has clearly stated that dairy and milk products should not be derived from animals that are fed internal organs, blood meal or tissues of ruminant origin as it would hurt the sentiments of the society at large.

Markets feel the heat

OUR BUREAU

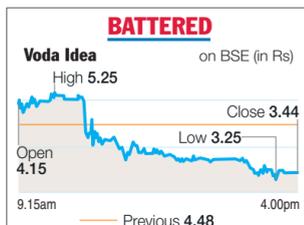
Mumbai: Markets spiralled lower for the second straight day on Friday as banking shares slumped after the Supreme Court took a strong note of telcos not complying with its order to pay Rs 1.47 lakh crore in statutory dues.

The 30-share BSE Sensex fell 202.05 points, or 0.49 per cent, to end at 41,257.74, with 22 of its constituents closing with losses.

The broader NSE Nifty shed 61.20 points, or 0.50 per cent, to settle at 12,113.50 as banking, auto, FMCG and energy counters retreated.

IndusInd Bank was the top loser in the Sensex pack, dropping 4.38 per cent, followed by PowerGrid, SBI, Hero MotoCorp and NTPC.

On the other hand, Bharti Airtel was the top gainer, spurring 4.69 per cent, with analysts saying the Indian telecom sector



could turn into a duopoly.

Vodafone pummeled

Vodafone Idea, which is staring at statutory dues worth Rs 53,000 crore, plummeted 23.21 per cent to close at Rs 3.44 on the BSE. During the day, it dropped 27.45 per cent to Rs 3.25.

On the NSE, it tanked 22.22 per cent to close at Rs 3.50. The company's market

valuation also fell Rs 2,988.03 crore to Rs 9,884.97 crore on the BSE.

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STOCK CHECK

Sensex intra-day movement



Previous 41459.79

CURRENCIES

US \$	Rs 71.37
UK Pound	Rs 93.04
Euro	Rs 77.39

INDICES

BSE	41257.74	-202.05
Sensex	41257.74	-202.05
Midcap	15662.10	-124.66
Smallcap	14682.65	-59.07
NSE		
Nifty	12113.45	-61.20
Next 50	28501.05	-306.55
Nifty 500	9961.05	-56.7

Most active on NSE

Scrip	Price*	Traded value#
Airtel	563.60	2048.54
SBI	319.90	1564.81
Reliance	1485.85	1439.58
IndusInd	1185.00	1385.05
Tata Motors	169.65	977.72

*In Rs; #In Rs crore

COMMODITIES

Gold (10 gram in Rs)		
Pure	41320	—
Hallmark	39790	—
Silver (kg in Rs)		
Bar	46200	—
Portion	46300	—
Crude*	3724.00	+49.00
Copper#	433.40	-2.20

*per barrel in Rs; # per kg in Rs

MONEY MARKET

	Yield (%)
Call rate	3.70
91-day T-Bill	5.11
1-year Gilt	5.34
5-year Gilt	5.93
10-year Gilt	6.37

IN BRIEF

Air India selloff timeline

■ **NEW DELHI:** The government expects to complete the sale of national carrier Air India in the first half of the next fiscal, department of investment and public asset management (Dipam) secretary Tuhin Kanta Pandey said on Friday.

Realty prop

■ **NEW DELHI:** The government, which has set up a Rs 25,000-crore stress fund to revive stalled housing projects, on Friday said it has cleared investments of over Rs 540 crore in some stuck residential properties that will benefit 1,800 homebuyers.

Amazon relief

■ **NEW DELHI:** The Karnataka high court on Friday granted an interim stay on the investigation ordered by the Competition Commission of India against e-commerce giants Amazon and Flipkart for alleged violations of provisions of competition laws.

ONGC net dips

■ **NEW DELHI:** State-owned ONGC on Friday reported halving of its December quarter net profit because of falling oil and gas prices and a drop in production. Standalone net profit in October-December at Rs 4,152 crore was 49.8 per cent lower than Rs 8,263 crore net profit in the same period of the previous fiscal.

Renault loss

■ **PARIS:** French car maker Renault said Friday it went into the red last year for the first time in a decade on lower sales and a falling contribution from its Japanese partner Nissan. Renault said in a statement it suffered net losses of 141 million euros (\$152 million).

BOTTOM LINERS



"Lastly, let me explain our wonderful loan benefits, which you'll never qualify for."

SpiceJet treats MAX cost as other income

OUR SPECIAL CORRESPONDENT

New Delhi: Budget carrier SpiceJet on Friday reported a net profit of Rs 73.2 crore for the three months ended December.

"The standalone profit from air transport services (airline) was Rs 115 crore. Further, this profit is after a non-cash forex charge on account of Ind AS 116 of Rs 75.9 crore without which the profit would have been Rs 190.9 crore," the airline said in a release. Ind AS 116, or Indian Accounting Standard 116, pertains to leases.

In the December 2018 quarter, the carrier had recorded a profit of Rs 55.1 crore.

The no-frills carrier has been impacted by the grounding of its 13 Boeing 737 MAX

planes since March last year as it is incurring various costs related to the aircraft.

Certain costs on Max, including aircraft and supple-

Boeing offer under study

New Delhi: SpiceJet is considering the "interim offer of compensation" made by Boeing for grounded 737 MAX planes.

"Despite its inability to undertake revenue operations, the group continues to incur various costs with respect to these aircraft," SpiceJet chairman and managing director Ajay Singh said on Friday.

mentary lease rentals, totalling Rs 537.27 crore have been recognised as other income during the nine months ended December, according to the notes. The amount includes Rs 246.42 crore recorded in the quarter ended December.

The MAX aircraft were grounded worldwide after two fatal accidents in late 2018 and early 2019.

Operational revenue in the latest December quarter climbed 47 per cent to Rs 3,647.1 crore. In the year-ago period, the same stood at Rs 2,486.8 crore.

Stock cheer

The SpiceJet stock jumped nearly 6 per cent to close at Rs 89.60 on the BSE on Friday. During the day, it advanced 10.27 per cent to Rs 93.40.

SCL funds drive yields Rs 2,400cr

A STAFF REPORTER

Calcutta: Global and domestic portfolio investors have participated in the Rs 2400-crore qualified institutional placement of Shree Cement Limited (SCL).

The company on Friday said in a statement that during the quarter ended December 31, 2019, it has raised the QIP amount and allotted 12,43,523 equity shares of Rs 10 each at Rs 19,300 per share on November 23, 2019. As a result of the issue, paid up capital of the company increased to Rs 36.08 crore from Rs 34.83 crore.

Company officials said the QIP received responses from both foreign portfolio investors as well as mutual funds and pension funds.

Aberdeen Global, New World Fund Inc, Aditya Birla Sunlife, APM Kotak India Master Fund, Avendus Absolute Return Fund, American Funds Insurance, Axis MF

REPORT CARD

Quarter ended December (In Rs crore)	2018	2019
Net revenue	2,781	2,848
Total expenses	2,466	2,505
Net profit	301	310
EPS (Rs)	86.49	87.65

and Multicap Funds, East Spring Investments India Infrastructure, Fidelity Investments, HSBC China are among the investors who have participated in the QIP.

The company is expanding its manufacturing capacity with clinker grinding units in Cuttack and Pune, each with a capacity of 3 million tonnes (mt). With the completion of the projects, the manufacturing capacity of the company is expected to increase to 50.4mt from 44.4 mt by 2020-21. The manufacturing units are in north, east, southern and central India.

The board of directors declared an interim dividend of Rs 110 per equity share of Rs 10 each for 2019-20, which includes Rs 70 per share as normal dividend and Rs 40 per share as additional dividend.

Wholesale prices spike

OUR BUREAU

New Delhi: Wholesale price-based inflation accelerated to a 10-month high of 3.10 per cent in January mainly because of costlier food articles, particularly onion and potato, official data showed on Friday.

The wholesale price index (WPI) based inflation was 2.59 per cent in December 2019 and 2.76 per cent in January 2019, according to data released by the ministry of commerce and industry. The earlier high was in April 2019 when the WPI inflation stood at 3.18 per cent.

During January this year, the rate of price rise for food articles stood at 11.51 per cent against 13.24 per cent a month earlier.

Inflation in vegetables stood at 52.72 per cent, while onion prices spurted a whopping 293 per cent, followed by potato at 87.84 per cent. In the manufactured food category, wholesale inflation was recorded at 0.34 per cent against a negative print of 0.25 per cent in December.



We feel that hybrid is the way forward towards electrification

KENICHI AYUKAWA

Maruti focus on hybrids

OUR SPECIAL CORRESPONDENT

Calcutta: Maruti Suzuki India Limited (MSIL) is betting big on hybrids and CNG, hoping that these alternative versions will replace its diesel portfolio that has been discontinued under the BS-VI regime.

"We feel that hybrid is the way forward towards electrification. Strong hybrids will replace our diesel programme. We believe that CNG and hybrid vehicles are the most effective tool to reduce CO₂. MSIL will introduce cutting-edge hybrid vehicles with support from Suzuki Motor Corporation," Kenichi Ayukawa, MD and CEO of MSIL, had said on the sidelines of the recently held auto expo in Greater Noida.

The company on Friday launched the CNG version of the Wagon R, priced in the range of Rs 5.25 lakh to Rs 5.32 lakh.

"We cannot be sure that customers will shift to hybrid from diesel, we can only hope and present to them strong hybrid cars that will reduce pollution and be a step towards electrification," said the MD.

MSIL will be sourcing lithium ion batteries for its hybrids and electric vehicles from its plant in Hansalpur, Gujarat, that will be commissioned in 2020. Suzuki, in a joint venture with Denso and Toshiba, will be manufacturing the batteries at the plant.

Maruti is also in collaboration with Toyota for hybrid technology. "We will be banking on the transfer of that technology for our hybrid portfolio," said the MD.

Kesoram bid to pare debt

SAMBIT SAHA

Calcutta: The board of Kesoram Industries Ltd will meet on February 18 to consider raising fresh capital by way of a rights issue or preferential allotment.

The meeting will take place just a week after announcing the third-quarter result — a weak set of numbers that clearly underscored the need to pare debt to bring the company back in the black on a sustainable basis.

The Telegraph had reported on February 12 that promoters may infuse fresh equity capital in Kesoram, which earns around 90 per cent of its revenue from cement, having carved out the chronically loss making tyre business into a separate listed entity.

Kesoram Industries, the flagship of BK Birla Group, has a debt of Rs 2,000 crore. The management is aiming to bring this down by Rs 700 crore in the medium term. It wants to reach substantially closer to that target — about Rs 500 crore — in the next fiscal itself.

A communication from Kesoram, which is being run by Manjushree Khaitan, the daughter of late B. K. Birla, said the shareholders' approval, after the board's go-ahead, would be taken for the capital raising, if required. Even as the Kesoram stock had crashed nearly 10 per cent after the third-quarter result, it recovered by about 4 per cent after the company announced its capital raising plans. It ended the day at Rs 45.65 apiece.

Earlier, the promoters had infused Rs 665 crore via a rights issues and preferential allotment to stabilise the company.

Two companies, which are under the effective control of Kumar Mangalam Birla, the grandson of B.K. Birla and chairman of Aditya Birla Group, are large promoter shareholders of Kesoram. While Pilani Investment and Industries holds a 19.17 per cent stake, Century Textile owns 3.59 per cent in Kesoram. The market would be keenly watching the support from Aditya Birla Group, now busy managing the AGR mess at Vodafone Idea.

Online claims on menu

A STAFF REPORTER

Calcutta: Insurance market regulator Irdai is mulling an online national portal to settle health insurance claims.

"There are ongoing discussions on having an online health insurance forum that will allow settlement of claims. The idea is to bring all the stakeholders on a common platform. The Insurance Information Bureau is developing this. It could bring a paradigm shift in how claims are settled," Irdai member (non-life) T. L. Alamelu said on the sidelines of an Assocham summit.

The forum once implemented would also allow for a timebound settlement of claims.

The insurance regulator also expressed concern over the rising tariffs in hospitals

HEALTH COVER

- Online national portal to settle health insurance claims
- Standardisation of medical charges
- Better disclosure by hospitals and TPAs on cashless treatments, costs and settlements

and is exploring ways to standardise charges.

"In this context, the General Insurance Council is in talks with the TPAs (third party administrators) to standardise charges for some procedures," she said.

The Insurance Regulatory and Development Authority of India (Irdai) is looking for standardisation of

charges of medical procedures, she said, adding that it will