MARKET WATCH

	15-02-2019	% CHANGE
Sensex	35,809	-0.19
US Dollar	71.23	-0.08
Gold	33,310	0.93
Brent oil	65.64	2.77

NIFTY 50

	PRICE	CHANGE
Adani Ports	350.15	1.05
Asian Paints	1393.60	-5.60
Axis Bank	686.60	-8.40
Bajaj Auto	2825.95	2.85
Bajaj Finserv	6025.45	-10.15
Bajaj Finance	2561.10	-48.10
Bharti Airtel	304.60	3.80
BPCL	327.85	12.20
Cipla	540.55	-2.35
Coal India	219.95	2.75
Dr Reddys Lab	2563.35	-103.90
Eicher Motors	20234.10	217.70
GAIL (India)	317.75	9.80
Grasim Ind	706.75	-12.15
HCL Tech	1057.25	-4.05
HDFC	1874.90	-25.80
HDFC Bank	2100.65	-9.55
Hero MotoCorp	2696.45	-79.75
Hindalco	186.60	-5.15
HPCL	216.35	-4.35
Hind Unilever	1772.80	-12.25
Indiabulls HFL	639.35	-17.25
ICICI Bank	342.15	-1.80
IndusInd Bank	1509.50	-8.00
Bharti Infratel	306.90	9.70
Infosys	741.95	1.90
Indian OilCorp	125.45	0.80
ITC	280.10	2.20
JSW Steel	266.90	-13.75
Kotak Bank	1283.65	-3.15
L&T	1243.10	15.50
M&M	627.55	-6.85
Maurti Suzuki	6930.05	-87.45
NTPC	136.25	5.00
ONGC	135.00	2.85
PowerGrid Corp	181.50	6.55
Reliance Ind	1244.45	20.25
State Bank	262.95	-4.15
Sun Pharma	422.90	-18.00
Tata Motors	161.65	1.80
Tata Steel	467.50	-15.05
TCS	2029.70	-14.90
Tech Mahindra	799.65	-6.25
Titan	1039.00	-3.25
UltraTech Cement	3439.45	-55.45
UPL	818.35	-2.70
Vedanta	147.30	-4.45
Wipro	376.10	1.00
YES Bank	219.00	-2.25
Zee Entertainment	431.35	-2.10

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 15

CURRENCY	TT BUY	TT SELL
US Dollar	71.02	71.34
Euro	80.08	80.44
British Pound	91.07	91.49
Japanese Yen (100)	64.30	64.59
Chinese Yuan	10.49	10.54
Swiss Franc	70.60	70.92
Singapore Dollar	52.30	52.54
Canadian Dollar	53.43	53.70
Malaysian Ringitt	17.38	17.47

Source:Indian Bank

BULLION RATES CHENNAI

February 15 rates in rupees with previous rates in parentheses

Retail Silver (1g)	43.1	(42.8)
22 ct gold (1 g)	3173	(3145)

IN BRIEF

SEBI waiver for Wipro's buy-back offer

MUMBAI

The Securities and Exchange Board of India (SEBI) has granted an exemption to Wipro to enable the firm to launch a buy-back offer. The exemption was necessary as the firm is in the midst of a scheme of amalgamation wherein four wholly owned subsidiaries are being merged with the technology major. SEBI rules state that a firm cannot go ahead with a buy-back offer if any scheme of amalgamation is pending.

Jet Airways may raise ₹6,000 cr. from aircraft sale, investors

Banks may not extend more than ₹1,000 cr. to address ₹8,500 cr. funding gap

MANOJIT SAHA
MUMBAI

Debt-laden Jet Airways, which approved a provisional resolution plan on Thursday, will need to raise ₹3,000 crore by selling (and then leasing back) some of its aircraft, and a new investor would have chip in with another ₹3,000 crore, sources with direct knowledge of the plan told *The Hindu*.

The Jet Airways board, which had approved the bank-led provisioning resolution plan, had estimated the funds requirement to be ₹8,500 crore.

Debt-equity conversion

Banks are set to take controlling stake in the airline by owning 11.4 crore shares, or over 50% stake, for ₹1 by converting a part of their debt into equity.

"Banks will not extend more than ₹1,000 crore, as part of the resolution plan," said a source.

Stake touchdown: After the recast plan, Naresh Goyal's holding will fall to 25% and Etihad's to 12%. ▪ RAMESH SHARMA

Jet has a fleet of 123 aircraft, including 16 that it owns – 10 Boeing 777, three Airbus A 330 and three Boeing 737. The rest are on lease. Of the 16 aircraft, six would be sold and leased back, as per the proposal.

Once the provisional debt recast plan is implemented, banks would own over 50% stake in the carrier while its promoter Naresh Goyal's stake would fall to 25% from 51% now. Similarly, foreign partner Etihad's stake would fall to about 12%. After the new investor comes in, Mr. Goyal stake's would further fall to about 12%. The public and institutional investors hold 25% stake in the airline.

An e-mail sent to the company seeking its response remained unanswered till the time of going to the press.

Banks, which have an exposure of ₹8,200 crore, have to make a 15% provision once the account is restructured as per Reserve Bank of India norms.

Negative net worth

As on December 31, Jet had a negative net worth of ₹10,370 crore. Its current liability exceeds current assets by ₹9,610 crore.

Jet Airways Group reported a net loss of ₹732 crore for the third quarter against a net profit of ₹186 crore in the year-earlier period.

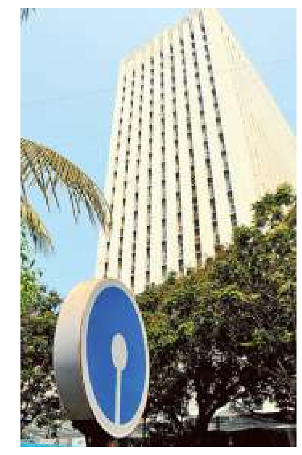
The resolution plan would be presented to the consortium of lenders, overseeing the committee of the Indian Bankers' Association, board of directors of Etihad Airways and promoter Naresh Goyal, for consideration.

The plan is subject to the company receiving requisite approvals from shareholders at its EGM to be held on February 21, 2019.

SBI shelves ₹15,431-crore Essar Steel loan auction

Lender gets lukewarm response

MANOJIT SAHA
MUMBAI



State Bank of India (SBI), which had put its ₹15,431-crore exposure to Essar Steel on the block to sell it to asset reconstruction companies and other financial institutions, is not likely to pursue the proposal further. The auction received lukewarm response because a resolution on the issue is expected soon through the bankruptcy proceedings.

In January, SBI decided to sell the exposure to Essar Steel and the e-auction was scheduled for January 30. However, the auction process received response only from one prospective buyer.

Case at NCLT

The Essar account was referred to the National Company Law Tribunal for resolution and the committee of creditors had selected the ₹42,200 crore bid by ArcelorMittal India Pvt. Ltd. Then, Essar Steel submitted a bid which was about ₹12,000 crore more than ArcelorMittal's offer.

However, the National Company Law Appellate Tribunal (NCLAT) has now asked the NCLT to complete the hearing by February 19 and decide thereafter. The matter has been listed for hearing on February 28 at the NCLAT.

"Since the matter is expected to reach a conclusion, SBI is not likely to resume the auction process of Essar Steel loans," a banking industry source said.

RBI raps Yes Bank on 'no divergence' disclosure

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) has come down heavily on Yes Bank for making it public through a press release that the regulator's report found no divergence in bad loans or provisioning for 2017-18.

Earlier this week Yes Bank, citing RBI's Risk Assessment Report (RAR), said the regulator did not find any divergences. Next day, the share price surged by 31%. "As the RAR report was marked "confidential," it was expected that no part of the report and information contained therein be divulged except for the information in the form and manner of disclosure prescribed by regulations," RBI told Yes Bank in a communication.

"The issuance of the press release has, therefore, been viewed seriously by the RBI and could entail further regulatory action," the central bank added.

Capacity growth to resume, says Jet Airways

'Current liquidity challenges addressed'

JAGRITI CHANDRA
NEW DELHI

Vinay Dube

A day after the Jet Airways' board approved a resolution plan for the beleaguered airline, its top brass said on Friday that the carrier would resume capacity growth.

"As the transition to a fully restructured network is complete, current liquidity challenges addressed, deployed capacity will resume its growth track. This will include long-haul wide-body routes as well as increasing the utilisation of Boeing 737 fleet to previous levels," said Jet Airways CEO, Vinay Dube, during a conference call with analysts.

Rationalising ATR

The past few months saw the airline withdraw some of its domestic and international routes and redeploy capacity on more profitable routes. This included "rationalisation of loss-making ATR network, moving short-haul international operations from wide-body capacity to more profitable 737 flying, concentration of capacity, enhancing density and hub connectivity," the CEO explained.

The withdrawal of these routes led to the airline witnessing 6.9% fewer passengers in the third quarter (Q3) of financial year 2019 compared with the year-earlier period.The airline reported a loss of ₹732 crore during Q3. The airline, however, did not provide details of the bank-led provisional resolution plan.

GMR Infrastructure likely to demerge airports business

Company reports net loss of ₹561 crore in Q3

SPECIAL CORRESPONDENT
MUMBAI

Larger pie: GMR Infrastructure sees a $100-billion opportunity in the rapid privatisation of airports. ▪ REUTERS

GMR Infrastructure recorded a net loss of ₹561 crore for the December quarter as finance costs soared, other income fell and losses in the power vertical continued to dim the profits made by airport vertical. This company made a net loss of ₹578 crore in the same quarter a year earlier.

The loss came on the back of a 5.5% fall in revenue to ₹1,958 crore and a 14% fall in earnings before interest, tax, depreciation and amortisation to ₹412 crore. Interest costs climbed 13% to ₹719 crore while other income fell 20.6% to ₹162 crore.

Losses in power vertical

The power vertical of the group continued to reel under losses, clocking ₹184.48 crore, offsetting the ₹364.74 crore profit by the airports segment. The firm's board approved the constitution of a sub-committee to consider and evaluate options of a demerger to unlock shareholder value in the existing business of the group.

The committee will look at 'the next phase of growth considering government's stated intent of faster privatisation of airports in the country which is $100-billion investment opportunity, raising equity capital in the airport business, and accelerated de-leveraging of company'. In a filing with the exchanges on Friday, the company said "The company has already received multiple proposals from investors for the airports business that are currently being evaluated and shall be placed at the meeting of the newly constituted sub-committee. The committee to provide its recommendation expeditiously." Shares of GMR closed up marginally at ₹14.85 on the BSE in a weak Mumbai market on Friday.

Merchandise trade deficit widens to $14.73 bn in Jan.

Imports of silver and gold surge

SPECIAL CORRESPONDENT
NEW DELHI

India's merchandise trade deficit widened to $14.73 billion in January, largely driven by a strong growth in the import of gold and silver, official data released on Friday showed. The trade deficit stood at $13.08 billion in December, and $15.67 billion last January.

Positive growth

"Exports in January 2019 were $26.36 billion, as compared to $25.41 billion in January 2018, exhibiting a positive growth of 3.74%," the government said in a release.

"In rupee terms, exports were ₹1,86,453.23 crore in January 2019, as compared to ₹1,61,697.38 crore in January 2018, registering a positive growth of 15.31%."

The major commodity groups exhibiting growth in exports over their levels in last January were engineering goods (1.07%), gems and jewellery (6.67%), organic and inorganic chemicals (15.56%), drugs and pharmaceuticals (15.2%), and ready-made garments of all textiles (9.33%).

"Imports in January 2019 were $41.09 billion (₹2,90,611.86 crore), which was 0.01% higher in dollar terms and 11.16% higher in rupee terms over imports of $41.08 billion (₹2,61,441.48 crore) in January 2018," the release added. Silver imports grew 104% in January 2019 compared to January 2018, while gold imports also grew strongly, by 38% over the same period.

Auto parts maker Minda to merge with Harita Seating

Move will enable firms to leverage each other's resources

SPECIAL CORRESPONDENT
CHENNAI

Auto components manufacturer Minda Industries Ltd. (MIL) will merge Harita Seating Systems Ltd. (HSSL) and four other companies with itself, according to a regulatory filing.

As per the scheme, Harita Ltd., Harita Venu Pvt. Ltd., Harita Cheema Pvt. Ltd. Harita Financial Services Ltd. and HSSL will merge with the BSE-listed Minda Industries. The boards of HSSL and MIL approved the proposal. The proposed merger would enable firms to realise the benefits of greater synergies between their businesses.

Generate more value

"The merger of HSSL with MIL will generate additional value for our shareholders by providing access to diversified product mix so as to deliver significant near and long-term growth," said H. Lakshmanan, chairman, HSSL.

According to the approved exchange ratios, MIL would issue 152 equity shares of ₹2 each for every 100 equity shares of HSSL or four non-convertible redeemable preference shares of ₹100 each at an issue price of ₹121.25 for every non-convertible redeemable preference share of HSSL, the statement said.

Future Group to make Metro Central a thematic store

Yesteryear movies to be run on giant screens, says CEO

SPECIAL CORRESPONDENT
KOLKATA

Future Group will convert its 'Central' store, housed in Metro Cinema property, into a thematic store that will showcase chartbuster golden era movies, besides retailing high-end apparel and lifestyle merchandise, according to Vishnu Prasad, CEO, Future Lifestyle Fashions Ltd. (FLF)

"This is the only thematic store of Central. We plan to deliver an experience by celebrating and showing movies that had run to packed houses at this iconic movie hall," he said at an informal interaction with the media. Yesteryear movies would be shown on giant screens within the mall and at times, the actors would be invited during the screenings. A calendar of the movies to be shown is being readied.

Apparel brands

Central is a large format store between 50,000 and 3.3 lakh square feet. It offers 500 brands with apparel having a larger share of the business pie over lifestyle goods. The 50,000 square feet, taken on lease by the Future Group, is housed in the iconic heritage structure which was taken by Metro Goldwyn Mayer nearly seven decades ago. Located in the central business district, it is Future Group's second such store in West Bengal after Rajarhat. It took two years and ₹20 crore to develop the interiors of the building. The art deco facade with waterfall -style columns and the grand staircase have been retained during the renovation.