

MARKET WATCH		
	26-03-2019	% CHANGE
Sensex	38,233	1.12
US Dollar	68.86	0.15
Gold	33,170	-0.15
Brent oil	68.02	1.63

NIFTY 50		
	PRICE	CHANGE
Adani Ports	368.60	7.25
Asian Paints	1485.05	27.50
Axis Bank	757.10	11.40
Bajaj Auto	2952.80	-5.15
Bajaj Finserv	6987.85	70.60
Bajaj Finance	2934.35	84.55
Bharti Airtel	327.80	0.80
BPL	383.90	0.20
Cipla	529.30	2.45
Coal India	236.45	-0.75
Dr Reddys Lab	2782.35	1.40
Eicher Motors	21382.00	230.65
GAIL (India)	359.35	7.70
Grasim Ind	836.70	21.30
HCL Tech	1034.60	16.95
HDFC	1946.30	0.65
HDFC Bank	2311.35	30.05
Hero MotoCorp	2574.45	-1.25
Hindalco	208.50	3.05
HPCL	277.05	2.80
Hind Unilever	1683.80	9.95
Indiabulls HFL	729.70	16.35
ICICI Bank	394.10	10.60
IndusInd Bank	1714.65	31.10
Bharti Infratel	312.85	6.25
Infosys	727.75	-7.50
Indian Oil Corp	161.80	-2.55
ITC	293.40	-1.65
JSW Steel	281.35	2.55
Kotak Bank	1342.95	34.30
L&T	1372.80	-3.95
M&M	669.60	5.00
Maurit Suzuki	6585.70	63.10
NTPC	140.80	5.45
ONGC	160.05	1.40
PowerGrid Corp	202.85	0.85
Reliance Ind	1367.25	42.80
State Bank	303.50	9.50
Sun Pharma	469.80	5.15
Tata Motors	173.10	1.80
Tata Steel	519.35	4.20
TCS	1982.65	-1.60
Tech Mahindra	770.75	-18.85
Titan	1115.75	15.65
UltraTech Cement	3925.60	54.55
UPL	903.30	-9.40
Vedanta	173.60	5.35
Wipro	255.00	-1.50
YES Bank	253.70	6.45
Zee Entertainment	421.00	4.55

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on March 26		
CURRENCY	TT BUY	TT SELL
US Dollar	68.66	68.98
Euro	77.57	77.93
British Pound	90.95	91.38
Japanese Yen (100)	62.19	62.49
Chinese Yuan	10.23	10.27
Swiss Franc	69.06	69.39
Singapore Dollar	50.83	51.07
Canadian Dollar	51.21	51.45
Malaysian Ringgit	16.85	16.95

BULLION RATES CHENNAI		
March 26 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	41.3	(41.3)
22 ct gold (1g)	3064	(3067)

# Will Naresh Goyal stage a comeback?

A pact with Jet's lenders allows him to participate in the auction, but will he have financial backing?

LALATENDU MISHRA  
MUMBAI

Lenders may have forced Naresh Goyal and his spouse Anita Goyal to resign from Jet Airways' board to make way for a new investor who could turn the airline around, but going by the clauses of an agreement between the lenders and Mr. Goyal, the erstwhile aviation baron may still stage a comeback.

Though the agreement has several clauses that make it difficult for Mr. Goyal to have an easy ride so that the airline can be sold as a going concern to a new investor, the return of the Goyals cannot be ruled out.

As per the agreement, Mr. Goyal, whose holding has been reduced to 25.5% (including the 16% pledged with lenders), can still participate in the auction process. He



**Master plan:** Mr. Goyal may utilise the two-month window to turn the tide in his favour, it is said. • REUTERS

can seize control by bidding aggressively, an analyst said.

**'Legally qualified'**  
"Legally, he is qualified to participate in the bidding process. But whether he has the financial resources to join the race is not known," the analyst added. According

to a person familiar with the development, Mr. Goyal is still camping in London and is possibly mobilising resources and may be trying to rope in a partner for a bid.

"Now that Jet Airways has got a new lease of life, Mr. Goyal will utilise the two months' window to turn the

tide in his favour. He is someone who will not give up so easily," the person said.

However, most analysts disagree. "Mr. Goyal has virtually no chance to come back. First, there is a presumption in the IBC against the promoter who does not meet obligations. Lenders do not want to get such promoters back. And secondly, who will now fund him to participate in the bid? I don't see anyone coming forward and he has no chance," Shailesh Haribhakti, chairman DHC, a leading accountancy and advisory firm, said.

Tarun Bhatia, managing director, Kroll South Asia, said, "Banks have set a 60-day deadline to sell the company. Though the current promoters can participate in the bidding process, it is not that easy for them to be the

winning bidder."

"Removing the promoter from the board is a positive decision rather than no resolution at all. Banks would like to sell their entire holding to the new investor rather than selling a portion to Mr. Goyal. So, if he is able to acquire 50.1% and give banks an exit, then it could be possible. But does he have the money and the financial backer who could help? I don't think so," he said.

Since Mr. Goyal is now out of Jet's board, Etihad Airways may decide to increase stake from 12% to possibly 49%. But going by its current financial condition, this seems unlikely. However, a final decision will be made by the end of this month.

"The auction process can [help] discover the best price for Jet," Mr. Haribhakti said.

# RBI receives aggressive bids, infuses ₹34,500 cr. liquidity

Bids for swap auction thrice as much as what was on offer

SPECIAL CORRESPONDENT  
MUMBAI

The first dollar-rupee buy/sell swap auction by Reserve Bank of India (RBI), which was aimed at infusing primary liquidity, saw aggressive bidding by banks, data released by the central bank showed.

The RBI received \$16.31 billion in bids for the auction for a notified amount of \$5 billion. In turn, RBI infused ₹34,561 crore rupee liquidity.

Market participants said the auction was successful as RBI got bids three times more than what it had intended to purchase, adding



expectation," said Madhavi Arora, Economist, FX and Rates, Edelweiss Securities.

**Fewer OMOs**

There is expectation that RBI would conduct more such auctions as there is an appetite in the market, and reduce dependence on open market purchases of bonds. RBI has infused a significant amount of liquidity in the current fiscal through open market operations (OMOs).

"This would be one of the ways RBI would be continuously evaluating. This swap window could be used as and when needed to infuse liquidity," Ms. Arora said.

that both domestic and foreign banks participated in the auction. "There was aggressive bidding for the auction, almost three times of what was on offer. Cut-off came in line with the market

# 'PSBs made Kingfisher Airlines fail ruthlessly'

Mallya hits out at 'double standards'

PRESS TRUST OF INDIA  
NEW DELHI

Embattled liquor baron Vijay Mallya on Tuesday lashed out at public sector banks (PSBs) for adopting 'double standards' under the current NDA regime for their intervention to bail out Jet Airways, while the same lenders made his Kingfisher Airlines 'fail ruthlessly'.

In a series of tweets, Mallya said, "Only wish the same was done for Kingfisher."

"Happy to see that PSU Banks have bailed out Jet Airways saving jobs, connectivity and enterprise," he said.

He further said, "the same PSU Banks let India's



Vijay Mallya

finest airline with the best employees and connectivity fail ruthlessly. Double standards under NDA."

Mr. Mallya lamented that his efforts to save Kingfisher Airlines were "not recognised and instead slammed in every possible way."

# Indices gain over 1% mirroring global trend

FPIs' net buy at ₹1,000 cr.; rupee gains

SPECIAL CORRESPONDENT  
MUMBAI

Mirroring a strong global trend, the Indian benchmark equity indices staged a smart recovery to gain more than 1% on Tuesday to reverse a two-day losing streak that saw indices fall below psychological levels.

The 30-share Sensex rose 424.50 points, or 1.12%, to close at 38,233.41, led by strong gains in constituents like NTPC, State Bank of India, Vedanta, Reliance Industries, ICICI Bank and Yes Bank, among others. The broader Nifty ended the day at 11,483.25, up 129 points, or 1.14%.

The gains were primarily led by the recovery rally in global equities that registered significant losses on Monday on concerns related to a global economic slow-

down. Barring the benchmark of China, all Asian indices gained ground on Tuesday.

"Broader market indices bounced back smartly led by positive global cues and continued strong foreign inflows," said Gaurav Dua, head of Research, Sharekhan. "However, market breadth was not impressive. We expect volatility to continue owing to global geopolitical and macro issues, coupled with upcoming general election uncertainties," he added.

Foreign portfolio investors continued their buying spree in Indian equities, with provisional figures pegging the net buy at nearly ₹1,000 crore. The rupee also appreciated 10 paise to end at 68.86 against the U.S. dollar.

# L&T makes an open offer to buy 31% stake in Mindtree for ₹5,030 cr.

Acquisition aligned with strategy to boost revenue, profit of asset-light services

PIYUSH PANDEY  
MUMBAI

Engineering and construction major Larsen and Toubro (L&T) on Tuesday made an open offer to acquire up to 5.13 crore equity shares of Mindtree, representing 31% of the voting share capital, for ₹980 a share or ₹5,030 crore.

The offer will open on May 14 and close on May 27, the company informed Mindtree shareholders.

As per the terms of the offer, L&T does not have any intention to dispose-off or otherwise encumber any assets or investments of Mindtree or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, oth-



**Lock, stock and barrel:** L&T will also buy up to 15% of Mindtree's shares from the market at ₹980 apiece. • REUTERS

er than in the ordinary course of business.

**Special resolution**

"If the acquirer intends to alienate any material asset of the target company or any of its subsidiaries within a period of two years from the

date of completion of the offer, a special resolution of the shareholders of the target company or any of its subsidiaries, as applicable, would be taken before undertaking any such alienation of any material asset," said the offer document.

"The object and purpose of the acquisition of a controlling stake in the target company is aligned with the acquirer's strategy to grow the revenue and profit of its asset-light services, business portfolio, thereby increasing the consolidated return on equity and further diversifying the consolidated group revenue and profits into the information technology and technology services areas," L&T said.

Last week, L&T had agreed to buy 20.32% stake in Mindtree for ₹3,269 crore from Indian coffee baron V.G. Siddhartha. L&T had also placed an order with its broker for an on-market purchase of up to 15% of Mindtree's shares at ₹980 a share.

# Jet Airways gears up to restore suspended flights

Plans to re-induct 1-2 planes daily

LALATENDU MISHRA  
MUMBAI

A day after its lenders agreed to sanction a fresh loan of ₹1,500 crore, Jet Airways kick-started a plan to get its grounded flights back on track.

The entire fleet of over 100 aircraft, most of which is grounded due to various reasons, is expected to become operational in three to four weeks in a phased manner, airline officials said.

Though the money is yet to be transferred to Jet's accounts, the airline, as a first step, has decided to restore more than 50 domestic flights which were suspended for April.

"We are restoring these flights immediately and bookings can be made for these flights," an airline official said. The airline has also decided to re-open four domestic stations which did not receive a single flight in the past few weeks as lessors insisted on grounding of the planes due to non-payment of dues. These stations include Bhopal, Mangaluru and Bhuj. "These stations were open, but there was not a single flight. Now we are re-opening these," the official said.

**Due process**

"We can't deploy the whole fleet instantly. Due procedure has to be followed to get the grounded planes back into deployment. Our plan is to re-induct one or two planes every day to achieve normalcy," the official added.

To begin with, the airline will give priority to high-density sectors. In the sum-



mer schedule starting April, the airline will try to restore most of its flights.

"An airline's assets are the network it has, the landing slots it is allotted, the flights it operates and the market share it commands. These are critical for the turnaround and Jet must restore them at the earliest possible," Jitender Bhargava, former executive director, Air India, and author of the book 'The Descent of Air India', said.

So, to make the airline attractive for prospective investors, lenders are also in favour of getting all the planes off the ground. Out of the 50-odd planes grounded by lessors for non-payment of lease rentals, about six have been flown out and the rest can be back in action soon.

The fresh loan will help pay the wages, clear some dues to lessors and make part payments to vendors.

The threat of the pilots' strike has fizzled out as they are expected to get most part of their dues. They have been only paid 12.5% of December salary. Salaries for January, February and March are due.

The Jet stock rose 6.48% to ₹271 on the BSE.

# Mindtree not to go ahead with share buy-back

Panel to examine L&T's open offer

SPECIAL CORRESPONDENT  
NEW DELHI

The board of Mindtree Ltd. on Tuesday decided not to go ahead with its proposed buy-back of equity shares amid a 'hostile' attempt by Larsen & Toubro to acquire a majority stake in the Bengaluru-based IT firm.

Additionally, the board has formed a committee of independent directors (IDC) to look into and provide recommendations on the "unsolicited" open offer by L&T to buy 5.13 crore Mindtree shares (about 31% stake) at ₹980 apiece. The committee has time till May 10 to give its recommendation to the company's shareholders on the open offer.

"The board, in its meeting today, decided to immediately constitute the IDC in the interest of all stakehol-



ders to provide their reasoned recommendation in respect of the unsolicited offer by L&T for the consideration of the shareholders," Mindtree said in a communiqué to the stock exchange.

All the independent directors will be members of the IDC. Apurva Purohit, lead independent director, has been elected as the chairperson of the IDC.

# 'Let Finance Commission function the way it does now'

No need to tamper with its structure, says former RBI chief

SPECIAL CORRESPONDENT  
CHENNAI

The Finance Commission should be allowed to function in the same manner as it is doing currently, according to former Reserve Bank Governor Y.V. Reddy.

"Let [the] Finance Commission do whatever it is supposed to do. There is no need to tamper with the structure," he said in a speech on 'New approaches to fiscal federalism in India' as part of Madras Institute of Development Studies' Founder's Day lecture.

Asked about various views on the need for, and against, a permanent structure for the Commission, he said, "Currently, the Finance Commission has a five-year term. The system of appoint-



Y.V. Reddy

ing a Finance Commission once in five years is fine. Let it continue. The way forward is to stick to the old approach.... New approach is not warranted. What is warranted is to behave more faithfully, with honesty and integrity," he said.

Pointing out that the proposal for making the Fi-

nance Commission a permanent body could evolve in two ways, he said: "First, the government would abdicate its discretion currently available in designing and implementing the specific purpose transfers. Second, it would dilute the neutrality of the Finance Commission between the Union and the States through a process of continuous association with the government."

Dr. Reddy said that in his view, there was considerable merit in having one apolitical body that provided stability and predictability primarily to share taxes that ensured fiscal balance and another forum of transfers involving continuous political bargaining with a broader mandate.