

**MARKET WATCH**

	10-04-2019	% CHANGE
Sensex	38,585	-0.91
US Dollar	69.11	0.27
Gold	33,070	0.27
Brent oil	71.49	-0.06

**NIFTY 50**

	PRICE	CHANGE
Adani Ports	383.45	2.75
Asian Paints	1409.85	-35.00
Axis Bank	760.85	-2.55
Bajaj Auto	2942.90	18.10
Bajaj Finserv	7423.30	44.10
Bajaj Finance	2998.35	-10.35
Bharti Airtel	340.00	-11.60
BPCL	357.75	1.45
Britannia Ind	2958.80	-4.10
Cipla	546.45	14.45
Coal India	240.05	1.65
Dr Reddys Lab	2765.00	11.70
Eicher Motors	20973.75	26.65
GAIL (India)	337.70	-5.80
Grasim Ind	847.30	1.30
HCL Tech	1098.70	-19.45
HDFC	2029.25	-39.90
HDFC Bank	2237.35	-49.90
Hero MotoCorp	2594.40	-29.25
Hindalco	211.70	-5.45
Hind Unilever	1694.15	13.65
Indiabulls HFL	824.40	-7.35
ICICI Bank	394.20	-2.95
IndusInd Bank	1747.45	-19.65
Bharti Infratel	315.30	0.10
Infosys	752.70	-7.90
Indian Oil Corp	156.60	1.20
ITC	294.70	-1.60
JSW Steel	288.55	-3.00
Kotak Bank	1349.90	8.45
L&T	1371.55	-3.65
M&M	670.25	2.40
Mauriti Suzuki	7186.35	-30.20
NTPC	134.60	-1.30
ONGC	158.00	0.45
PowerGrid Corp	198.65	0.30
Reliance Ind	1331.40	-3.05
State Bank	310.90	-3.85
Sun Pharma	471.95	1.00
Tata Motors	216.05	10.15
Tata Steel	544.40	-8.65
TCS	2040.25	-51.25
Tech Mahindra	790.25	0.75
Titan	1100.20	1.65
UltraTech Cement	4131.05	-32.15
UPL	925.95	-18.70
Vedanta	188.50	-1.50
Wipro	281.00	7.20
YES Bank	268.25	-2.35
Zee Entertainment	412.55	1.85

**EXCHANGE RATES**

Indicative direct rates in rupees a unit except yen at 4 p.m. on April 10

CURRENCY	TT BUY	TT SELL
US Dollar	68.91	69.23
Euro	77.72	78.09
British Pound	90.24	90.67
Japanese Yen (100)	61.98	62.27
Chinese Yuan	10.26	10.31
Swiss Franc	68.89	69.21
Singapore Dollar	50.94	51.18
Canadian Dollar	51.73	51.97
Malaysian Ringgit	16.77	16.86

Source: Indian Bank

**BULLION RATES CHENNAI**

April 10 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.8	(40.5)
22 ct gold (1 g)	3052	(3028)
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22 ct gold (1 g)	3052	(3028)

# Essel woes cast a shadow over Kotak FMP repayment

Delay in recovering money invested in Essel-Zee group companies' NCDs the cause; HDFC MF extends its FMP scheme

**SPECIAL CORRESPONDENT MUMBAI**

Kotak Mahindra Mutual Fund (Kotak MF) has said that it may not be able to fully redeem the investments in two series of its fixed maturity plans (FMP) that fell due on April 8 and 10.


This is due to delay in recovering money invested in the non-convertible debentures of Edisons Utility Works Pvt. Ltd. and Konti Infrapower & Multiventures Pvt Ltd., both part of the Essel-Zee group.

The debentures are secured by equity shares of Zee Entertainment Enterprises Ltd.

In a letter to its investors, Kotak has said that it is working for 'optimal recovery' from the two companies and any such realisation would be proportionately shared

**In a fix**

- Full repayment not expected in Kotak Fixed Maturity Plan (FMP) series 127 and 183
- The plans matured on April 8 and 10
- FMPs were invested in NCDs of Edisons Utility Works Pvt. Ltd. and Konti Infrapower & Multiventures Pvt Ltd.
- Kotak FMP series 127 has an exposure of about 18%
- Kotak FMP series 183 has an exposure of about 19%
- Steep fall in share prices of Zee on January 25 resulted in a breach of top-up covenants



with them. An FMP is a closed-ended scheme that invests in debt instruments whose maturity matches the tenure of the scheme.

183 that matured on April 8 and April 10 have exposures of around 18% and 19% to the two companies.

Kotak MF invested the money under the schemes in

debt securities, money market instruments and government securities.

"The share price of Zee had seen steep fall on 25th January 2019. This has resulted in breach of top-up covenants," the communication said. The promoters of ZEEL – the Essel group – is working for resolution of the above through a strategic sale of Zee in a time-bound manner. The resolution is likely to be achieved by September 30, 2019, Essel Group had said.

**Impact on NAV**

"As on 29th March 2019, the scheme (series 183) had 19.24% of AUM invested in papers of Konti and Edisons. If we assume that amount invested in Edisons and Konti NCDs is not realised by the maturity of FMP as men-

**Kotak Mutual Fund said they were hopeful of the recovery happening albeit with little delay**

tioned above, the effect of the same will be reflected in NAV of scheme on the date of maturity," the communication from Kotak AMC said.

**'Hopeful of recovery'**

"We are working for optimal recovery from Konti and Edisons for the benefit of unit holders and are hopeful that such recovery will happen albeit with little delay. Any realisation from said investments, will be shared proportionately with the unit holders subsequently," it said. The two schemes had also invested in the debentures of IL&FS Transporta-

tion Networks for which full provision had been made as recovery was uncertain and would be dependent on the resolution plan framed by the new board and the NCLT, said a Kotak AMC spokesperson.

**HDFC MF extends**

Meanwhile, HDFC MF announced the extension of its fixed maturity plan – Series 35 – a close-ended scheme due for maturity on April 15, by 380 days.

"The purpose of the roll over/extension is due to current interest rate scenario and portfolio positioning, the yields prevailing in the short maturity bucket present an option for investors to lock-in their investments at current prevailing yields," HDFC MF said.

## GPF interest retained at 8% for April-June

**PRESS TRUST OF INDIA NEW DELHI**

The government has retained the interest rate for General Provident Fund (GPF) and other related schemes at 8% for the April-June quarter.

The rate is in line with that of Public Provident Fund.

"It is announced for general information that during the year 2019-20, accumulations at the credit of subscribers to the GPF and other similar funds shall carry interest at the rate of 8% with effect from April 1 to June 30, 2019," a Department of Economic Affairs notification said.

The interest rate will be applicable on provident funds of central government employees, railways and defence forces.

## Jet lenders extend EoI date

Offer for sale by airline's lenders gets lukewarm response

**SPECIAL CORRESPONDENT MUMBAI**

The debt resolution process of Jet Airways suffered a setback on Wednesday with many prospective investors staying away from submitting expression of interest (EoI) before the deadline.

SBI Capital Markets Ltd. (SBI Caps), acting on behalf of the lenders, extended the deadline to April 12.

The last date for receipt of EoI was April 10, 2019.

It is understood that Etihad Airways, which was keen to participate in the bidding process, had sought more clarification and time to secure board approval, resulting in the extension of the deadline, according to people in the know of the development.

"As part of the process, we are in receipt of some EoIs and some more persons have expressed desire to participate if additional time is provided. Accordingly, to allow better participation in the process, the domestic lenders have agreed for extension timeline for submission of EoIs," SBI Caps said in a statement.

Earlier, the objective of the exercise was 'settlement of the obligations' of the company in relation to existing facilities. This has been changed to "restructuring of the existing facilities and infusion of funds by way of loans or acquisition/subsidiary of up to 75% of equity share capital of the company."

SBI Caps has also made it

clear that binding bids must be submitted by April 30, 2019. Meanwhile banks refused to release the much-needed funds for sustaining the operations of the airline.

**IOC stops ATF supply**

Indian Oil Corporation (IOC) resumed the supply of aviation turbine fuel (ATF) to Jet Airways after the airline made some payment. "Supply that was stopped at 3 p.m. was resumed at around 9 p.m. after some payments were made, ending the six-hour stoppage," an IOC official said.

Sources said its aircraft at Mumbai, Delhi, Hyderabad and Bengaluru were affected. "Refuelling has begun after 8.30 p.m.," a senior airline official said.

## 'Professionals see significant disruptions at work'

Two in 3 employees concerned that AI, automation will replace their jobs: study

**MINI TEJASWI BENGALURU**

Most Indian professionals expect significant disruptions at work in the next three years, according to a study by Mercer India.

As per Mercer's 2019 Global Talent Trends study, 88% of executives in India predict significant disruptions around their jobs, compared with 40% in 2018.

**Automate more work**

Some 76% of companies in India plan to automate more work in the next 12 months. More than half (54%) of em-



**Future tense:** Over half the employees wanted curated learning to help prepare for future jobs. ■ GETTY IMAGES/ISTOCK

ployees want curated learning to help them evolve their skills and prepare for future jobs. Some 70% of Indian

employees prefer more clearly defined responsibilities, finds the study. Thriving employees in In-

dia are almost two times more likely to work for an organisation that enables quick decision-making (90% vs. 59%) and that provides tools and resources for them to do their job efficiently (89% vs. 67%).

As per Mercer's study, job security is one of the top three reasons employees in India joined their company, and one of the main reasons they stay.

Also, two in three employees are concerned that AI (artificial intelligence) and automation will replace their jobs, according to the study.

## High stock of non-performing assets in India, more progress needed: IMF

'Level of capitalisation of government-owned banks should be bolstered'

**SRIRAM LAKSHMAN WASHINGTON**

There continues to be a high stock of non-performing assets (NPAs) in India, and there has been some progression. Further progress is welcome, IMF head of Monetary and Capital Markets Tobias Adrian said.

Mr. Adrian made these remarks at the release of the multilateral institution's April 2019 Global Financial Stability Report (GFSR) as part of the World Bank IMF Spring Meetings.

The GFSR provides an assessment of balance sheet vulnerabilities across financial and non-financial sectors in advanced and emerging market economies.

"The level of capitalisation of some banks, particularly government-owned banks should be bolstered. This is also one of the recommendations of the Financial Sector Assessment Program for India that took place fairly recently," Anna Ilyina, who heads Monetary and



**Progress card:** IMF head of Monetary and Capital Markets Tobias Adrian briefs the media at the IMF headquarters. ■ AFP

Capital Markets at the IMF, said. There were some steps taken by the authorities to boost capital buffers in banks and also governments in state-owned banks, that have had some positive impact, she said.

"In particular we've seen average price-to-book ratios for Indian banks improving somewhat and the institu-

tional mechanisms for resolution and recognition of [non-performing loans] NPLs are, of course, extremely important... and I think authorities should continue working along these lines," Ms. Ilyina said.

Portfolio flows to emerging markets are influenced by benchmark-driven investors – 70% of country alloca-

tions of investment funds are impacted by benchmark indices, the report said.

This category of investors are more sensitive to global financial conditions and as they command increasing shares of portfolio flows, external shocks may propagate to medium-size, and frontier market economies faster than they did in the past.

**China, a priority**

China is likely to become more important for other emerging markets as it gets included in benchmark indices. Portfolio flows to China are expected to increase by \$150 billion by 2020 due to its inclusion in a global bond index, according to the report.

"Financial vulnerabilities in China remain high, and the authorities face a difficult trade-off between supporting near-term growth, countering adverse external shock, and containing leverage through regulatory tightening," the report said.

## Voda Idea, Bharti, Jio pay spectrum dues

However, Reliance Communications is yet to make the payment

**PRESS TRUST OF INDIA NEW DELHI**

Leading telecom companies Vodafone Idea, Bharti Airtel and Reliance Jio have paid the government over ₹10,000 crore in spectrum dues slated for April 10, but debt-ridden Reliance Communications (RCom) has so far not deposited its outstanding amount of ₹492 crore, a source said.

The payments are towards the latest instalment in deferred spectrum liability for radio waves bought in the past auctions.

The source privy to the development told PTI that the country's largest telecom



operator Vodafone Idea had made payment of over ₹6,277.1 crore to the Department of Telecom (DoT) towards its spectrum dues. The company, which had put in motion a ₹25,000-

crore rights issue, had paid ₹3,042.7 crore to the department in March as part of a previous instalment.

While Bharti Airtel had paid ₹2,745.8 crore and Reliance Jio ₹1,109.1 crore, the embattled Reliance Communications had not yet made the payment of about ₹492 crore on the due date.

**Grace period**

Typically, telecom companies are given a grace period of 10 days after the due date by the DoT to make the stipulated payment.

Bharti Airtel, Vodafone Idea and Reliance Jio did not comment on the mails sent

to them.

**RCom writes to DoT**

Reliance Communications too declined to comment on the issue, but an industry observer noted that RCom had repeatedly written to the DoT, seeking return of excess bank guarantee encashment. The next round of instalments for the operators is scheduled for September-October.

The government, in March last year, enhanced the number of annual instalments for spectrum payment from 10 to 16 years to provide relief to the debt-laden telecom sector.