### MARKET WATCH

# 18-04-2019 % CHANGE

NIFTY 50		
		CHANGE
Adani Ports		
Asian Paints		
Axis Bank		
Bajaj Auto		
Bajaj Finserv		
Bajaj Finance		
Bharti Airtel		
BPCL		
Britannia Ind		
Cipla		
Coal India		
Dr Reddys Lab	2799.10	26.00
Eicher Motors		
GAIL (India)	351.95	0.35
Grasim Ind	867.25	16.30
HCL Tech	1102.65	-4.40
HDFC	2003.75.	-22.95
HDFC Bank	2293.65	11.40
Hero MotoCorp	2741.55	1.90
Hindalco	207.20	-7.75
Hind Unilever	1739.90	1.35
Indiabulls HFL	800.55	31.90
ICICI Bank	404.40	-2.60
IndusInd Bank	1764.30	-50.85
Bharti Infratel	307.20	-5.75
Infosys	717.05.	-7.05
Indian OilCorp		
ITC		
JSW Steel		
Kotak Bank		
L&T		
M&M		
Maruti Suzuki		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS		
Tech Mahindra		
Titan		
UltraTech Cement		
UPL		
	334.03.	U.13
Vedanta	170 (0	6 25

Indicative direct rate except yen at 4 p.m.		
CURRENCY	TT BUY	TT SEL
US Dollar	69.16	69.48
Euro	77.83	78.19
British Pound	89.99	90.42
Japanese Yen (100).	61.80	62.09
Chinese Yuan	10.32	10.37
Swiss Franc	68.36	68.68
Singapore Dollar	51.02	51.26
Canadian Dollar	51.68	51.92
Malaysian Ringitt	16.68	16.76

# RIL Q4 profit surges on retail, telecom

Core business of refining disappoints with fall in margin; Reliance Retail revenue past ₹1 lakh-cr. mark

SPECIAL CORRESPONDENT

Reliance Industries Ltd. (RIL) reported a 9.8% growth in its fourth quarter net profit to ₹10,362 crore driven by increasing contribution from consumer-facing business of retail and telecommunications while the core refinery vertical disappointed with a fall in margins.

The profit came on a 19.4% rise in revenue to ₹1,54,110 crore on account of strong growth in retail and digital services businesses, which rose 51.6% and 61.6% respectively.

#### Refinery shutdown

Revenue from the refining business fell 6.1% to ₹87,884 crore with a 25.5% fall in EBIT to ₹4,176 crore as the energy major refined less

In FY19, we made significant strides in building Reliance of the future. Jio now serves over 300 million consumers and our petrochemicals business -ever earnings." - MUKESH D. AMBANI, CMD. Reliance Industries Li Oct.22, 18 Metrics 1,29,120 Revenue (₹ cr.) Net profit (₹cr.) 9.8 10,362 9,438 17.5 15.9

and gross refining margins (GRMs) fell to \$8.2 per barrel compared with \$11 in the year-earlier period. Petrochemicals reported a 23.9% rise in EBIT to ₹7,975 crore on a 11.3% increase in revenues to ₹42,414 crore.

Dividend (₹)

"During FY 2018-19, we

6.50

bani, chairman, RIL. "Reliance Retail crossed ₹100,000-crore revenue milestone. Iio now serves over 300 million consumers and our petrochemicals business delivered its highest-ever earnings." On a yearly basis,

the company closed FY19

tones," said Mukesh D. Am-

with a 13.1% growth in profit to ₹39,588 crore on a 44.6% growth in revenue to ₹6,22,809 crore.

Refinery, petrochemicals The Refinery and petrochemicals business contributed to 74% of the profit before interest and tax, while retail and telecommunica-

tions contributed to 26%.

Reliance Jio, the telecommunications arm of RIL, reported a 64.7% growth in its net profit to ₹840 crore on a 55.8% growth in its operating revenue to ₹11,106 crore as the telco added 26.6 million subscribers to reach a total subscriber base of 306.7 million. However, its ARPU (average revenue per user) during the quarter fell to ₹126 per subscriber per month.

Reliance Retail's operating profit grew 77.1% to ₹1,923

crore during the quarter on a 51.6% increase in revenue to ₹36,663 crore. The revenue of the retail business touched ₹1,30,566 crore dur-

ing the year. "Reliance Jio's net profit largely remained flat q-o-q and ARPU declined q-o-q. We believe that likely strong subscriber additions in telecom business, sustained high growth in retail business and likely deleveraging of consolidated balance sheet would act as key re-rating catalyst for the stock," said Abhijeet Bora, senior re-

search analyst, Sharekhan. "RIL net debt has reduced to ₹1.54 lakh crore from ₹1.95 lakh crore in the year-ago period," said V. Srikanth, joint

RIL shares rose 2.79% to ₹1,382.90 on the BSE on

# Making a point: Mr. Das flagged the idea of departing from

the conventional rate revision in 25 bps multiples. • REUTERS

## 'Need to address growth challenges'

Inflation outlook benign, Das tells MPC

SPECIAL CORRESPONDENT

Reserve Bank of India (RBI) Governor Shaktikanta Das highlighted the need to address growth challenges as the inflation outlook remained benign, at the meeting of the monetary policy committee earlier this month.

The minutes of the MPC meeting were released on Tuesday. Four out of six MPC members had voted for a reduction in interest rate from 6.25% to 6% during the first bimonthly policy review of 2019-20.

In the previous policy review in February too, the RBI had cut the interest rate by 25 basis points (bps).

"With the inflation outlook looking benign and headline inflation expected to remain below target in the current year, it becomes necessary to address the challenges to sustained growth of the Indian economy," Mr. Das said, explaining why he voted for a rate reduction.

The RBI Governor also flagged the idea of departing from the conventional rate revision in multiples of 25 bps, during the MPC meeting, an issue on which he elaborated in a speech on

the sidelines of the Fund-Bank Spring Meetings in Washington DC last week.

"I would like to state here that there is a need to consider interest rate adjustments, not necessarily in the conventional way of 25 bps or multiples thereof," he had said during the MPC deliberations.

'Stubborn core inflation' Deputy Governor Viral Acharya, who is also a member of the MPC, voted for status quo for the second consecutive occasion, and highlighted the risks of stub-

born core inflation. "Inflation excluding food and fuel remains uncomfortably close to 5.5%, i.e., at elevated levels through most of the past 12 months,"

> Dr. Acharya said. Observing that February had already shown some seasonal uptick in prices of several food items, Dr. Acharya argued that soft food inflation may not persist for long - a scenario in which the elevated level of inflation, excluding food and fuel, would steer the headline inflation away from the target rate of 4%.

> "This can risk hardening of inflation expectations of

#### Reliance Jio, BSNL drive subscriber growth in Feb.

Other telcos lost 69.93 lakh customers

PRESS TRUST OF INDIA

The country's telecom subscriber base grew marginally to 120.5 crore in February on account of net addition of customers by Reliance Jio and State-owned BSNL, according to data published by telecom regulator TRAI. Reliance Jio and BSNL

jointly added a net of 86.39 lakh mobile subscribers but the rest of the telecom operators jointly lost a net of 69.93 lakh wireless customers with Vodafone Idea losing the biggest chunk of mobile connections, as per the data. The number of telecom subscribers in India increased to 120.54 crore at the end of February from



120.37 crore in January, according to the Telecom Regulatory Authority of India (TRAI)

"BSNL is the only operator other than Jio that has gained customers. Our performance shows that customers have faith in BSNL," said BSNL CMD Anupam

#### SBI plans to raise \$2.5 bn for expansion

PRESS TRUST OF INDIA NEW DELHI

State Bank of India on Thursday said it planned to raise \$2.5 billion (about ₹17,000 crore) through bonds to fund expansion of its overseas business.

The executive committee of the central board will take a decision in this regard on April 24, the lender said in a filing.

The executive committee would decide on the long-term fund-raising in single/multiple tranches up to \$2.5 billion through a public offer or private placement of senior unsecured notes in dollar or any other convertible currency during 2019-20, the

## DGCA carrying out safety audit, says IndiGo

Airline says has responded to notices

PRESS TRUST OF INDIA

InterGlobe Aviation, the company that operates budget carrier IndiGo, on Thursday said regulator DGCA is carrying out an audit of its planes and it has also received a number of show-cause notices to which it has already responded.

"There is currently a DGCA (Directorate General of Civil Aviation) audit on us which is combined with the annual main base audit. We have received a limited number of show- cause notices and have responded to accordingly," IndiGo said in an exchange filing.

The filing came in response to a clarification

On Wednesday, it was reported that the DGCA was conducting a special safety audit of IndiGo after coming across issues in its operations and engineering, besides issuing show-cause notices to the airline's chief operating officer Wolfgang Prock-Schauer and engineering head S.C. Gupta over the Pratt & Whitney (P&W) engines issues, which have many times endangered passengers' safety.

sought from the company.

IndiGo and GoAir, which operate P&W-powered Airbus A320 Neos, have been facing problems with these engines, manufactured by the U.S. firm, since their in-

# + Only binding bids can save Jet: lenders

Process could be successful in determining fair value in transparent manner: SBI

SPECIAL CORRESPONDENT

A day after Jet Airways suspended all its flights due to lack of funds, lenders to the troubled airline said the best way forward for the survival of the company was to get the binding bids and that they were hopeful of getting

"The lenders, after due deliberations, decided that the best way forward for the survival of Jet Airways is to get binding bids from potential investors who have expressed [interest]," State Bank of India said in a statement issued on behalf of the lenders of Jet. The bid documents were issued to eligible bidders on Wednesday.



"Lenders are reasonably hopeful that the bid process is likely to be successful in determining fair value of the enterprise in a transparent manner," it added.

The resolution plan announced on March 25 envisaged stake sale of Jet Airways and ₹1,500 crore 'priority funding' from banks, but lenders later realised that it was difficult to extend the funds to the troubled airline, due to a couple of reasons: one, because the cash flow was severely impacted; and two, due to the Supreme Court uashing the Reserve Bank of India's (RBI) February 12 (2018) circular on stressed assets resolution. The resolution plan was built on the premise of that circular.

"As more and more flights were grounded, with international flights suspended, cash flows were impacted, and in such a scenario more funding was not possible," a banker said.

According to the March 25 plan in which banks decided to pick up 50.1% stake in Jet

for ₹1, the additional funding which was to be extended was to be added to the bank exposure of about ₹6,000 crore. The plan was also to appoint former SBI chairman A.K. Purwar as non-executive chairman of the board since Jet promoter Naresh Goyal had stepped down. But, Mr. Purwar is yet to be appointed as the nonexecutive chairman.

Four to five entities have shown interest in the let Airways auction, including private equity firms TPG Capital, Indigo Partners and the NIIF and Etihad Airways. These bidders will now have to submit binding bids. Banks expect to complete the bidding process by May 10.

## HC dismisses plea seeking revival of Jet

Can't ask government to rescue a sick company, says Bench

SONAM SAIGAL

The Bombay High Court on Thursday dismissed a petition seeking to revive Jet airways saying, "can't ask the government to rescue a sick company.

A Division Bench of Chief Justice Pradeep Nandrajog and Justice N.M. Jamdar was hearing a petition filed by Mathews J. Nedumpara, Md. Ibrahim Maulana, Amritpal Singh Khalsa and Ramanathan Lakshmanan.

The petition sought a direction to the consortium of banks and financial institutions led by the State Bank of India to provide bare minimal funds to the airlines to operate flights, to meet the



cost of fuel, pay salaries to employees and to meet oth-

The petition stated, "It is the duty of the Ministry of Finance to ensure that the consortium of lenders of let Airways continues to provide

Naresh Goyal

er essential expenses.

realise that the only solution for him was to quit the management PETITIONERS the requisite operational finance to the Airways to en-

Goyal failed to

sure that the interests of consumers and its employees numbering nearly 23,000 and of those associated with the said services are protected." The court said, "We can-

not ask the government to rescue a sick company. The only thing we can do is that if you get a hat, we can pass it around this courtroom for collecting money charity."

While dismissing the plea,

#### Jet passengers to get Al's 'rescue fares'

SPECIAL CORRESPONDENT

Air India has offered 'rescue fares' to passengers booked with Jet Airways and unable to return from foreign countries. Jet had cancelled its flights and spot fares for alternate flights are exorbitant. Special fares on offer will be discounted fares for economy class travel.

Passengers from 13 cities - London, Paris, Bangkok, Hong Kong, Singapore, Dubai, Dammam, Jeddah, Riyadh, Muscat, Abu Dhabi, Dhaka and Kathmandu will benefit. The fares are available with immediate effect until April 28, Air India said in a statement.

Passengers must produce an e-ticket stamped by Jet Airways office to claim benefit. To address the shortfall in flights at Delhi and Mumbai, about 440 arrival and departure slots will be reallocated to various domestic carriers, Aviation Secretary Pradeep Singh Kharola said.

# As Jet folds wings, staff vent ire on lenders, govt.

Banks blamed for dropping revival and restructuring plan midway; investors dump company shares

LALATENDU MISHRA

A day after Jet Airways "temporarily" shut down operations owing to financial distress, chaos and fear gripped its over 16,000 employees, besides investors.

Passengers too remained in the lurch, struggling to find ways to get refunds and avail the JP mile reward points. The airline's employees

took to the streets in Mumbai and Delhi, protesting against 'inaction by banks and apathy by the government' that had landed the airline in the crisis. At the stock market, in-

vestors dumped the company's shares. Jet's shares plunged 32.23% to close at ₹163.90 on the BSE on Thursday. The market cap has also come down to ₹1,862 crore. Fifty-two weeks ago, the company's

share was valued at ₹650. "Today, there is hardly any value left in the airline. The lenders, by first making false promises to revive the



Future tense: Jet Airways employees gathered at the airline's headquarters in Mumbai on Thursday. • VIVEK BENDRE

airline, then removing the Goyals from the company and finally going back on their words as well as refusing to lend money, have destroyed all the value in Jet Airways," said Mark Martin, CEO, Martin Consulting.

#### **Banks blamed**

It was the lenders who committed to provide an additional ₹1,500-crore loan against collateral, he said. "The airline had a greater chance of survival under Naresh Goval. In less than a month of his exit, the banks

brought it down" Mr. Martin said. "Now the bidding process is expected to fail. Those who had submitted EoI may withdraw."

for dropping the revival and restructuring plan midway.

charge of the revival. However, they refused a ₹400 crore loan, while lending to Air India which is also into losses. The government has to do a lot of answering. We also have families to run,"

Employees blamed banks

"Initially, the banks took

said a Jet Airways employee. Ajay Bodke, CEO, PMS,

ports," Mr. Bodke said.

Prabhudas Lilladher, said: "It is indeed a tragic day for the Indian aviation sector. Jet was the pioneer among private sector full-service carriers in India and consistently figured among the most-loved airlines for its warm hospitality and stellar service standards.'

"Jet's failure follows a raft of other failures in the sector such as Kingfisher, Deccan and Sahara. National carrier Air India is a basket case kept alive by the government by infusing thousands of crores of taxpayers' money," he said.

"It is a reflection not only on the sub-optimal management of the operations by the owners of these carriers, but also of the sheer neglect by the aviation mandarins to incessant pleas from the industry to introduce reasonable taxation and tariff policies as well as other expenses charged by the air-

Meanwhile, Jet Privilege has reached out to JP members assuring them that

their mile reward points would be redeemed and honoured by Etihad Airways, which owns a majority of Jet

As per the latest regulatory filing on shareholding, Naresh Goyal and his wife Anita Goyal hold 51% stake, which means the banks did not acquire 50.1% stake for ₹1, as demanded by them and approved by the Jet Airways board on March 25, 2019. At the same board meeting, the Goyals were made to resign, which included Mr. Goyal stepping down as chairman.

#### IATA suspends Jet

Also, the International Air Transport Association (IA-TA) has suspended the Clearing House membership of Jet Airways with immediate effect.

"Consequently, claims by and against the above-mentioned airline will not be processed. Claims already submitted for clearance have been excluded by the Clearing House," IATA said.

The petitioners blamed chairman Naresh Goval for the grounding of the airline and said, "it is all because of the folly of Mr. Goval, particularly his refusal to quit and pave the way for new investors. He tailed to realise that the only solution for him was to quit the management in favour of the new investors and allow them to take the driver's seat, but he tried to hold on, keep his private interest in preference to that of the company, its employees and thousands of its con-

the High Court directed the petitioners to approach the National Company Law Tribunal.