

MARKET WATCH

22-04-2019	% CHANGE
Sensex	38,645 -1.26
US Dollar	69.67 -0.46
Gold	32,870 0.61
Brent oil	74.13 -3.37

NIFTY 50

PRICE	CHANGE
Adani Ports	391.05 -0.50
Asian Paints	1443.35 -26.25
Axis Bank	755.50 -15.70
Bajaj Auto	3051.20 -18.30
Bajaj Finserv	7472.75 -98.40
Bajaj Finance	2991.25 -23.20
Bharti Airtel	349.40 2.45
BPCL	340.10 -22.80
Britannia Ind.	3000.15 2.40
Cipla	561.10 -0.45
Coal India	252.05 0.60
Dr Reddys Lab	2795.70 -3.40
Eicher Motors	20400.85 -623.05
GAIL (India)	344.85 -7.10
Grasim Ind.	863.90 -3.35
HCL Tech	1101.10 -1.55
HDFC	1953.90 -49.85
HDFC Bank	2268.70 -24.95
Hero MotoCorp	2689.50 -52.05
Hindalco	200.40 -6.80
Hind Unilever	1739.85 -0.95
Indiabulls NPL	733.95 -66.60
ICICI Bank	394.50 -9.90
IndusInd Bank	1691.00 -73.30
Bharti Infratel	299.60 -7.60
Infosys	721.05 4.00
Indian Oil Corp.	149.75 -6.35
ITC	301.80 -2.60
KJSW Steel	291.25 -7.90
Kotak Bank	1356.70 -12.95
L&T	1360.15 -0.55
M&M	673.40 -11.25
Maruti Suzuki	7321.25 -126.20
NTPC	136.00 0.65
ONGC	157.90 -2.70
PowerGrid Corp.	194.80 0.50
Reliance Ind.	1345.35 -40.60
State Bank	310.05 -0.75
Sun Pharma	454.50 -8.70
Tata Motors	234.85 -1.40
Tata Steel	534.20 -8.90
TCS	2161.45 11.40
Tech Mahindra	805.35 5.00
Titan	1123.70 -1.70
UltraTech Cement	4204.85 -55.10
UPL	937.30 3.25
Vedanta	175.00 -3.60
Wipro	288.25 3.45
YES Bank	238.35 -17.45
Zee Entertainment	396.55 -5.75

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on April 22

CURRENCY	TT BUY	TT SELL
US Dollar	69.47	69.79
Euro	78.15	78.51
British Pound	90.21	90.63
Japanese Yen (100)	62.07	62.35
Chinese Yuan	10.35	10.40
Swiss Franc	68.46	68.78
Singapore Dollar	51.21	51.45
Canadian Dollar	52.01	52.25
Malaysian Ringgit	16.80	16.90

Source: Indian Bank

BULLION RATES CHENNAI

April 22 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.5	(40.3)
22 ct gold (1g)	3021	(3031)

RBI to assess if Indiabulls is 'fit and proper'

Will group founder Sameer Gehlaut's name figuring in Panama Papers impact merger with LVB?

MANOJIT SAHA
MUMBAI

The Reserve Bank of India (RBI) may closely examine the fit-and-proper criteria of Indiabulls Group founder and chairman, Sameer Gehlaut, whose name appeared in the Panama Papers, before approving the proposal to merge the group's housing finance arm with Lakshmi Vilas Bank (LVB).

Indiabulls Housing Finance and LVB boards had proposed a merger, that would help the bank get capital and, Indiabulls make an entry into banking. Mr. Gehlaut is proposed to be vice-chairman of the merged entity.

In 2016, leaked documents from the Panama-based law firm Mossack Fonseca, showed a list of those



Clear and legal: Sameer Gehlaut's offshore investments have been reported to RBI, says Indiabulls. • GETTY IMAGES/ISTOCK

who had allegedly opened shell firms in tax havens. That included the names of 500 Indians. The non-banking finance company had applied for a universal bank licence when the RBI invited applications in 2013 but failed to secure one. Central

bank sources said since the 'fit and proper' criterion was a key parameter for RBI to grant banking licence, the Panama Papers incident would be examined by the regulator before taking a call on the proposed merger.

"Promoter/promoting en-

tity/promoter group should have a past record of sound financials, credentials, integrity and have a minimum 10 years of successful track record," one of the RBI's norms had said for on-tap licensing of universal banks in 2016.

Compliant with law
Indiabulls, in response to a query from *The Hindu*, said Mr. Gehlaut's investments abroad were in full compliance with all extant and current laws of the land, both from the 'FEMA angle, and also from the Income Tax angle.'

"Every single penny, which was invested offshore, has been under Overseas Direct Investment (ODI) regulations, and all funds remitted were out of Mr. Gehlaut's tax-paid moneys, and were duly

reported to the RBI in regulatory filings through the Authorised Dealer. The same were also reported in his income tax returns and balance sheets," Indiabulls said. The company said subsequent to the Panama leaks, authorities concerned had examined 'each and every remittance' Mr. Gehlaut made and they were found to be in full compliance with relevant laws of the land.

"All records, including approvals and work status in respect of projects undertaken under the aegis of Mr. Gehlaut's offshore proprietary arm, have been shared with the authorities, and there has been no violation or infringement whatsoever of any of the rules and regulations governing overseas investment," it added.

RBI may have ₹3 lakh cr. excess capital: BofAML

Jalan panel to submit report shortly

SPECIAL CORRESPONDENT
MUMBAI

As the Bimal Jalan Committee prepares to submit its report on RBI's economic capital framework, a report by Bank of America Merrill Lynch (BofAML) has said the excess reserves that the central bank holds could be up to ₹3 lakh crore or 1.5% of the GDP.

"Our stress tests estimate RBI's excess capital at ₹1,000-₹3,000 billion," the report said.

The Jalan Committee was set up in end-December and is expected to submit its report within 90 days of its first meeting. RBI Governor Shaktikanta Das had said during the post-monetary policy interaction on April 4

that the deliberations were in advanced stages and it would require 'a few more days' to finalise the report.

If the contingency reserves are halved to 3.25% from the current 6.5%, it would release ₹1.282 lakh crore – still 50% higher than what central banks in the BRICS grouping have.

Similarly, halving the yield cover hike to 4.5% from the present 9% would release another ₹1.17 lakh crore, the report said.

BofAML further said capping the overall reserves at 20% from the present 25.5% will release ₹1.96 lakh crore. Using the excess capital for bank recapitalisation would be liquidity neutral and aid in making rate cuts.

GAIL emerges highest bidder for IL&FS wind assets' portfolio

Offers ₹4,800 crore for seven plants with 874 MW capacity

SPECIAL CORRESPONDENT
MUMBAI

State-run GAIL (India) Ltd. has emerged as the highest bidder for seven wind power projects of the debt-ridden Infrastructure Leasing and Financial Services (IL&FS), after it made an offer of ₹4,800 crore.

The process to sell the assets was initiated on November 29. After due-diligence, including visits across 12 sites spread across seven States, GAIL had emerged as the highest bidder for the seven operating wind power plants having a total generation capacity of 874 MW. The deal is expected to close in three weeks.



"GAIL's offer of approximately ₹4,800 crore for 100% of the enterprise value contemplates no hair-cut to the debt of the special purpose vehicles (SPVs), aggregating to approximately ₹3,700 crore," IL&FS said. The proposal was unanimously approved by the

Committee of Creditors (CoC) of IL&FS Wind Energy Limited (IWEL), majority owner of the SPVs.

Engagement with ORIX Japan, the other shareholder in the SPVs, with regard to the proposal is in progress, IL&FS said.

The sale proceeds, as and when realised by IWEL, would be held in trust for distribution to the relevant stakeholders, in accordance with the resolution framework filed with the NCLAT by the government.

The new board of IL&FS had initiated sale of a number of group's assets, aimed to address a significant portion of the group's debt.

Biopharma and agro-economy set for boom in India: Shaw

'Bio-economy may touch \$200 billion'

SPECIAL CORRESPONDENT
BENGALURU

These are exciting times for India's biopharma and agro-economies as these sectors are set to boom in the near future, according to Kiran Mazumdar-Shaw, CMD, Biocon.

Participants in these segments, including farmers, are increasingly realising the value of data they are generating on a daily basis. Intelligent data mining will lead to knowledge creation, product innovations, accurate diagnostics and cost-effective healthcare, she said, addressing a session on "India's Growing Bio Economy."

Ms. Shaw said the country's bio-economy sector was set to touch \$200 billion by 2030.

Pointing out that in India, the investment in research and development was less than 1% of GDP, she said, "We must invest at least 2% of our GDP in science, technology (S&T) and research. We have to up our investments in basic research, applied research and translational research.

"America has increased its focus on S&T. Brazil spends 2.5% of its GDP and Russia spends upwards of 2%," she added.

Ms. Shaw said that India's



Kiran Mazumdar-Shaw

education system must embrace research culture and leverage the powerful tool of scientists and engineers available in the country.

Gene sequencing cost
"Gene sequencing cost has come down substantially, which can be utilised for diagnosis of critical disease and in other areas – Indian companies can hugely benefit from gene sequencing," she added.

Farmers generate a large amount of data and this opens up opportunity for data analytics and big data firms in the country.

"Interestingly, India has 15 agro-climatic zones.

"We have unique flora, fauna and ayurvedic plants. We need to create IP (intellectual property) around them and create value around data," the CMD of Biocon added.

'Digital infra to play key role in reviving economy'

Aadhaar is the underlying technology for various public domain digital services, says Nilekani

SPECIAL CORRESPONDENT
BENGALURU

The Aadhaar has worked as a digital infrastructure backbone helping governments in India to roll out several real-time initiatives and service delivery capabilities for citizens and enterprises alike, said Nandan Nilekani, chief architect of Aadhaar and co-founder and chairman, Infosys.

The Aadhaar, serving as an electronic know-your-customer (KYC) tool, has triggered massive customer additions in the country's financial and telecom sectors and similar explosive growth is expected across other segments as well in the years to come, said Mr. Nilekani at

FICCI's National Executive Committee Meeting here on Monday.

Data central to citizens

"Once data becomes the basis for decision-making across businesses, the country will witness dramatic transformation and growth. Data, globally, is becoming central to individual citizens and governments. We have witnessed dramatic transformation through Aadhaar-based e-KYC and online payments and our existing digital infrastructure will play a key role in reviving the economy," he said.

He further said that with Aadhaar, many elements of the digital infrastructure



Nandan Nilekani

have been created. "[Aadhaar is] now critical for you to open a bank account, to get a mobile connection or to buy a mutual fund.

Earlier, KYC used to be a cumbersome process, and therefore, opening a bank account or getting a new phone connection used to be

Aadhaar made LPG subsidies, MNREGA payments, farmer subsidies, pensions corruption-free and seamless

a tough affair. Also, with digital signature becoming a reality, identity verification and other credential checks are now being done real-time and as a result, banks are able to sanction loans in hours."

The country already has over a billion bank accounts that are Aadhaar number linked. It makes transferring of funds easier and the country conducts over four billion financial transactions. In addition, Aadhaar based

e-KYC made LPG subsidies, MNREGA payments, farmer subsidies and pensions corruption-free and seamless. For all these, the underlying technology is Aadhaar, Mr. Nilekani added.

On the benefits of technology for business, he said, the Goods and Services Tax has increased the number of taxpayers. "GSTN is a great example of technology-led cooperative federalism."

Mr. Nilekani said, Aadhaar e-KYC has been revolutionary in making life simpler for people and India now has the infrastructure to deal with direct benefits transfers (DBT) in any segment, adding that DBT can revive the power sector.

Air traffic growth comes to a halt

Only 16,000 passengers more flew in March from a year ago

SPECIAL CORRESPONDENT
NEW DELHI

On the back of Jet Airways' collapse as well as the grounding of Boeing 737 MAX planes in the country, the growth in domestic aviation traffic was flat in March.

Indian airlines altogether flew 115.96 lakh passengers last month, a mere 16,000 more than the year-ago period, according to DGCA's monthly data.

India's domestic air traffic rise had been leading global trends and had recorded

double-digit growth since mid-2014. But since the end of 2018, this growth rate has tapered to less than 1%.

Jet Airways, which announced a temporary suspension of flight operations last week, saw its market share decline to 4.6% in March when it was operating with depleted fleet size after lessors grounded several planes because of non-payment of rentals.

The airline's market share same time last year was at 14.2%. The airline flew a

mere 5.37 lakh passengers last month.

As a result of cancellations by Jet Airways, flight related problems accounted for 60% of passenger grievances.

As many as 4,73,864 passengers were affected due to delays, cancellations and denied boarding.

Airlines will be paying a total sum of ₹476 lakh as compensation, which is a 45% increase over ₹329.62 lakh of compensation in February.

Oil at 6-month high on U.S. plan to curb Iran's exports

'Geopolitical risk premium returns'

REUTERS
NEW YORK

Oil prices jumped more than 3% on Monday to a near six-month high, on growing concern about tight global supplies after the United States announced a further clampdown on Iranian oil exports.

Washington said that in May it would eliminate all waivers allowing eight economies to buy Iranian oil without facing U.S. sanctions. "The geopolitical risk

premium is back in the oil market, in a big way," said John Kilduff, a partner at Again Capital LLC in New York.

"Most, if not all, legitimate commercial interests will avoid Iran oil purchases. Iran's flow will be reduced to a trickle."

Brent crude futures rose 3.37% to \$74.13 a barrel.

The session's high of \$74.31 for the global benchmark was the highest since November 1.

Blackstone to buy 51% stake in Essel Propack for up to \$462 million

Open offer for 26% at ₹139.19 apiece

PIYUSH PANDEY
MUMBAI

Leading investment firm Blackstone has entered into a definitive agreement with Ashok Goel Trust to purchase a majority stake in Essel Propack Limited (EPL), a speciality packaging company and one of the largest global manufacturer of laminated tubes, for up to \$462 million.

Ashok Goel Trust and its affiliates currently hold about 57% of EPL and Blackstone would pay a purchase price of ₹134 per share to acquire a 51% shareholding from the trust.

As per SEBI's takeover code, this transaction would trigger a mandatory open offer for purchase of an additional 26% shares of the firm, said both firms in a joint statement, adding the open offer price had been fixed at ₹139.19 apiece.

Based on the open offer subscription, the purchase price consideration would vary between ₹2,157 crore and ₹3,211 crore (or, approximately \$310 million – \$462 million).

The trust would retain a minority stake in EPL. The deal is expected to be completed in the coming months, subject to customary closing conditions and approvals.

Shift to laminated tubes

Amit Dixit, senior managing director and head of private equity in India at Blackstone, said, "We are excited to partner with the management team and support EPL's customers with continued investments. EPL has decade-long relationships with marquee global cus-



• GETTY IMAGES/ISTOCK

tomers and a track record of product innovation. Leveraging the ongoing industry shift to laminated tubes and EPL's leadership position in oral care, our plan is to accelerate growth in fast-growing end categories such as beauty, cosmetics and pharmaceuticals."

EPL's last 12 months revenue as of December 31, 2018 was ₹2,642 crore (\$380 million), registering a 10% year-on-year growth against industry growth of 2%, said the company.

Commenting on the deal, Mr. Ashok Goel, CMD, EPL, said, "As we embark on the next trajectory of growth at EPL, Blackstone brings deep expertise in packaging space globally with senior team of highly experienced professionals with a proven track record of creating value."

Asked if the money would be used to repay Essel Group debt, Mr. Goel said, "EPL is not the part of the Essel Group that you are referring to. We have no debts. There is no doubt that we are one single family and strong family but there is no commercial and financial relationship with each other and there are no cross holdings."

Sensex tanks 495 points as crude woes resurface

PRESS TRUST OF INDIA
MUMBAI

Market benchmark Sensex on Monday nosedived 495 points to end at 38,645 due to intense sell-offs in energy and financial stocks as investors weighed soaring crude oil prices and a mixed start of the corporate earnings season.

The broader NSE Nifty shed over 158 points to close at 11,594.

The rupee too plunged by 32 paise to close at a two-week low of 69.67 against the U.S. dollar. The domestic currency managed to recover some lost ground after touching 69.88, the lowest in more than a month, during intraday trade.

Market sentiment was hit as macroeconomic worries resurfaced following reports that the U.S. will end sanctions waiver on Iranian oil imports. Soaring crude prices at a six-month high level led to massive sell-offs on the bourses.

Sensex heavyweight Reliance Industries fell 2.76%. In percentage terms, major laggards were Yes Bank, Indusind Bank, RIL, ICICI Bank, HDFC and Axis Bank – plunging as much as 6.62%.

Meanwhile, foreign institutional investors purchased equity worth ₹73.08 crore on Monday.