

MARKET WATCH		
	23-04-2019	% CHANGE
Sensex	38,565	-0.21
US Dollar	69.62	0.07
Gold	32,770	-0.30
Brent oil	74.67	0.72

NIFTY 50		
	PRICE	CHANGE
Adani Ports	390.90	-0.15
Asian Paints	1431.00	-12.35
Axis Bank	753.25	-2.25
Bajaj Auto	3039.15	-12.05
Bajaj Finserv	7495.05	22.30
Bajaj Finance	3035.05	43.80
Bharti Airtel	316.50	-4.31
BPCIL	336.35	-3.75
Britannia Ind.	2991.00	-9.15
Cipla	561.70	0.60
Coal India	255.50	3.45
Dr Reddys Lab	2822.15	26.45
Eicher Motors	20314.90	-85.95
GAIL (India)	339.45	-5.40
Grasim Ind.	869.45	5.55
HCL Tech	1102.00	0.90
HDFC	1934.70	-19.20
HDFC Bank	2245.30	-23.40
Hero MotoCorp	2638.05	-51.45
Hindalco	200.35	-0.05
Hind Unilever	1730.20	4.35
Indiabulls HFL	744.20	10.25
ICICI Bank	396.50	2.00
IndusInd Bank	1651.35	-39.65
Infratel	294.00	-5.60
Infosys	728.20	7.15
Indian Oil Corp.	149.40	-0.35
ITC	303.40	1.60
JSW Steel	288.30	-2.95
Kotak Bank	1355.35	-1.35
L&T	1348.20	-11.95
M&M	665.75	-7.65
Maruti Suzuki	7048.90	-272.35
NTPC	133.65	-2.35
ONGC	163.75	5.85
PowerGrid Corp	193.00	-1.80
Reliance Ind	1363.85	18.50
State Bank	305.25	-4.80
Sun Pharma	468.55	14.05
Tata Motors	231.65	-3.20
Tata Steel	523.35	-10.85
TCS	2155.05	-6.40
Tech Mahindra	804.95	-0.40
Titan	1129.55	5.85
UltraTech Cement	4198.25	-6.60
UPL	942.75	5.45
Vedanta	174.80	-0.20
Wipro	291.10	2.85
YES Bank	232.70	-5.65
Zee Entertainment	409.15	12.60

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on April 23		
CURRENCY	TT BUY	TT SELL
US Dollar	69.42	69.74
Euro	78.08	78.44
British Pound	90.27	90.69
Japanese Yen (100)	62.03	62.32
Chinese Yuan	10.33	10.38
Swiss Franc	68.07	68.39
Singapore Dollar	51.15	51.39
Canadian Dollar	51.91	52.15
Malaysian Ringgit	16.81	16.91

Source: Indian Bank

## Oil prices at highest since November 1

Oil prices hit their highest since November on Tuesday after Washington announced the end of all waivers on imports of sanctions-hit Iranian crude, pressuring importers to stop buying from Tehran. Brent crude futures rose as high as \$74.70, a level not seen since Nov. 1, before paring their increase as the market gained confidence that global supply would remain robust.

Despite Washington's announcement, spare capacity from other suppliers such as Saudi Arabia and possible continued imports of Iranian crude by China could balance the market.

"Most people expect that China will continue to import Iranian oil and might even increase imports. They have to make a stand here," SEB commodities strategist Bjarne Schieldrop said. "Saudi Arabia will be capable of chipping in too to add to global supply," he added.

# RBI swap auction gets bids more than thrice the notified amount

RBI announces ₹25,000 cr. bond purchases; liquidity deficit is at over ₹1 lakh cr.

SPECIAL CORRESPONDENT  
MUMBAI

The second dollar-rupee buy/sell auction also saw healthy demand with the Reserve Bank of India getting 255 bids worth \$18.65 billion compared with the notified amount of \$5 billion.

Dealers said high cut-off premium indicated banks mostly stayed away but companies and NBFCs saw it as a good opportunity to lower hedging costs compared with the secondary market.

The cut-off premium was 838 paise compared with 776 paise the last time. In a statement after the auction, RBI said liquidity injected in the first leg was ₹34,874 crore. The move would help shore up the country's foreign exchange reserves which are now close to \$415 billion.

"Companies that raise funds via the external com-



Banks mostly stayed away from the auction but firms and NBFCs used it to lower hedging costs. •GETTY IMAGES/ISTOCK

mercial borrowing route find this route cost effective due to lower hedging cost as compared to the secondary market," said a dealer.

RBI had added this new toolkit for liquidity management to ease liquidity to reduce its dependence on open market operations. On March 26, RBI had bought \$5

billion through a similar swap auction.

Large tendering in today's auction also helped the rupee strengthen in the last trading hour of the day as it cut losses and ended the day at 69.62 a dollar, 5 paise higher than its previous close. After market hours, in a surprise move, the RBI an-

nounced bond purchases to ease liquidity further. It said it would buy ₹25,000 crore bonds in two rounds in May. "Based on a review of evolving liquidity conditions and assessment of the durable liquidity needs going forward, RBI has decided to conduct purchase of Government securities under open market operations for an aggregate amount of ₹250 billion in May 2019 through two auctions of ₹125 billion each," the RBI said in a statement.

## Tata arm to buy branded tea business of Dhunseri

The transaction is worth ₹101 crore

SPECIAL CORRESPONDENT  
KOLKATA

Tata Global Beverages Ltd. (TGBL) announced its decision to acquire the branded tea business of city-based Dhunseri Tea & Industries Ltd. for ₹101 crore subject to due diligence and necessary approvals.

Dhunseri currently owns the Lalghoda and Kalaghoda brands which are among Rajasthan's local brands. The move is in line with TGBL's ambition to grow its branded tea business in India, the company said in a statement.

### Revenue growth

TGBL also announced its results which showed a 5% revenue growth in the fourth quarter. However, consolidated net profit for the quarter (₹93.8 crore against ₹121.3 crore) and the year were lower at ₹473.8 crore against ₹567.3 crore due to higher exceptional items, higher share of losses from JVs and associates and higher one-time tax credits in



Ajoy Misra

the previous year, according to the statement.

Its India, tea business grew 7% by value for the year. U.K. business delivered a 4% revenue growth. Joint venture Tata Starbucks clocked 30% revenue growth with 16 stores across India. NourishCo recorded 10 topline growth

Ajoy Misra, managing director and CEO, TGBL said that profit had been impacted due to one-off items, commodity costs and increased brand investment. "We are strengthening our portfolio beyond black tea," he said.

## Softbank may invest \$2-3 bn in Reliance Jio

PRESS TRUST OF INDIA  
NEW DELHI

Japan's Softbank is reportedly looking to make a \$2-3 billion investment in telecom firm Reliance Jio as Reliance Industries CMD Mukesh Ambani is planning to de-leverage business by selling stakes.

This comes on the back of reports of Saudi giant Aramco taking part in discussions to buy a 25% stake in Reliance Industries' refining and petrochemical business for \$10-15 billion.

"Softbank has long been seen as a potential investor in Jio," JP Morgan said in a research report.

"For the past two years, our conversations with investors have highlighted expectations of Softbank investing in Jio and hence, the news flow is not surprising," it added.

It, however, remains to be seen how much money will Softbank actually put in, what the implied equity valuation is and if the e-commerce venture is included in the Jio entity.

## 'P&G India guilty of not passing on GST rate cut'

DGAP finds firm profited by ₹250 cr.

PRESS TRUST OF INDIA  
NEW DELHI

The GST profiteering investigation arm has found FMCG firm P&G India guilty of not passing on GST rate cut benefits to the tune of about ₹250 crore by commensurate reduction in prices.

Based on a complaint filed before the standing committee, the Directorate General of Anti-profiteering (DGAP) investigated the books of accounts of P&G India pre and post-November 15, 2017, and concluded that the consumer goods manufacturer had not lowered the prices of certain products despite a cut in GST rate to 18% from 28%.

"The DGAP report has concluded profiteering worth ₹250 crore by P&G. The National Anti-Profiteering Authority will pass the final order on the quantum of profiteering after hearing the company's views," an official said. P&G's India is the manufacturer of washing powder brands Ariel



•GETTY IMAGES/ISTOCK

and Tide; shampoo brands Head & Shoulders and Pantene; cosmetics brand Olay, and shaving and dental hygiene brands Gillette and Oral-B. It also manufactures products under the brand name Ambi Pur, Pampers, Vicks and sanitary napkin Whisper.

A P&G spokesperson said: "P&G has always been committed to passing on the net benefit of GST rate reduction to the consumers. We have passed the net benefit and communicated the same via advertising in the mass media to help increase awareness with the consumers, shoppers and retailers."



No new fumes: The 2025 plan comes on top of a shift in the company's strategy towards renewable energy. •PAUL NORONHA

## Tata Power puts coal on the backburner

70% capacity add-ons to be renewables

SPECIAL CORRESPONDENT  
NEW DELHI

Tata Power plans to forego thermal power capacity expansion in favour of renewable sources, according to a report. The company's plan till 2025 is for 70% of capacity expansion to come from renewable energy, and the remaining 30% from the acquisition of coal plants rather than building new capacity.

"The company's plan, 'Strategic Intent 2025', calls for up to 70% of new capacity additions to come from solar, wind and hydro through to 2025," a report by the Institute for Energy Economics and Financial Analysis said.

### Ongoing shift

The plan for 2025 comes on top of an ongoing shift in the company's strategy towards renewable energy.

Since the end of financial year 2012-13, 87% of all net power capacity additions have come from solar and wind installations, with most of the rest made up of hydro power additions (11%), the report said.

"As it stands, Tata Power's generation capacity is dominated by thermal [mostly coal-fired] power – majority

of which is financially unviable," the report said. "In addition, it now has a significant renewable energy capacity that has been acquired or commissioned in recent years."

More than 46% of Tata Power's 7,715 MW thermal power generation comes from the Mundra plant in Gujarat, run by its subsidiary Coastal Gujarat Power Ltd. (CGPL).

The plant is fuelled by imported coal and due to higher-than-expected prices for imported coal, incurred significant continuous yearly financial losses.

By the end of financial year 2017-18, CGPL had incurred total losses in excess of \$1.2 billion, and had a further loss of \$191 mn over the first three quarters of financial year 2018-19, the report said. The unviability of thermal power and the increasing affordability of renewable energy are two major driving points for Tata Power's shift towards renewables.

"According to its 'Strategic Intent', Tata Power will invest in up to 11 GW of renewables and hydro up to 2025, and it has been indicated by CEO Praveer Sinha that the bulk of this will be in solar."

## JSPL delivers 97,400 tonnes of rails worth ₹500 cr. to Indian Railways

The company bags order for another 30,000 tonnes

SPECIAL CORRESPONDENT  
MUMBAI

Jindal Steel and Power Limited (JSPL) has completed the delivery of its first-ever order from Indian Railways to supply 97,400 tonnes of rails valued at ₹500 crore.

The company had bagged the contract from the public transporter in July 2018, through a global tender, which saw participation from seven leading global

rail manufacturers.

JSPL started dispatching the first consignments of rails on August 15, 2018 from its Raigarh plant and completed delivery of total quantities on April 22 this year, almost four months ahead of schedule, said JSPL.

"It is indeed a historic moment and a matter of great pride for JSPL. We are proud to have contributed to government's Make-In-India

initiatives and complete such a challenging project far ahead of schedule," said Naushad Akhter Ansari, Joint MD of JSPL.

Indian Railways has awarded an additional quantity of about 30,000 tonnes of rails to JSPL under the same global tender.

The company had also supplied rails to Iran and Bangladesh and to dedicated freight corridor of India.

## Shipping firms seek PM's help to stay afloat

Seek scrapping of circular, notification taking away their Right of First Refusal

LALATENDU MISHRA  
MUMBAI

Over two dozen Indian shipping companies have submitted a memorandum to the Prime Minister Narendra Modi, seeking his immediate intervention to scrap a recent notification and a circular which, according to them, would force them to shut down, resulting in heavy job losses.

They said the Indian flag shipping industry was heading for a crisis arising out of Notification No. 2 of 'Make in India' dated February 13, 2019, issued by the Ministry of Shipping, and Circular No. 2 of 2019 issued by the Director General of Shipping, Mumbai.

The circular equates a foreign ship taken on hire, with a ship actually owned under the Indian flag by an



Rising tide: Foreign flag vessels built in India but not owned by Indian firms are preferred over those under Indian flag.

Indian company. Besides it gives priority in government contracts to those ships, just because they were once built in India.

### Advantage foreign firms

Indian flag vessels have been enjoying the Right of First Refusal (ROF) which enables them to match the lowest

rates quoted by a foreign vessel and take that business. This has aided growth of the Indian fleet since it helps to ensure that no Indian asset remains idle. Indian ship owners said this right has been taken away by the government and given to foreign shipping companies. "While we applaud the in-

tent of the notification in respect of incentivising ship building in India, we are concerned that the notification and the circular issued by the government are detrimental to the survival of the Indian shipping industry," the memorandum said.

Indian ship owners said the notification and circular indicate that the Ministry and the DG Shipping favour those who temporarily hire foreign flag assets and remit money out of India, rather than those investing in the Indian economy with a \$15-50 million asset.

"The government gives preference to foreign flag vessels built in Indian yards but not owned by Indian companies, over [those under] Indian flag," said Sachin. K. Kshirsagar, Director, SS Offshore Pvt. Ltd.