ECONOMY

GOLD	RUPEE	OIL	SILVER
₹33,020	₹70.02	$73.74*	₹38,750

*Indian basket as on April 24, 2019

SENSEX: 39,067.33 ▲ 336.47 **NIFTY:** 11,754.65 ▲ 112.85 **NIKKEI:** 22,258.73 ▼ 48.85 **HANG SENG:** 29,605.01 ▲ 55.21 **FTSE:** 7,412.11 ▼ 22.02 **DAX:** 12,286.69 ▲ 4.09

International market data till 1900 IST

23 PRIVATE PLAYERS MOBILISE TOTAL PREMIUM OF ₹72,461 CR IN FY19

Premium mobilisation of private life insurers up 22.2%, market share rises

GEORGE MATHEW
MUMBAI, APRIL 26

WITH THE private sector garnering more market share, the life insurance industry's premium collection at Rs 214,672 crore, has recorded a growth of 10.73 per cent in 2018-19, largely driven by individual non-single premium and group single premium.

However, the number of policies sold by the 24 players including the lone state-owned player, Life Insurance Corporation (LIC), has almost remained flat at 2.86 crore with a growth of 1.73 per cent. LIC, with a market share of 66.74 per cent, has further lost its market share to the 23 private market players in 2018-19. In 2017-18, it had a market share of 69 per cent. The number of policies sold by LIC at 2.14 crore has stagnated, recording a growth of 0.46 per cent during 2018-19.

According to figures compiled by IRDAI, 23 private players have mobilised a total premium of Rs 72,461 crore, registering a growth of 22.20 per cent. However, in terms of policies at 72.54 lakh, these players have just recorded a growth of 5.74 per cent. With a market share of almost 7 per cent, the listed HDFC Life has emerged as the largest private sector players and second largest life insurance player in the country. The life insurance venture between HDFC and UK-based Standard Life has also been the highest grosser of new premium among the private sector players at Rs 14,971 crore, up 32 per cent while total premium rose 24 per cent to Rs 29,186 crore.

SBI Life, with a total new premium Rs 13,792 crore, up 26 per cent and with a market share of 6.42 per cent has consolidated its position as the second largest private sector player in the country. ICICI Prudential Life, with a market share of 4.78 per cent and with a new premium of Rs 10,251,up 12.43 per cent, has remained as the third largest private sector player in the industry.

Max Life with a new premium of Rs 5,169 crore, up 19 per cent, and with a market share of 2.40 per cent, has become the fourth largest player in the industry. "The private life insurance industry has seen a healthy growth of 20 per cent over the previous 2 years. In this backdrop, we would expect the industry to stabilise at a 13-15 per cent growth rate over the next two years," said Prashant Tripathy, managing director & chief executive officer, Max Life Insurance.

"As part of our strong multi-channel distribution architecture we will continue to strengthen our relationships with large existing banccassurance partners as well as to build upon our agency footprint and expand the share of our proprietary channels to the tune of 35-40 per cent over the next 2-3 years," Tripathy said.

Announcing the HDFC Life results, Vibha Padalkar, MD & CEO said, "Our continued focus on diversifying our distribution mix and maintaining a balanced product mix is underpinned by the growth of our proprietary channels and our dominant presence across all product segments. We believe that our technological capability coupled with our focus on innovation puts us in a good position to maximise the tremendous potential of protection and retirals opportunities." Bajaj Allianz Life insurance, with a total new premium of Rs 4,922, up 15 per cent, is now the fifth largest player in industry during 2018-19. Kotak Mahindra Life Insurance with a new premium of Rs 3,977 crore, up 17 per cent, Aditya Birla Life with a new premium of Rs 3916 crore, up 47 per cent, Tata AIA Life Insurance, with a new premium income of Rs 2475 crore have also performed well in 2018-19.

The industry as a whole in the individual non-single premium, has generated a total new premium of Rs 66,000 crore, up 10 per cent in 2018-19, while in the group single premium, which are largely corporate pension investment, it has gathered a new premium of Rs 108,408 crore during the reporting year. Analysts said the growth in the individual non-single premium and deceleration in the individual single premium are positive trends in the industry.

Data released by the General Insurance Council showed the four main public sector insurers which have recorded a premium collection of Rs 68,719 crore, up 1.37 per cent, have ceded five per cent of their market share to the private sector insurers (excluding the stand alone health insurers) which have mobilised a total premium of Rs 81,600 crore, up almost 25 per cent, during 2018-19.

EXPLAINED

Better pay, faster decisions give edge to private players

PRIVATE SECTOR players are increasing their market share in the life insurance business which was completely dominated by the public sector earlier. What put them in a better position to handle competition are better pay packets, faster decision making, listing on the stock exchanges, a host of new product launches and marketing.

Private players are banking on technological capability coupled with focus on innovation to put them in a good position to maximise the potential of protection and retiral opportunities. However, private players will have to find a solution to complaints regarding mis-selling of products, or unsolicited selling of insurance products to gullible customers, in order to remain in the race.

Rupee, Sensex rebound as crude oil price slides

ENS ECONOMIC BUREAU
MUMBAI, APRIL 26

THE RUPEE on Monday rebounded by 23 paise to close at 70.02 against the US dollar on Friday and the BSE Sensex rallied 336 points to reclaim the 39,000-level after Brent crude oil prices receded from a six-month high of US $75.60 per barrel.

Brent crude futures, the global oil benchmark, slipped 3.6 per cent to $71.71 per barrel paving the way for the recovery in the rupee and the equity markets. The dollar's weakness against key rivals overseas, sustained foreign fund inflows and heavy buying in domestic equities also supported the rupee's recovery. The rupee had slumped 39 paise to close at more than six-week low of 70.25 against the US dollar on Thursday.

"Indian rupee recovered Thursday's loss after Brent crude oil prices recedes from a six-month high of $75.60/barrel," V K Sharma, head PCG & capital markets strategy, HDFC Securities said adding that since start of the April the correlation between Brent crude oil and the USD-rupee was steadily rising. On a weekly basis, the domestic currency saw a 67 paise decline.

The 30-share BSE Sensex, which opened on a firm footing, rallied in late-afternoon trade. It finally closed at 39,067.33, up 336.47 points, or 0.87 per cent. The NSE Nifty climbed 112.85 points, or 0.97 per cent, to 11,754.65. It was a highly volatile week for the benchmarks, with the Sensex logging a gain/loss of more than 300 points in four out of five sessions.

Vinod Nair, head of research, Geojit Financial Services, said, "Investors were on a profit booking mood this week given weak global cues and general elections. Additionally, the end of US waivers on oil imports from Iran has led to rise in oil prices which was a concern for the market. The sentiment was further impacted by the rise in 10-year bond yield and the rupee depreciation. Global markets were mixed on account of results and concern over slowdown in Chinese central bank's stimulus packages." On Friday, fall in oil prices in expectation of rise in output by OPEC provided a positive impetus for market. Further, better Q4 results and strong FIIs flows helped market to end on a positive note. However, mid and small caps continued to underperform.

Tata Steel was the biggest gainer in Sensex pack Friday, spurting 6.67 per cent after the firm posted a rise in consolidated income for the March quarter. Axis Bank gained 2.61 per cent after it reported a net profit of Rs 1,505 crore for March quarter, driven by a significant decline in provisioning and higher interest income. ICICI Bank, TCS, SBI, RIL, Infosys, HDFC twins, Kotak Bank, HUL, NTPC, IndusInd Bank, Sun Pharma, HCL Tech, Bajaj Finance L&T and ITC rose by up to 3.05 per cent. "Falling crude prices and rising rupee helped sentiments on the street. Chinese stocks fell on Friday, posting their sharpest weekly fall since October 2018, as investors feared that China may not continue its stimulus measures amid signs of economic stabilisation. The US-China trade issues that are taking longer than expected to be resolved also weighed on the sentiment," said Deepak Jasani, head – retail Research, HDFC Securities.

Sectorally, BSE metal, bankex, oil and gas, IT, energy and teck indices ended in the green and gained 1.92 per cent. BSE auto, consumer durables and telecom finished with losses of up to 1.06 per cent. Meanwhile, broader indices underperformed the benchmarks, with the BSE Midcap and Smallcap shedding up to 0.44 per cent.

Oil drops 3% after Trump tells OPEC to lower prices

New York: Oil prices tumbled more than 3 per cent on Friday after US President Donald Trump again pressured the Organization of the Petroleum Exporting Countries to raise crude production to ease gasoline prices.

Profit-taking from the oil market's strongest bull run in at least a year also pushed prices through technical stops which accelerated the decline, analysts said.

Brent crude futures dropped $2.64, or 3.6 per cent, to $71.71 a barrel by 12:05 pm. West Texas Intermediate crude fell $2.39, or 3.7 per cent, to $62.82 a barrel, a three-week low. Brent was poised to lose 0.4 per cent on the week, while WTI was headed for a 1.8 per cent weekly loss. Crude futures had rallied 40 per cent higher this year. **REUTERS**

IBBI CHIEF:

Resolution plans yielded 200% of liquidation value for creditors

ENS ECONOMIC BUREAU
NEW DELHI, APRIL 26

RESOLUTION PLANS under the Insolvency and Bankruptcy Code (IBC) have yielded double the liquidation value for creditors who are realising an average 45 per cent of their claims, according to Insolvency and Bankruptcy Board of India (IBBI) Chairman MS Sahoo.

On an average, resolutions through the Corporate Insolvency Resolution Process (CIRP) take 300 days and entail a cost of 0.5 per cent, he said. The average time taken for resolution is still higher than the 270 days stipulated under the IBC, mainly due to litigations. "This is significantly better as compared to the previous regime which yielded a recovery of 25 per cent for creditors through a process which took about five years and entailed a cost of 9 per cent," industry body Ficci said in a statement quoting Sahoo as saying. The IBBI chief was speaking at the Ficci-IBBI-CGI-HK Conference on IBC in Hong Kong.

Sahoo said the repayment of debt is no longer an option; rather it's an obligation as tolerance for default has disappeared. "Through the process of resolution, the ownership (of the stressed firm) often shifts to third parties. Thus, ownership of firm is no more a divine right and equity is no more the only route to own a company," he said. Creditors also need to explain to themselves and their stakeholders why they initiated an insolvency proceeding or why they did not, in case of a default. **FE**

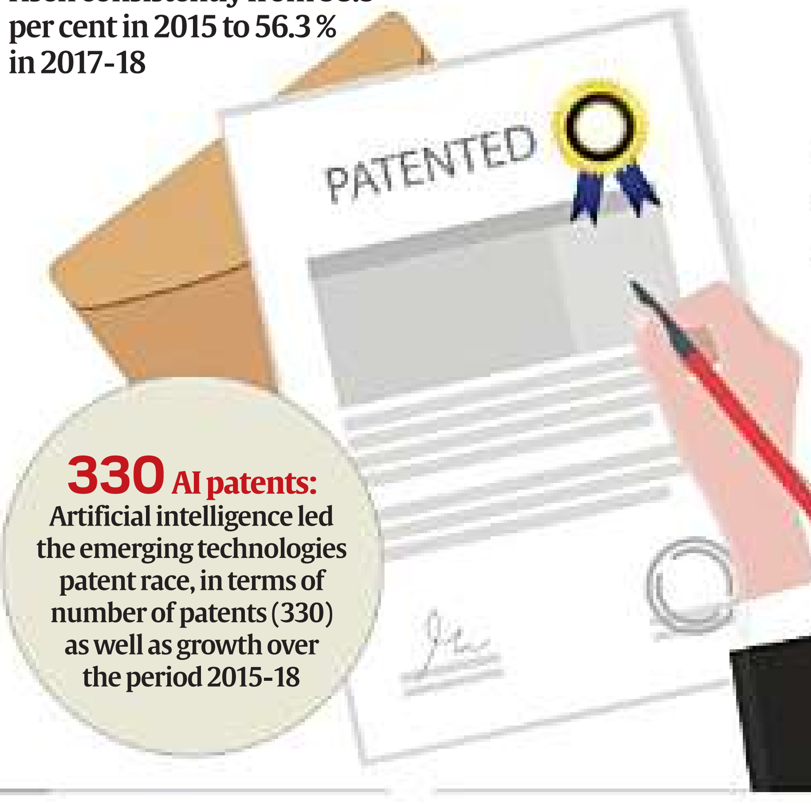
'OVER 4,600 PATENTS FILED BY INDIA-DOMICILED FIRMS IN US BETWEEN 2015-2018'

India-domiciled companies filed over 4,600 patents in the US between 2015-2018, a majority of which were from the technology domain, a report by industry body Nasscom, titled 'Emerging Technologies: Leading the Next Wave of IP Creation for India', said

200 patents by Indian startups: Indian start-ups have filed nearly 200 patents in the US during 2015-18, a majority of which focused on emerging technology areas including image processing, artificial intelligence, cyber security, vehicle technology and Internet of Things (IoT)

13.8% rise in tech patents: Share of technology patents from India-domiciled firms has steadily increased, from 51 per cent in 2015 to 64.8 per cent in 2017-18

18% rise in emerging tech patents: Within technology patents, share of emerging technologies has risen consistently from 38.3 per cent in 2015 to 56.3 % in 2017-18



330 AI patents: Artificial intelligence led the emerging technologies patent race, in terms of number of patents (330) as well as growth over the period 2015-18

Patents filed in new areas: There has been growth in patents filed in newer application areas

Cyber security	96
Digital payments	31
e-commerce	87
Navigation	58

Patents filed in 2017-18 in other tech domains: Patents filed in the following domains accounted for more than 50 per cent of the tech patents filed in 2017-18

Cyber security	193
IoT	107
Cloud computing	88

IL&FS CASE

NCLT issues notices to Bawa, CEOs of Axis, Standard Chartered Bank

ENS ECONOMIC BUREAU
MUMBAI, APRIL 26

THE MUMBAI bench of the National Company Law Tribunal (NCLT) on Friday issued notices to the CEOs of Axis Bank — Amitabh Chaudhry — and Standard Chartered Bank — Zarin Daruwala — on a contempt plea by the Ministry of Corporate Affairs (MCA) after it was allegedly found that former IL&FS managing director and CEO Ramesh Bawa had transferred Rs 1.14 crore from his bank accounts to the accounts of his wife and daughter despite the court ordering the freezing of his accounts.

The tribunal also issued notices to Bawa, his wife and daughter.

The CEOs of the banks as well as Bawa, his wife and daughter have been given 14 days time to reply to the notice after which MCA has seven days time to file its rejoinder.

The next date of hearing has been scheduled for June 7.

"The Bank will be responding to the contempt petition within the prescribed timeline," Standard Chartered Bank said in an email statement.

Investigations by the MCA showed that Rs 1.14 crore was transferred from Bawa's account to the accounts of his wife and daughter after the court had ordered the freezing of his account on December 3, 2018. Besides the money withdrawal, the lockers in the name of Bawa were also opened in Axis and Standard Chartered Bank as late as March 27, 2019.

The MCA also filed two applications at the tribunal to bring Bawa's wife and daughter under the purview of the December 3 order. In response, the tribunal ordered a Rs 2-lakh limit on the monthly withdrawal from the bank accounts of the wife and daughter.

The tribunal also noted that Bawa transferred Rs 3.84 crore to his daughter's bank account on December 3 after learning of the government's petition at the tribunal seeking to freeze the assets. The government counsel alleged that the lockers held by Bawa were operated multiple times since the December 3 order was issued, and the banks facilitated these transactions despite the knowledge of the NCLT order.

On December 3, the NCLT had mandated Bawa and eight other senior IL&FS officials to disclose their movable and immovable assets. The tribunal had also ordered that their assets, including bank accounts and lockers, be frozen. The freeze was put in place after the Serious Fraud Investigation Office (SFIO) reported its interim finding on the IL&FS fraud case. **FE**

IL&FS firm puts its China road arm JV on the block

Mumbai: ITNL International, a subsidiary of the bankrupt infra lender Infrastructure Leasing & Financial Services (IL&FS) is looking to sell its 49 per cent stake in Chongqing Yuhe Expressway Company in China, the company said.

The Singapore-based ITNL International is a wholly-owned subsidiary of IL&FS Transportation Networks.

The balance 51 per cent is owned by local partner Chongqing Expressway Group, one of the largest state-owned enterprises in China's Chongqing with $25 billion in assets. Chongqing Yuhe Expressway holds a concession for a tolled expressway of around 58.72 km in mainland China, over which it has the right to collect toll. **PTI**

Lenders vote on Patanjali plan for Ruchi Soya

MITALI SALIAN
MUMBAI, APRIL 26

PATANJALI AYURVED'S Rs 4,350-crore plan for debt-laden Ruchi Soya, currently in the midst of the Corporate Insolvency Resolution Process, was put to vote on Friday. The committee of creditors (CoC) met twice consecutively over Thursday and Friday to discuss and finalise technical aspects of the resolution plan before the voting process began.

Meanwhile, there has been no decision yet on forfeiture of the Rs 50-crore earnest money deposit paid by Adani Wilmar on account of its withdrawal from the process in January, citing delay in the resolution process.

One lender aware of the developments, on the condition of anonymity, said, "E-voting on the Patanjali plan will begin on Friday and the results will be known early next week. Meanwhile, the plan itself was discussed in detail because bankers want to avoid a repeat of the events that took place with Essar Steel."

In August 2018, more than 96 per cent of the creditors had reportedly voted in favour of Adani Wilmar's resolution plan for the insolvent Ruchi Soya that included a payment of Rs 4,300 crore to financial creditors and an around Rs 1,700-crore equity infusion into the company.

However, in January 2019, Adani Wilmar, which had been selected as the highest bidder for Ruchi Soya Industries, informed the Mumbai bench of the National Company Law Tribunal (NCLT) of its decision to withdraw the proposed resolution plan citing delays in the Corporate Insolvency Resolution Process. **FE**

CoC MET ON THURSDAY AND FRIDAY

- The committee of creditors (CoC) met twice consecutively over Thursday and Friday to discuss and finalise technical aspects of the resolution plan before the voting process began
- E-voting on the Patanjali plan will begin on Friday and the results will be known early next week, one lender aware of the developments, on the condition of anonymity, said

FARES TO SEVERAL FOREIGN DESTINATIONS RISE BETWEEN 4% & 32% FROM A YEAR AGO PERIOD

Foreign carriers savour rising India demand as Jet Airways crumbles

REUTERS
NEW DELHI/MUMBAI, APRIL 26

THE GROUNDING of India's Jet Airways is turning into a quick windfall and long-term opportunity for international airlines keen to scoop up nearly a million outbound passengers from what was once the nation's biggest airline.

Jet, which previously had a fleet of around 120 largely Boeing Co planes, was forced to indefinitely halt all flight operations on April 17 after its banks rejected the carrier's plea for emergency funds.

The carrier's descent into crisis has benefited international airlines in the form of rising fares and demand, data showed.

Fares from India to cities such as Dubai, London, New York, Singapore and Bali in the first quarter of 2019 rose between 4 per cent and 32 per cent from a year ago, according to travel portal MakeMyTrip Ltd. In the peak travel months of May and June, fares to London have spiked as much as 36 per cent and tickets to San Francisco are up nearly 20 per cent from a year ago, according to data from travel portal Yatra.com.

"For the next three months it's actually bonanza time for international players," said Ashish Nainan, a research analyst at CARE Ratings. Due to rising demand, even before Jet's lessors grounded planes, carriers such as British Airways, Cathay Pacific Airways Ltd, Singapore Airlines Ltd and United Airlines saw an up to a 27 per cent increase in passenger numbers from India in the last quarter of 2018, data from India's aviation regulator showed.

Jet Airways aircraft parked at Chhatrapati Shivaji International Airport in Mumbai. *Pradip Das*

India is one of the world's fastest-growing aviation markets, clocking 15-20 per cent domestic growth in recent years. It has long had only two full-service long-haul carriers, state-run Air India and Jet. Jet is now hoping to be bailed out by a new investor, with final bids due on May 10.

Before its grounding, Jet had the biggest share of India's outbound international air traffic, carrying 12 per cent of the 7.8 million passengers headed overseas in the October-December quarter, down from 14 per cent a year earlier, data from the Directorate General of Civil Aviation showed.

The total number of passengers travelling overseas with Jet fell 10 per cent during the last quarter of 2018 even as the outbound travel market grew about 5 per cent. Meanwhile, Singapore Airlines posted a 27 per cent increase in passengers from India, Cathay registered 17 per cent growth and British Airways saw a 10 per cent rise in the same period.

Cathay said the events at Jet combined with rise in demand for travel had led it to deploy larger aircraft with more seats on some Indian routes. "In the long term we would certainly like to be able to offer more capacity into India, not just on our existing routes but by establishing new services to secondary cities," Cathay said in a statement. Singapore Airlines, in an email, said the Indian market is "very promising" but declined to give details of airfare levels or demand patterns in the wake of Jet's exit, citing a quiet period before its annual results.

No word on salaries: Jet CEO to employees

ARUN NAYAL
NEW DELHI, APRIL 26

JET AIRWAYS CEO Vinay Dube on Friday wrote to employees of the airline expressing his frustration over inability to pay salaries as the lenders continue to deny any interim funds.

"While on the one hand, we are being told to preserve the value of Jet Airways during the bid process, on the other hand, with no salary payment, some of our colleagues, who are the very fabric and value of this airline, have no choice but to find employment elsewhere. When we highlight the disappointing irony of this situation to the lenders, we are simply told that this problem is to be addressed by the company's shareholders, who should and could have agreed on a resolution plan a long time ago," Dube has written.

He has written that the lenders have refused to release any funds for salary commitments and have asked them to wait for the outcome of the sale process. The bidding round involving four shortlisted suitors — Jet's equity partner Etihad Airways, India's sovereign wealth fund NIIF, US-based TPG Capital and Indigo Partners — is expected to be finalised by May 10.

"We have told them repeatedly that our employees are facing grave hardships owing to non-payment of their salaries and that if this were to continue any longer, our employees will have no option but to find employment elsewhere," Dube has written.

The full-service carrier announced the temporary suspension of all operations from April 17 after it ran out of funds.

Recently, Jet had written to the Ministry of Civil Aviation for safeguarding international flying rights of the carrier. Lenders too had expressed concerns about swift transfer of domestic airport slots to rival carriers.

Jet's domestic slots have been allotted to rival carriers for an interim period of three months. It also requested the government to protect the airline's slots and fleet in order to remain a lucrative buy for the potential suitors. **FE**