

MARKET WATCH		
	13-05-2019	% CHANGE
Sensex	37,091	-0.99
US Dollar	70.51	-0.84
Gold	33,018	0.20
Brent oil	71.11	0.42

NIFTY 50		
	PRICE	CHANGE
Adani Ports	364.75	-7.80
Asian Paints	1332.50	-8.55
Axis Bank	732.10	-2.95
Bajaj Auto	2972.75	6.55
Bajaj Finserv	7347.35	-36.35
Bajaj Finance	2931.85	9.00
Bharti Airtel	318.65	-5.45
BPLCL	355.10	-7.85
Britannia Ind	2676.55	-12.00
Cipla	546.70	-8.85
Coal India	242.10	0.85
Dr Reddys Lab	2802.75	-73.65
Eicher Motors	18751.75	-1602.25
GAIL (India)	332.05	-9.50
Grasim Ind	837.95	-19.65
HCL Tech	1083.65	-3.00
HDFC	1952.90	21.20
HDFC Bank	2287.20	-9.30
Hero MotoCorp	2510.75	3.45
Hindalco	192.20	-3.60
Hind Unilever	1702.00	14.55
Indiabulls HFL	659.05	-39.00
ICICI Bank	376.30	-8.80
IndusInd Bank	1393.30	-46.60
Bharti Infratel	265.45	3.20
Infosys	719.70	2.85
Indian OilCorp	142.60	-5.00
ITC	289.30	-8.45
JSW Steel	276.90	-10.45
Kotak Bank	1389.35	-8.80
L&T	1317.65	-37.85
M&M	617.60	-11.15
Maruti Suzuki	6543.75	-87.85
NTPC	123.55	-3.45
ONGC	164.10	-2.20
PowerGrid Corp.	182.65	-2.90
Reliance Ind	1232.05	-19.10
State Bank	306.90	-1.15
Sun Pharma	398.10	-39.65
Tata Motors	180.75	-5.15
Tata Steel	472.30	-14.50
TCS	2128.75	-7.05
Tech Mahindra	817.30	8.90
Titan	1144.70	12.60
UltraTech Cement	4338.45	-95.80
UPL	953.15	-5.85
Vedanta	154.20	-1.75
Wipro	289.10	-1.25
YES Bank	154.70	-9.15
Zee Entertainment	342.05	-29.15

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on May 13		
CURRENCY	TT BUY	TT SELL
US Dollar	70.33	70.65
Euro	79.12	79.48
British Pound	91.62	92.04
Japanese Yen (100)	64.39	64.68
Chinese Yuan	10.23	10.27
Swiss Franc	69.91	70.23
Singapore Dollar	51.40	51.64
Canadian Dollar	52.34	52.58
Malaysian Ringgit	16.88	16.97
Source: Indian Bank		

BULLION RATES CHENNAI		
May 13 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	40.1	(40.1)
22 ct gold (1 g)	3038	(3054)

Stocks tumble on U.S.-China trade spat

SPECIAL CORRESPONDENT MUMBAI

The escalation of U.S.-China trade war cast its dark spell on Indian equity markets with key indices plunging in line with the global stock markets.

The S&P Nifty witnessed the longest losing streak in over 8 years and on Monday closed with a loss 130.70 points or down 1.16% at 11,148.20, below the psychological mark of 11,150.

The Sensex also closed at a two-month low of 37,090.82, down 372.17 or 0.99%. Top losers included Sun Pharma (9.39%), Yes Bank (5.58%), Tata Steel (3.22%), IndusInd bank (3.20%) and Tata Motors(3.09%).

In the meanwhile, U.S. stock markets fell more than 2% on Monday after China announced retaliatory tariffs on U.S. goods.

At the heart of the sell-off were shares in major technology companies, including Apple Inc. as well as chipmakers, manufacturers and retailers that draw large chunks of their revenue from China.

Apple's shares fell 5.2%, putting the S&P and the Dow on track for their biggest one-day percentage drop since January 3. The sell-off that began with stocks surfing at an all-time high on May 1 has now knocked almost 5% off the S&P 500.

Rupee at 2-month low

The rupee came under pressure due to foreign fund outflows and on renewed concern of rising crude oil prices. On Monday the rupee depreciated 59 paise against the dollar to close at nearly two-and-a-half-month low of 70.51 against Friday's close of 69.92. Brent crude futures rose 1.57% to \$ 71.73 per barrel due to tensions in the Middle East.

(With Reuters inputs)

'Discourse on WTO reform lacks balance'

Reform agenda being promoted does not address concerns of developing countries, says Wadhawan

SPECIAL CORRESPONDENT NEW DELHI

The reforms being promoted in the World Trade Organization (WTO) are not in favour of the developing countries, the Ministry of Commerce said on Monday.

Addressing the inaugural session of the WTO ministerial meeting, Commerce Secretary Anup Wadhawan said the existential challenges to the multilateral rules-based trading system were manifest in a spate of unilateral measures and counter measures, deadlock in key areas of negotiations and the impasse in the appellate body.

"The situation in the WTO has spurred a strong discourse for reforming the WTO, which, unfortunately, is characterised by a com-



The fundamentals of global trade system are being tested through protectionism, says Anup Wadhawan. ■ BIJOY GHOSH

plete lack of balance," a Commerce Ministry statement quoted him as saying at the inaugural session of the meeting.

"The reform agenda being promoted does not address the concerns of the developing countries," the Commerce Secretary added.

Vodafone Idea Q4 loss down to ₹4,881.9 crore

Posts a marginal increase in revenue

SPECIAL CORRESPONDENT MUMBAI

Vodafone Idea Limited has reported a loss of ₹4,881.9 crore in the fourth quarter as compared to ₹5,033 crore in the preceding quarter on account of improving synergies due to merger of Vodafone India with Idea Cellular in August 2018.

There was a marginal increase in revenue during the quarter to ₹11,775 crore compared to the immediate preceding quarter as the service revenue inched up after 11 quarters of decline, indicating that the worst may be over for the company.

The telco's average revenue per user (ARPU) improved by 16.3% on quarter

to ₹104 per customer per month compared to ARPU of ₹89 in the earlier quarter.

The company, formed after merger of Vodafone India with Idea Cellular in August 2018, had reported a loss of ₹5,006.5 crore in the September 2018 quarter and loss of ₹5,033 crore in the December 2018 quarter.

"The strategic initiatives taken post-merger to improve revenues and ARPU have started to become visible in our financial results. The average daily revenue (ADR) for the quarter grew 2.3% QoQ after witnessing successive decline for the 11 prior quarters, benefiting from the introduction of 'service validity vouchers,' said a company statement.

CPI inflation quickens to six-month high of 2.92% on food, fuel prices

Food and beverages segment accelerated to 1.38% in April

SPECIAL CORRESPONDENT NEW DELHI

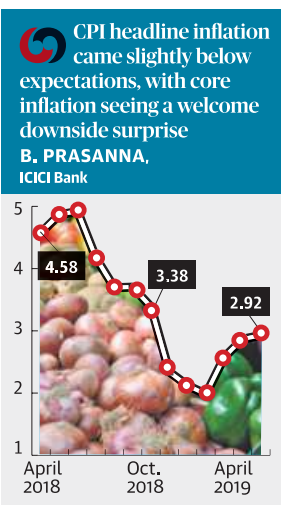
Retail inflation quickened to a six-month high of 2.92% in April, driven in large part by accelerating food and fuel inflation, according to official data released on Monday.

Growth in the consumer price index (CPI) quickened in April from 2.86% in March.

Within the index, growth in the food and beverages segment accelerated to 1.38% in April compared with 0.66% in March. Similarly, the fuel and light segment saw inflation quickening to 2.56% from 2.34% over the same period.

Core inflation

"CPI headline inflation came slightly below expectations, with core inflation seeing a welcome downside surprise," B. Prasanna, group head – global markets – sales, trading and research, ICICI Bank said.



Moreover, food inflation

continued to rise with sustained upward momentum in fruits and vegetables. We expect this trend to continue over the summer months."

Inflation in the pan, tobacco and intoxicants eased to 4.27% in April from 4.61% in March. Similarly, the clothing and footwear segment saw inflation slowing to 2.01% from 2.52% over the same period.

Housing segment

The housing segment saw inflation slowing to 4.76% in April from 4.93% in March.

"Based on this reading and the slowdown visible in industrial production, we maintain our call of another rate cut in the August policy, with the action being dependent on realised outcomes of monsoons and trajectory of oil prices," Mr. Prasanna added.

Mr. Wadhawan said that the meeting would provide a chance to reaffirm the resolve to keep development at the centre of the reform agenda.

"The reform initiatives must promote inclusiveness and non-discrimination, build trust and address the inequalities and glaring asymmetries in existing agreements," Mr. Wadhawan said.

"These asymmetries are against the interest of developing countries including LDCs [least developed countries]. There is a need to work together to put issues of importance for developing countries and their priorities in the reform agenda."

The fundamentals of the global multilateral trade system were being tested

through a tide of protectionism around the world that was vitiating the global economic environment, Mr. Wadhawan said. This was not a situation that boded well for developing countries and LDCs, he added.

"India believes that developing countries need to work together to protect their interests in the WTO negotiations through preservation of the core fundamental principles of the WTO," he said.

"The two-day meet gives an opportunity to the participating countries of developing a shared WTO reform proposal on issues of priority and interest for developing countries," Mr. Wadhawan added. The ministerial deliberations will take place on Tuesday.

ITC profit rises 18.7% in Q4

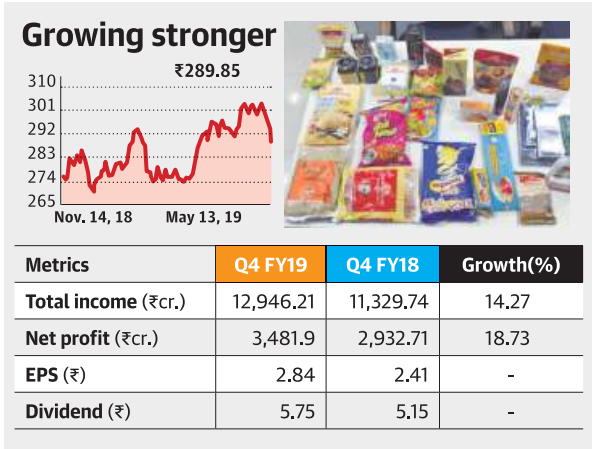
Paperboards, packaging, hotels and FMCG-other do well

SPECIAL CORRESPONDENT KOLKATA

ITC Ltd. closed the fourth quarter with a 18.7 % rise in its net profit to ₹3481.9 crores on the back of good performance by paperboards and packaging, hotels and FMCG-other segments.

The results were approved by the board on Saturday. The board recommended a dividend of ₹5.75 per ordinary share of ₹1 for the year.

ITC's profit for 2018-19 rose by 11.1% to touch ₹12,464.3 crore. It was driven by a robust growth in hotels, FMCG-others (excluding lifestyle retailing) and the paper segment. Agri business revenues were impacted by subdued demand



for leaf tobacco in international markets and leaf cost escalation.

The company said that after continued sluggishness over the last two years – during demonetisation and GST

roll out – there was anticipation of a significant pick up in FMCG. However this was muted after a pick in the first half of the year due to tight liquidity conditions and sluggish rural demand.

Jet revival plan hits air pocket?

Etihad Airways says bid for airline is purely conditional and not binding

LALATENDU MISHRA MUMBAI

The bidding process initiated by lenders of Jet Airways has technically failed because not a single entity submitted a binding bid as required by the SBI Capital Markets Ltd. (SBI Caps) on behalf of the consortium of lenders.

Etihad Airways might have responded by submitting its bid just before the 6 p.m., May 10, 2019 deadline, but it has clarified that its bid is purely conditional and not binding as made out to be.

With this, the lenders would have no problem in entertaining the already received two unsolicited bids if their proposals are anyway better than the one offered by Etihad.

Till going to the press neither SBI Caps nor State Bank of India (SBI), which is leading the consortium of lenders, said anything on the



contents of the bid received from Etihad. A detailed e-mail to Etihad yielded no response.

Etihad reportedly had committed investment of only ₹1,700 crore to retain its 24% holding in Jet Airways and had asked the banks for a one-time settlement of the loan which means the lenders would have to take a big haircut.

The Abu Dhabi-based airline is believed to have asked banks to find an investor

New ITC chairman Puri to strengthen market leadership

Aims to build on 'outstanding legacy'

SPECIAL CORRESPONDENT KOLKATA

The board of directors of ITC Ltd., appointed Sanjiv Puri, managing director, as also the chairman of with effect from May 13, 2019.

Consequently, Mr. Puri's new designation is chairman and managing director. He would thus fill in the void created by the demise of Y. C. Deveshwar on Saturday.

Mr. Puri said his resolve was to strengthen and build market leadership across all business segments whilst reinforcing ITC's commitment to put nation first always while building on the "outstanding legacy nurtured over the years."

Mr. Puri had headed several businesses before becoming CEO of company in 2017

An alumnus of IIT Kanpur and Wharton School of Business, Mr. Puri joined ITC in 1986 becoming a director in December 2015.

He headed several businesses before becoming the CEO of the diversified conglomerate in 2017 taking independent charge of the company's executive leadership.

He became its managing director in 2018.

He was mentored by Deveshwar all throughout.

Cigarettes, FMCG

Prior to his joining the board, he was in-charge of the cigarette and non-cigarette FMCG business since December 2014.

Non-cigarettes have been an area of focus for ITC which has been trying to grow this business.



Sanjiv Puri

He has been involved with the cigarette business as the chief executive of the tobacco division in 2009, with additional responsibility of the company's trade, marketing and distribution vertical.

He has led ITC Infotech as its managing director and Surya Nepal Private Ltd. However, he has, until recently, remained in the shadows of his mentor. It was only last year that he spoke to the media during and after the customary post AGM press meet.

Role in FICCI

He serves on the national executive committees of CII and FICCI. He is also a director on the board of U.S.-India Strategic Partnership Forum and a member of the steering committee of FICCI according to the ITC portal.

Mr. Puri takes over the reins at a time when the legal cigarette industry is under attack from smuggled products.

The growth of the other-FMCG segment, too, has belied expectations in face of muted rural demand and tight liquidity conditions. The shoes that he needs to step into are indeed large.

Exporters to get auto GST refunds

who would pick up majority stake in the airline. The airline should be run by professional management, it said.

As per rules, Indian entities only can have majority control in an Indian airline.

SBI is believed to be in talks with National Investment and Infrastructure Fund (NIIF), a joint venture between Government of India and Abu Dhabi Investment Authority, to join hands with Etihad Airways to revive the airline. NIIF did participate at the expression of interest stage but backed out of submitting a binding bid.

'Lacking commitment'

Analysts said Etihad's offer is lacking in commitment to revive the airline.

"Their sole objective is to sell the debt and go away," said an analyst asking not to be named.

"The deal looks extremely

cloudy and less likely to fructify as Etihad Airways's commitment to revive Jet is lacking. The investment it is committing is not even enough to meet the fuel cost," said Mark Martin, CEO and founder, Martin Consulting.

He emphasised that Jet needed a serious buyer who can transform the airline taking advantage of its executable assets such as routes, reworked maintenance contracts and a workforce which is reputed for its hospitality.

Make the revival difficult, an Enforcement Directorate probe had surfaced six years after Jet sold 50.1% stake in Jet Privilege to Etihad for \$150 million. Analysts said some business rivals were at work so that they can benefit from the turmoil.

Jet Airways stock on Monday plunged 8.14% to ₹139.45 on the BSE.

HDFC Bank wholesale book increases 32% in 2018-19

Such lending now comprises 46% of the lender's total book, says executive director Kaizad Bharucha

MANOJIT SAHA MUMBAI

At a time when most lenders are shying away from lending to the corporate sector, private sector lender HDFC Bank grew its wholesale book by 32% in 2018-19. As a result, the wholesale lending book is now 46% of the total book compared with 43% a year ago.

In an interaction with *The Hindu*, Kaizad Bharucha, executive director of HDFC Bank who heads the wholesale banking portfolio, said growth was spread across different sectors.

Wholesale banking of HDFC Bank broadly comprises three segments viz. the corporate bank (large corporate), the emerging corporate group (mid-corporate) and business banking

(MSME). "The growth that we have seen has come from each of these sectors.

"Of course, the degree of growth has varied among these sectors. You can take a range from 20% to 30-35%," Mr. Bharucha said.

The corporate bank is the largest contributor within wholesale banking.

But will this kind of loan growth continue given economic activity has been sluggish?

While clarifying that the bank did not provide any guidance, Mr. Bharucha emphasised that the lender was well positioned in each of the business segments.

"We have typically grown about 5-8% above the industry standard. We do not try and target any specific num-

ber of growth. So, where we see growth in a particular sector at a point in time, that is meeting our credit standards, that is where we will participate and tend to achieve a little more than the other segments," he said.

When asked if the bank had gained market share from other banks, he said,

"We will not do anything for the sake of gaining market share. Market share is important but not the end objective."

Margins

Some of the analysts have raised concern over net interest margin compression as the bank's unsecured lending had slowed down while wholesale segment recorded healthy growth.

Mr. Bharucha said since the bank offered a bouquet of products to a company, the pricing dif-



Given our balance sheet size, it tells you how the wholesale bank has been growing over the years

ferred which helped them keep the margins intact.

"Composite offering made to the corporates across the breadth of transaction banking and lending and foreign exchange products which therefore ensures a appropriate return for the risk that is been taken," he said.

HDFC Bank had maintained a net interest margin of 4-4.3% over a long period of time

Bad loans

Asked about bad loans in corporate lending, Mr. Bharucha said that the HDFC Bank

PRESS TRUST OF INDIA NEW DELHI

Exporters of goods and services as well as suppliers to SEZ units are likely to get GST refunds automatically from June as the revenue department plans to introduce faceless scrutiny of refunds and faster claim settlement, according to an official.

Currently, manufacturing exporters and suppliers to SEZs, who want to claim ITC (input tax credit) refund, have to file an application on the common portal and thereafter, manually submit a print out to the jurisdictional officer. Once implemented, the time period for such refunds will come down to about a fortnight from months at present.

IN BRIEF



Tata Motors' global wholesales fall 22%

NEW DELHI
Tata Motors reported a 22% decline in group global wholesales, including that of Jaguar Land Rover, to 79,923 units in April 2019. Global wholesales of all commercial vehicles and Tata Daewoo range in April were at 31,726 units, a decline of 20% year-on-year, the company said in a regulatory filing. Global wholesales of passenger vehicles fell 23% to 48,197 units. PTI

Allahabad Bank cuts lending rate by 5 bps

NEW DELHI
State-owned Allahabad Bank on Monday announced a reduction in benchmark lending rate by 0.05 percentage points across various tenors. The marginal cost of funds-based lending rate (MCLR) for one-year loan has been reduced to 8.60% from 8.65% effective from May 14, Allahabad Bank said in a BSE filing. Most of the loans, including housing loans, are benchmarked against MCLR for one year. PTI

Nabventures unveils fund for agri start-ups

NEW DELHI
Nabventures, a subsidiary of NABARD, on Monday announced its maiden fund to back agriculture, food and rural start-ups. Nabventures Fund I has a proposed corpus of ₹500 crore with a greenshoe option of ₹200 crore. It has received an anchor commitment from NABARD, Nabventures said. "The fund plans to raise the resources from domestic and global investors," said Harsh Kumar Bhanwala, chairman NABARD. PTI

HDFC profit up 26.8% to ₹2,862 cr.

Loan growth slows in fourth quarter due to 'unfavourable lending environment'

SPECIAL CORRESPONDENT
MUMBAI

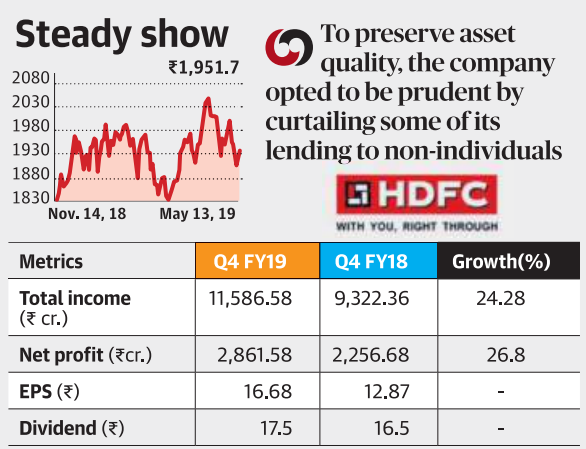
Mortgage lender HDFC posted a 26.8% rise in its standalone net profit to ₹2,862 crore for the quarter ended March 31, 2019.

The total income during the quarter rose to ₹11,586.58 crore against ₹9,322.36 crore in the year-earlier period while net interest income grew 19% to ₹3,161 crore.

The spread on loans over the cost of borrowings for the year ended March 31, 2019, stood at 2.3%.

Total individual loan disbursements grew 15% with the average size of individual loans standing almost flat at ₹27 lakh.

"The lower growth in the loan book was due to the unfavourable lending environ-



ment for non-individual loans that prevailed in the second half of the financial year," HDFC said in a statement.

To maintain asset quality, the lender had to curtail lending to non-individuals.

"Tight liquidity conditions, over leverage and credit rating downgrades led to heightened risks across the corporate sector. In order to preserve asset quality, the corporation opted to be prudent by curtailing some of its

lending to non-individuals," it said.

During 2018-19, 37% of home loans approved in volume terms and 18% in value terms have been to customers from the economically weaker sections (EWS) and low income groups (LIG), HDFC said. Gross non-performing loans stood at ₹4,777 crore which was 1.18% of the loan portfolio.

The non-performing loans of the individual portfolio stood at 0.70% while that of the non-individual portfolio stood at 2.34%.

The board has proposed a final dividend of ₹17.50 per share. The company also approved the re-appointment of Nasser Munjee and J. J. Irani as independent directors for a term of two years each with effect from July 21, 2019.

After rocky debut, Uber shares slide

AGENCE FRANCE PRESSE
NEW YORK

Uber shares went into a fresh skid on Monday – more bad news for the global ride-hailing giant, which endured steep declines in its hotly anticipated market debut last week. Shares in Uber were off 6% at \$38.95 after 15 minutes after slipping as much as 10% in the second day of trade on the New York Stock Exchange.

Valued at some \$82 billion in one of the biggest initial public offerings (IPOs) in the technology sector, Uber's debut on Friday was a major disappointment, losing 7.6%. Richard Windsor, an analyst, said Uber and Lyft have been pressured by high valuations and intense competition.

EY probes cashback fraud at Paytm Mall

Tech-driven system to prevent fraud

PRESS TRUST OF INDIA
NEW DELHI

E-commerce platform Paytm Mall has engaged consulting and audit major EY to investigate a cashback fraud involving some of its employees and merchants, according to sources.

Some staff of the Alibaba-backed company allegedly worked with third-party vendors and created fake orders to siphon off cashback offers.

Some staff fired
According to sources close to the development, the investigation has been going on for almost a fortnight and some employees have also been fired. When contacted, Paytm Mall, in an e-mailed statement said, un-

der the partnership, EY will "undertake frequent audits to identify, analyse and monitor various in-built and outsourced processes." It will also recommend global practices that will be applied to build a tech-driven fraud prevention system.

Admitting its current structure could leave "a scope for collusion," the statement said that EY would undertake audit and fraud prevention using both human and artificial intelligence.

"This will strengthen the company's mission to build a secure and trusted shopping experience for the buyers and partnered sellers across India and soon to be launched global operations," the statement said.

Pure Nutrition draws up plan to expand offline stores

Nutraceuticals firm's move will augment retail presence

SPECIAL CORRESPONDENT
MUMBAI

Pure Nutrition, an online nutraceutical company, has announced offline store expansion plans to augment its retail presence in the country, a top executive said.

The company, which operates in five different verticals viz. dietary supplements, super foods, protein powder, pure herbal infusions and cold pressed oils, has already opened a few stores at airports for better visibility of its products and is now planning to put up stores in key cities.

Sushil Khaitan, CEO and director, Pure Nutrition said, "Though we have been re-

ceiving overwhelming response for our products through online presence, the offline stores are planned to reach out to the target audience, who are primarily health conscious individuals.

"We have decided to open 10 stores in FY 20. An additional 25 stores will be opened in FY21. From FY22 onwards and we will be adding 50 stores every year," he said.

He declined to quantify the investment in the retail expansion.

Mr. Khaitan said that the stores would be opened through the franchise route using selective approach.

He said the company's products were being made available across the country through modern trade, pharmaceutical store chains, general pharmacy stores and at wellness centres.

Eyes sports nutrition
The company is now also planning to get into sports nutrition and FMCG segment with new launches.

"We are planning to add 60 more SKUs (stock keeping units) to our current portfolio. The demand for our products are growing because they are developed from 100% natural raw materials," he said.

Hero lines up ₹1,500-cr. capex for FY20

Launches Maestro Edge 125 with fuel injection technology priced at ₹62,700

PRESS TRUST OF INDIA
NEW DELHI

Two-wheeler major Hero MotoCorp has more than doubled its capital expenditure (capex) for the current fiscal to ₹1,500 crore, mainly to upgrade its portfolio to conform to BS-VI emission norms and for its upcoming plant in Andhra Pradesh, chief financial officer Niranjana Gupta said on Monday.

The capital would also be utilised for the development of new products.

"We have earmarked a capex of ₹1,500 crore this fiscal. It will be utilised for Andhra plant, BS-VI upgradation and usual things like new product development," Mr. Gupta told reporters here.

The two-wheeler major had earmarked ₹700 crore



Adding variety:The new 110 cc Hero Pleasure+ cc, priced at ₹47,300, launched in New Delhi on Monday ■ KAMAL NARANG

capex in 2018-19.

The company, which is trying consolidate its position in the premium segment, on Monday launched two scooters to cater to domestic and international markets.

It introduced Maestro

Edge 125 with fuel injection technology priced at ₹62,700.

The company claimed it was India's first scooter with fuel injection technology.

The variants of Maestro Edge 125 with non-fuel injection technology are tagged at

₹58,500 and ₹60,000 (ex-showroom Delhi).

Hero MotoCorp also introduced 110 cc Pleasure+ priced at ₹47,300. Mr. Gupta said the company's share in the scooter segment remained 'under indexed' and there was enormous opportunity for growth.

"Premium segment [125 cc] in scooters is growing and we are also bringing in new products. It will also have a positive impact on our entry-level scooters, which continue to bring in maximum customers," he said.

On the current fiscal's outlook, Mr. Gupta said: "We expect second half of the fiscal to be better with expectations of a good monsoon and easing of liquidity in the market."