

MARKET WATCH		
	16-05-2019	% CHANGE
Sensex	37,393	0.75
US Dollar	70.03	0.44
Gold	33,330	0.21
Brent oil	73.08	1.44

NIFTY 50		
	PRICE	CHANGE
Adani Ports	371.50	11.35
Asian Paints	1304.40	-1.55
Axis Bank	731.85	9.90
Bajaj Auto	2942.65	28.20
Bajaj Finserv	7617.45	162.75
Bajaj Finance	3110.05	107.30
Bharti Airtel	325.20	-6.05
BPCL	375.55	16.00
Britannia Ind	2716.20	28.45
Cipla	550.20	-5.50
Coal India	232.15	-2.95
Dr Reddys Lab	2801.00	-12.55
Eicher Motors	20305.25	307.50
GAIL (India)	329.20	-2.55
Grasim Ind	820.10	5.30
HCL Tech	1072.25	4.80
HDFC	1942.10	-2.85
HDFC Bank	2310.65	23.95
Hero MotoCorp	2520.30	26.90
Hindalco	194.60	3.95
Hind Unilever	1688.20	17.15
Infosys HFL	707.95	1.10
ICICI Bank	382.20	5.45
IndusInd Bank	1358.20	-20.80
Bharti Infratel	268.15	4.30
Infosys	733.10	17.00
Indian OilCorp	151.15	5.40
ITC	294.75	-2.30
JSW Steel	275.95	7.45
Kotak Bank	1413.15	17.35
L&T	1337.15	11.35
M&M	605.25	-4.40
Maruti Suzuki	6479.65	-14.10
NTPC	125.75	1.80
ONGC	165.95	3.20
PowerGrid Corp	181.85	3.35
Reliance Ind	1265.35	8.45
State Bank	315.75	3.65
Sun Pharma	412.40	2.65
Tata Motors	175.40	5.95
Tata Steel	469.25	6.30
TCS	2108.75	13.35
Tech Mahindra	789.35	-0.95
Titan	1186.45	23.45
UltraTech Cement	4512.80	170.45
UPL	970.85	1.35
Vedanta	163.50	3.45
Wipro	285.35	2.35
YES Bank	137.75	-5.20
Zee Entertainment	345.70	23.35

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on May 16		
CURRENCY	TT BUY	TT SELL
US Dollar	69.83	70.15
Euro	78.23	78.59
British Pound	89.48	89.90
Japanese Yen (100)	63.67	63.96
Chinese Yuan	10.15	10.20
Swiss Franc	69.19	69.51
Singapore Dollar	51.01	51.25
Canadian Dollar	52.03	52.27
Malaysian Ringitt	16.76	16.85
Source:Indian Bank		

BULLION RATES CHENNAI		
May 16 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	40.2	(40.4)
22 ct gold (1 g)	3070	(3083)

RBI mandates risk officers for NBFCs

SPECIAL CORRESPONDENT MUMBAI

The RBI has asked all shadow banks with a size of over ₹5,000 crore to appoint chief risk officers (CROs) with clearly specified roles and responsibilities. “The CRO shall be a senior official in the hierarchy of an NBFC [non-banking finance company] and shall possess adequate professional qualification/ experience in the area of risk management,” the RBI said, adding that the CRO should be appointed for a fixed tenure with the approval of the board.

Removal or transfer will need the board’s approval and has to be reported to the regulator.

“The CRO shall have direct reporting lines to the MD & CEO/ Risk Management Committee (RMC) of the Board. In case the CRO reports to the MD & CEO, the RMC/ Board shall meet the CRO without the presence of the MD & CEO, at least on a quarterly basis,” the RBI added.

Reliance-BP combine bids for oil block; Vedanta picks 30

ONGC eyes 20 blocks, Oil India bids for 16; BP is first-timer in auction process

PRESS TRUST OF INDIA NEW DELHI

Reliance Industries and its British partner BP Plc have made their first bid for an oil and gas exploration acreage in over eight years by bidding for one of the 32 blocks up for auction in the latest licensing round that saw mining major Vedanta putting in as many as 30 bids while state-owned ONGC bid count went to 20.

Bidding for 14 blocks on offer in the Open Acreage Licensing Policy (OALP) round-II and another 18 oil and gas blocks and five coal-bed methane (CBM) blocks on offer under OALP-III closed on Wednesday.

Official sources said Vedanta, which had won 41 of the 55 blocks offered under OALP-I last year, bid for 30 areas. Oil and Natural Gas Corp. bid for 20 blocks while Oil India Ltd. bid for 16. Indian Oil Corp. GAIL (India)



Another shot: RIL had, on its own, bid for 6 blocks in the ninth round of the NELP but did not win any. ■ P.V. SIVAKUMAR

and SunPetro bid for two blocks each.

Offer for KG block

RIL-BP made an offer for one block in the Krishna Godavari basin. This is the first time that BP is bidding for an exploration acreage in the country.

It had entered the country buying 30% stake in RIL’s

21 oil and gas exploration blocks in 2011 for \$7.2 billion. All but a couple of blocks have since been relinquished.

RIL had, on its own, bid for six blocks in the ninth round of the New Exploration Licensing Policy (NELP) but did not win any block.

NELP had since been replaced by Hydrocarbon Ex-

ploration Licensing Policy (HELP) under which OALP bids round have been held.

Sources said the block for which RIL-BP had bid is the same that BP had demarcated during the expression of interest (EoI) stage. India had, in July 2017, allowed companies to carve out blocks of their choice with a view to bringing about 2.8 million sq km of unexplored area under exploration.

Under the OALP, companies are allowed to put in an EoI for prospecting oil and gas in any area that is presently not under any production or exploration licence. The EoIs can be put in at any time of the year but they are accumulated twice annually.

The two windows for EoIs end on May 15 and November 15 every year. EoIs accumulated till May 15 are to be put on auction by June 30 and those in the second window by December 31.

Amid ‘rift’, IndiGo CEO seeks to reassure staff

Shares slump 8.8% on the BSE

SPECIAL CORRESPONDENT NEW DELHI

IndiGo’s CEO Ronojoy Dutta on Thursday sought to reassure employees that the airline will continue to chart its growth strategy. This comes amid media reports of a rift between two of its founders.

“I want to assure you that the growth strategy of the airline remains unchanged and firmly in place, and the management is fully charged by the board to implement it,” Mr. Dutta wrote to the employees referring to “alleged disagreements” between Rahul Bhatia and Rakesh Gangwal, the two partners of IndiGo’s parent company, InterGlobe Aviation Limited.

The CEO added that the airline would continue to “focus on creating value for all our shareholders, our customers, our employees”.

Mr. Bhatia has engaged Khaitan & Co and Mr. Gangwal J. Sagar Associates (JSA) reportedly to resolve their differences.



Ronojoy Dutta

A top airline source sought to downplay the media reports and said that JSA had been representing InterGlobe for many years and Khaitan & Co, too, had represented the airline for certain transactions as well as Mr. Gangwal’s interest.

While Mr. Gangwal owns about 37% share in InterGlobe Aviation, Mr. Bhatia holds about 38% in the company. The differences between the founders are reportedly over the expansion plan for the airline. InterGlobe Aviation shares tanked 8.82% to ₹1,466 on the BSE on Thursday.

Tata Chem, TGBL deal not to impact Starbucks, Tata Coffee

Tata Global eyes out-of-home tea, ready-to-drink segments

SPECIAL CORRESPONDENT KOLKATA

The proposed merger of Tata Global Beverages Ltd. (TGBL) with the consumer products business of Tata Chemicals Ltd. will not affect the subsidiary, associate or joint venture companies of TGBL such as Tata Coffee, Tata Starbucks Pvt .Ltd., Nourishco, Kannan Devan Hills Plantations Co. Pvt. Ltd. and Amalgamated Plantations Pvt. Ltd., the company said.

As per the transaction announced on Wednesday, Tata Chemicals would demerge its consumer products business and merge it with TGBL through an NCLT-approved scheme of arrangement and post the transaction, TGBL would be renamed as Tata Consumer Products Ltd.

Stock markets reacted positively to the news on Thursday with TGBL gaining 10.99% on the BSE.



Ajoy Misra

TGBL managing director and CEO, Ajoy Misra said in the 2018-19 annual report that the company was strengthening its joint ventures (JVs). “Starbucks now has 146 stores in eight Indian cities. Nourishco recorded good growth during 2018-19 due to improved performance by Tata Gluco Plus and Tata Water Plus,” he had said.

He said that the company was increasing its focus on

GDP numbers suggest high growth in medium term: panel

‘Projections for indirect tax fluctuating, need to stabilise’

SPECIAL CORRESPONDENT NEW DELHI

The 15th Finance Commission on Thursday said that India’s GDP numbers suggest a continued high growth trend in the medium term even though they have fluctuated in the last few years.

The Commission and its Members made these observations during a meeting with senior officials in the Ministry of Finance, including Finance Secretary Subhash Chandra Garg, Revenue Secretary Ajay Bhushan Pandey, Expenditure Secretary Girish Chandra Murmu, Chief Economic Adviser Krishnamurthy Subramanian, Central Board of Direct Taxes Chairman P.C. Mody, and Central Board of Indirect Taxes and Customs Chairman P.K. Das.

“The Finance Commission held consultations with senior officials of the Ministry of Finance on the overall



■ GETTY IMAGES/ISTOCK

economic situation and key economic variables,” the Commission said in a statement.

“These discussions are credible to the ongoing work of the Commission to reach an appropriate conclusion on both the vertical and the horizontal devolution,” the statement added.

“The Commission observed that the GDP numbers have somewhat fluctuated within the overall global trend, which suggests continued high growth trend over the medium

term,” the statement added.

“The Commission also made note of the revenue projections and said that although the direct tax collections and projections are healthy, the ones for indirect tax have been fluctuating and need to stabilise in a stronger position,” a senior official in the Finance Ministry told *The Hindu* following the meeting.

Rationalising schemes

“The Commission and the Ministry also spoke about the expenditure side and how to rationalise the Centrally-sponsored schemes,” the official added.

The 15th Finance Commission has been holding detailed discussions with the Finance Ministry over the last few months to discuss the consequences of the Seventh Pay Commission and the Ujwal Discom Assurance Yojana (UDAY) on financial positions of the States.

Infosys offers 50 million shares to employees

Move aims to retain, attract top talent

SPECIAL CORRESPONDENT BENGALURU

Digital technology and consulting major Infosys on Wednesday introduced an expanded stock ownership programme, aimed at retaining and attracting top talent.

The company’s board of directors has approved the the Infosys Expanded Stock Ownership Program 2019 that links long-term employee incentives with shareholder value creation. It is also expected to broaden and deepen employee ownership of the company.

This programme proposes to allocate 50 million shares (or five crore shares) equating 1.15% of the company’s equity shares to a broad base of employees, which will vest on challenging performance criteria, said the company.

Salil Parekh, CEO & MD, Infosys, said, “Infosys has been a pioneer for many firsts in India, and this programme is a key milestone

as it sets another benchmark in the industry.”

“Our employees are our biggest asset and through this programme, we aim to recognise and reward individuals who are committed to driving value creation for all the stakeholders through their continued and consistent performance. By making employees owners, they get an opportunity to be beneficiaries in the long-term success of the company and realise the results of their work and dedication.”

The grants allocated to employees over a period of seven years will vest based on challenging performance criteria of viz. relative total shareholder return (TSR) against an industry peer group, relative TSR against domestic and global indices and operating lead performance metrics such as total revenue and digital revenue growth, and operating margins.

The proposal is subject to shareholder approval.

Hindalco profit drops 18% to ₹506 cr. on high input costs

Board recommends dividend of 120%; overseas arm Novelis’s profit rises 11% to \$468 million

SPECIAL CORRESPONDENT MUMBAI

Hindalco Industries reported a 17.85% drop in its fourth quarter net profit to ₹506 crore primarily on weaker macros and higher input costs during the last quarter. The fall in profit was reported on a 6.57% jump in revenue to ₹12,455 crore.

EBITDA during the quarter dropped 4% to ₹1,733 crore as margins declined to 10.80% during the quarter from 13.90% in Q4FY18.

For FY19, the company’s consolidated net profit fell to

Macro headwinds			
Metrics	Q4 FY19	Q4 FY18	Growth (%)
Revenue from operations (₹ cr.)	12,455	11,687	6.57
Net profit (₹ cr.)	506	616	(17.85)
EPS (₹)	1.06	1.69	
Dividend (₹)	1.2	-	

₹5,495 crore from a net profit of ₹6,083 crore reported the previous year. The drop in profit came on a 12.7% growth in revenue to ₹1,30,542 crore.

Commenting on the re-

sults, Satish Pai, managing director, Hindalco Industries said, “This resilient performance reflects the strength of our integrated business model, excellent operational capabilities, sta-

ble operations and our enriched product portfolio. In India, our increased focus on downstream is already showing encouraging results with record aluminium value added product volumes this year. In copper too, the share of value-added products (copper rods) has risen, helping business maintain profitability despite lower volumes.”

The board recommended a dividend of 120% i.e. ₹1.20 per equity share of face value of ₹1 each for the financial year ended March 31,

2019, subject to approval of the shareholders at the ensuing annual general meeting.

Hindalco’s overseas arm Novelis Inc. reported an 11% jump in its fourth quarter net profit to \$468 million, said the company in a statement, adding that the automotive expansion projects for Novelis in the U.S. and China are expected to be commissioned in FY21 and the expansion projects for additional rolling and recycling capacity at Novelis Brazil are also likely to be commissioned in FY21.

Bank of India reports ₹252 crore profit as provisioning for bad loans declines

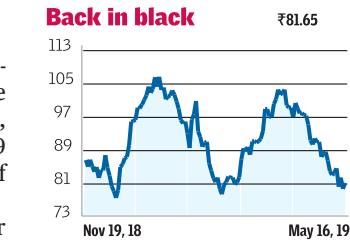
Gross NPAs fall consistently; lender’s first earnings post PCA rollback

SPECIAL CORRESPONDENT MUMBAI

State-run lender Bank of India reported a net profit of ₹252 crore for the quarter ended March 31, compared with a loss of ₹3,969 crore during the same period of the previous year.

This, after provisioning for bad loans declined sharply to ₹1,502 crore during the reporting period, from ₹6,699 crore a year earlier. “Gross NPAs [have] declined consistently since September 2018,” the bank said.

The Gross NPA ratio improved from 16.58% in March 2018 to 15.84% in March 2019. Net NPA ratio declined from 8.26% to 5.61%. Provision coverage ratio



improved from 65.85% in March 2018 to 76.95% in March 2019.

These are the bank’s first earnings announcement after restrictions under prompt corrective action were withdrawn by the RBI in January. Net interest income, the difference between interest earned and interest expanded, rose 57.72% to ₹4,044

crore in Q4 FY19 on account of both a rise in the yield on advances and a drop in cost of deposits.

Net interest margin

As a result, the overall net interest margin increased from 1.65% to 2.93% in Q4 FY19, a rise of 128 basis points (bps). Net interest margin from domestic operations went up substantially from 1.92% to 3.38%, an increase of 146 bps. Non-interest income increased by 16.58% to ₹1,603 crore in March 2019, supported by profit from sale of investments and recovery in written-off accounts.

Domestic loans grew by 11.8% on the back of an 18.14% growth in retail advances.

IN BRIEF



Ashok Leyland to supply mini buses to Senegal

CHENNAI
Ashok Leyland Limited (ALL) has bagged orders for the supply of 400 mini buses to Senbus Industries, Senegal. Senbus is engaged in assembling urban buses at Dakar. ALL will supply 400 units of Ashok Leyland Eagle 916 mini-buses valued at €10.06 million. These buses will be supplied in semi-knocked down condition and ALL would collaborate with Senbus on assembling them in Senegal, the firm said.

L&T acquires 8.86 lakh shares of Mindtree

NEW DELHI
Larsen and Toubro (L&T) has acquired 8.86 lakh shares of Mindtree from the open market, taking its overall holding in the mid-sized IT company to 26.48%, according to a regulatory filing. "Larsen and Toubro Ltd. has acquired 8,86,438 equity shares (with a face value of ₹10 each) of Mindtree Ltd. on May 16, 2019," a Mindtree filing said. After the transaction, L&T's shareholding in Mindtree increased to 26.48%. PTI

'LVB misappropriated RFL's FDs worth ₹791 cr.'

NEW DELHI
Religare Enterprises said Lakshmi Vilas Bank (LVB) misappropriated four fixed deposits of Religare Finvest (RFL) worth ₹791 crore. "The new management discovered that one of the major reasons for RFL's terrible financial condition was the misappropriation by LVB of monies due to RFL on account of fixed deposits placed by it with LVB amounting to approximately ₹791 crore," Religare Enterprises said. PTI

Maiyas goes for full restructuring

Wants to recoup market share in ready-to-eat, ready-to-drink, pickles markets

MINI TEJASWI
BENGALURU
Maiyas Beverages and Foods Pvt. Ltd. has embarked upon a comprehensive restructuring exercise in order to recoup the market share it had lost in the country's ready-to-eat, ready-to-drink, curry spices and pickles markets.

The company's business restructuring plan comes two days after the Bengaluru bench of the National Company Law Tribunal (NCLT) quashed MTR Foods' (which was among the bidders for Maiyas) charge that it had sold its restaurant business in an undervalued deal before the corporate insolvency solution process even started.

NCLT's dismissal of MTR Foods' allegations has cleared the way for the take-



Fresh beginning: Food entrepreneur Sadananda Maiya-backed firm will go in for a new look for its brand. ■ K. BHAGYA PRAKASH

over of Maiyas Beverages and Foods by Akashika Foods Pvt. Ltd, a consortium of employees, vendors and distributors of Maiyas, backed by food entrepreneur Sadananda Maiya, the

father of both the brands – MTR and Maiyas. Sadananda Maiya's son Sudarshan Maiya, who is an executive director at the company, told *The Hindu* that Maiyas Beverages and Foods had decid-

ed to change its house colour from red to an appealing shade of sky blue to ensure that the brand looked different from MTR in the market. "We are going in for a complete new look, starting with our house colour. We will repackage all our products," he said. The company would be rapidly expanding to other markets.

S. Navamohan Kumar, director, Akashika Foods and president, Bangalore Distributors Forum, said Maiyas' products would be made available in over one lakh outlets across the country in the next one year.

"We have restructured our sales and marketing teams targeting revenues of ₹220 crore by March 2020 and ₹500 to ₹600 crore in the next four years."

NCLT okays Pennar's merger plan

SPECIAL CORRESPONDENT
HYDERABAD

Value-added engineering products and solutions company Pennar Industries Ltd. (PIL) has received approval from the National Company Law Tribunal (NCLT) to merge its subsidiaries – Pennar Engineered Building Systems Ltd. (PEBS Pennar) and Pennar Enviro Ltd. (PEL) – with itself.

As per the approved scheme, shareholders of PEBS Pennar would get 23 shares of PIL for 13 shares held while shareholders of PEL would get one share of PIL for every one share held.

The NCLT had approved the appointed date of the scheme (effective date) to be April 1, 2018.



Sharath Vijayaraghavan (left) and S. Ram addressing the media in Chennai on Thursday. ■ BIJOY GHOSH

‘Uncertainty may end shortly, will wait it out’

Sundaram Motors reaches sales mark

K.T. JAGANNATHAN
CHENNAI

The India story is very strong and powerful, asserted Sharath Vijayaraghavan, executive director of the ₹1,800-crore Sundaram Motors, a division of TV. Sundram Iyengar & Sons.

Addressing the media here on Thursday, he, however, conceded that there was a sense of uncertainty at the moment caused due to a combination of factors ranging from an economic slowdown to a tight-money situation and rising insurance costs. These had 'sort of' seen a postponement of purchases, he said. Also, these had triggered a rise in cash purchases, he added. "We need to wait for a little while ... may be for a few months," he added.

Of the total turnover of ₹1,800 crore reported by Sundaram Motors in 2018-19, nearly ₹840 crore came from selling Honda cars through its Sundaram Honda dealership.

The dealership, in operation since 1998, has reached a milestone of selling one lakh Honda cars. This dealership employs 1,400 people of the total workforce of 3,200 people employed by Sundaram Motors. Sundaram

Honda, Mr. Vijayaraghavan said, had 12 customer touch-points, 337 bays and over 50,000 sq ft of workshop area. "We will have two more touch-points this year and another three by 2020-21," he added.

Pointing to the durable relationship with carmakers, S. Ram, joint MD of TVS & Sons, traced the dealership journey of Sundaram Motors. The association with General Motors (GM), which began in 1929, saw it help the foreign partner bring globally known brands such as Chevrolet, Oldsmobile, Pontiac, Buick, Cadillac, Vauxhall, Opel cars and Bedford commercial vehicles to India.

"After the exit of GM from India in 1954 due to import restrictions, TVS signed a dealership agreement with Premier Automobiles which lasted another 40 years," Mr. Ram said.

"We don't chase profit. We chase customer satisfaction," Mr. Vijayaraghavan said. To a question, he said "India is not ready for electric vehicles." However, he felt India could move towards hybrid and CNG vehicles. "I see them [hyrid & CNG] more in public transport," he added.

BMW unveils X5 in India

Top two variants of the model are priced at ₹82.4 lakh

SPECIAL CORRESPONDENT
MUMBAI

German luxury carmaker BMW has introduced the all-new BMW X5 in India with a starting ex-showroom price of ₹72.9 lakh.

The top two variants are priced at ₹82.4 lakh ex-showroom all India.

Locally produced in Chennai, the all-new BMW X5 will be available in a diesel variant at BMW dealerships from Thursday onwards. The petrol variant would be available later in 2019, the company said.

"BMW established the Sports Activity Vehicle (SAV) segment with the launch of BMW X5 in 1999. The BMW X5 has been the best-selling car in this segment for many years and has become one of our most successful models.



Batting for the BMW: Cricketing icon Sachin Tendulkar with the new BMW X5 in Mumbai. ■ PAUL NORONHA

This fourth generation SAV embodies this model's typical characteristics – versatility, sovereignty and luxury," said Hans-Christian Baertels, president (acting), BMW Group India.

"The all-new BMW X5 is bound to add another chapter to this success story by

introducing a new interpretation of the letter X, he added.

The company, which reported a 13% growth in sales last year, is expecting the momentum to continue. So far this year, it has launched three models and eight more would be introduced.