## MARKET WATCH

| | 27-05-2019 | % CHANGE |
|---|---|---|
| Sensex | 39,683 | 0.63 |
| US Dollar | 69.51 | 0.02 |
| Gold | 32,770 | -0.12 |
| Brent oil | 69.35 | 2.66 |

## NIFTY 50

| | PRICE | CHANGE |
|---|---|---|
| Adani Ports | 412.40 | 2.15 |
| Asian Paints | 1366.85 | -17.65 |
| Axis Bank | 813.90 | 20.70 |
| Bajaj Auto | 3066.90 | -11.00 |
| Bajaj Finserv | 8213.05 | 61.35 |
| Bajaj Finance | 3449.00 | -18.90 |
| Bharti Airtel | 349.50 | -3.70 |
| BPCL | 402.00 | 6.55 |
| Britannia Ind | 2896.55 | 45.50 |
| Cipla | 578.70 | 8.10 |
| Coal India | 244.10 | -0.80 |
| Dr Reddys Lab | 2658.00 | -5.90 |
| Eicher Motors | 20887.35 | 36.70 |
| GAIL (India) | 348.35 | 6.70 |
| Grasim Ind | 935.30 | 25.25 |
| HCL Tech | 1064.20 | -1.75 |
| HDFC | 2165.30 | 41.90 |
| HDFC Bank | 2408.35 | 35.00 |
| Hero MotoCorp | 2821.20 | -7.25 |
| Hindalco | 200.60 | 4.80 |
| Hind Unilever | 1771.95 | 22.35 |
| Indiabulls HFL | 791.90 | -2.20 |
| ICICI Bank | 435.50 | 3.75 |
| IndusInd Bank | 1612.80 | -36.10 |
| Bharti Infratel | 279.55 | 2.00 |
| Infosys | 708.10 | -1.10 |
| Indian OilCorp | 162.20 | 5.40 |
| ITC | 290.85 | 0.40 |
| JSW Steel | 287.75 | -0.25 |
| Kotak Bank | 1529.40 | 17.70 |
| L&T | 1596.00 | 51.85 |
| M&M | 679.35 | 13.90 |
| Maruti Suzuki | 7068.45 | -24.70 |
| NTPC | 133.20 | 4.05 |
| ONGC | 173.65 | -0.75 |
| PowerGrid Corp | 187.35 | 1.70 |
| Reliance Ind | 1310.65 | -26.20 |
| State Bank | 361.70 | 6.35 |
| Sun Pharma | 414.85 | -0.90 |
| Tata Motors | 181.35 | -0.95 |
| Tata Steel | 512.55 | 28.40 |
| TCS | 2055.15 | 7.15 |
| Tech Mahindra | 726.05 | -9.80 |
| Titan | 1240.95 | 21.05 |
| UltraTech Cement | 4841.05 | 40.95 |
| UPL | 1024.45 | 3.60 |
| Vedanta | 166.50 | 2.60 |
| Wipro | 280.50 | -2.40 |
| YES Bank | 146.80 | 5.60 |
| Zee Entertainment | 361.00 | -15.85 |

## EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on May 27

| CURRENCY | TT BUY | TT SELL |
|---|---|---|
| US Dollar | 69.30 | 69.62 |
| Euro | 77.60 | 77.96 |
| British Pound | 87.95 | 88.36 |
| Japanese Yen (100) | 63.31 | 63.60 |
| Chinese Yuan | 10.04 | 10.09 |
| Swiss Franc | 68.93 | 69.25 |
| Singapore Dollar | 50.41 | 50.65 |
| Canadian Dollar | 51.52 | 51.76 |
| Malaysian Ringitt | 16.54 | 16.64 |

Source:Indian Bank

## BULLION RATES CHENNAI

May 27 rates in rupees with previous rates in parentheses

| | | |
|---|---|---|
| Retail Silver (1g) | 39.5 | (39.4) |
| 22 ct gold (1 g) | 3037 | (3030) |

# SEBI tightens disclosure norms for listed debt securities

### Company websites must display details of payment, redemption schedules

SPECIAL CORRESPONDENT
MUMBAI

To further safeguard the interest of investors in listed debt securities, the Securities and Exchange Board of India (SEBI) has tightened the disclosure norms for entities that have issued such securities.

In a circular issued on Monday, the capital market watchdog made it mandatory for such companies to disclose on their websites the schedule of interest and redemption obligations for the complete financial year.

**Within a day of due date**

Further, the status of payments has to be updated within one day of the due date, which effectively means that any default or delay will be disclosed within a day of the due date.

**Investor-friendly:** Enhanced disclosure norms have been issued to further secure interests of debt investors. • REUTERS

According to the SEBI, the enhanced disclosure norms have been issued to "further secure the interests of investors in listed debt securities, enhance transparency and to enable Debenture Trustees (DTs) to perform their duties effectively and promptly."

"DTs shall display on their website... details of interest/ redemption due to the debenture holders in respect of all issues during a financial year within 5 working days of start of financial year," stated the SEBI circular, while adding that the debenture trustees will also have to update such details for any new issues handled during the financial year within five days of closure of the issue.

"DTs shall also update the status of payment... against such issuers not later than 1 day from the due date. In case the payment is made with a delay by the issuer, DTs shall update the calendar specifying the date of such payment, with a remark 'delayed payment'," said the circular.

For privately-placed debt securities, SEBI has made it mandatory for the inclusion of a clause stating that at least 2% per annum interest would be paid over the coupon rate in case of a default in meeting the payment obligations. The additional interest would be payable by the company for the tenure of the defaulting period.

# Draft export policy unveiled

### Product-specific rules to offer ready reckoner for exporters

PRESS TRUST OF INDIA
NEW DELHI

The Commerce Ministry has come out with a comprehensive draft of the export policy which includes product-specific rules with a view to provide a ready reckoner for exporters.

"Based on inputs received from various partner government agencies, it is proposed to bring out a comprehensive exports policy for all ITC (HS) tariff codes (including items which are 'free' for export and do not currently exist in the policy), covering conditions/restrictions imposed by partner government agencies on exports," the Directorate General of Foreign Trade said.

The draft policy aims at consolidating the export norms for each product as applicable at different government agencies.

ITC-HS Codes are Indian Trade Clarification based on Harmonised System of Coding. It was adopted by India for import-export operations.

Every product has been accorded eight digit HS codes. The compendium will help an exporter know all the applicable norms pertaining to a particular product, helping him/her understand policy conditions for that item.

**Consolidating norms**

This exercise is for consolidating the norms and not for making any changes in the existing export policy of the country. The DGFT said that the updated draft had been prepared by including all existing policy conditions, all notifications and public notices issued after January 2018. Besides, it also includes non-tariff regulations imposed by different government agencies.

Commenting on the move, exporters body Federation of Indian Export Organisations (FIEO) said that it would provide a "ready reckoner" for traders and help in digitisation.

"It will help exporters in understanding export norms and conditions for items," FIEO director general Ajay Sahai said.

The directorate had sought the views of all stake holders on the draft.

A similar policy exists for import purposes also. While Schedule 1 deals with imports, Schedule 2 deals with export related matters.

# Release list of large loan defaulters, CIC tells RBI

### 'RBI need not give copies of files'

SPECIAL CORRESPONDENT
NEW DELHI

The Central Information Commission (CIC) has again directed the Reserve Bank of India (RBI) to disclose the list of large loan defaulters to activist Nutan Thakur. However, Central Information Commissioner Suresh Chandra said the RBI need not provide copies of files related to the list.

In November 2018, the CIC had issued a show cause notice to RBI Governor Urjit Patel, holding him responsible for not disclosing the same information, in a different case. The recent CIC order comes a month after the Supreme Court backed the transparency watchdog against the central bank in an April 26 ruling. The SC gave the RBI "a last opportunity" to withdraw a November 2016 Disclosure Policy which stonewalls the disclosure of many types of information under the Right to Information Act, including the list of wilful defaulters and annual inspection reports. The policy was directly contrary to the court's December 2015 judgement that the RBI could not withhold information sought under the RTI Act, said an SC Bench.

In the wake of the SC ruling, the CIC has again directed the RBI to partially disclose the details requested by Ms. Thakur. She had initially filed her RTI request in September 2017, on the basis of a lecture by RBI Deputy Governor Viral Acharya who said the RBI had directed banks to file insolvency applications against 12 large accounts comprising about 25% of the total non-performing assets.

# Indigo Q4 net surges 400%

### However, profit for FY19 was lower by 93% on fuel, rupee

SPECIAL CORRESPONDENT
NEW DELHI

Market leader IndiGo reported a 400% increase in its profit to ₹589 crore for the quarter ended March 31, making it the most profitable period of financial year 2019 for the airline partly due to the suspension of flight operations by Jet Airways.

However, IndiGo's full-year profit was down by 93%, allowing the airline to break even by a whisker. Beset by high fuel prices and a weak rupee for the better part of the fiscal, the airline cobbled together a profit of ₹156 crore, down from ₹2,242 crore profit in FY18.

"Fiscal 2019 was a tough year for the airline industry in India because of high fuel prices, weak rupee and intense competitive environment. However, it is a tale of two halves for IndiGo, with the first half of the year incurring losses and the second half of the year experiencing a sharp recovery," CEO Ronojoy Dutta said.


**Optimising network**

Mr. Dutta attributed the growth in the airline's revenue to two factors – actions taken by the airline to optimise its network such as reallocation of 10% of its capacity as well as a rise in revenue from ticket sales due to Jet Airways suspending its flight operations. The cash-strapped airline shut down its operations mid-April, transferring a part of its market share to other players in the sector.

During the financial year 2019, the airline was able to increase its domestic capacity by 24% and capacity on international routes by 60%.

Indigo, with a fleet of 217 aircraft, will be adding 53 Airbus A320s and A321s as well as almost 11 ATRs in the current financial year.

To a question on whether the airline would further diversify its fleet by adding wide-body aircraft, the CEO said, "There is nothing imminent. Are we studying it? Absolutely. But are we about to place an order or do we see something happening in the near future. No."

He also said the rift between IndiGo's partners Rahul Bhatia and Rakesh Gangwal over "one issue" would be resolved soon.

# Fiat pitches $35 billion merger with Renault

### Seeks deal to help tackle challenges

REUTERS
MILAN/PARIS

Fiat Chrysler pitched a finely balanced merger of equals to Renault on Monday to confront the costs of far-reaching technological and regulatory changes by creating the world's third-biggest automaker.

If it goes ahead, the $35 billion-plus tie-up would alter the landscape for rivals, including General Motors and Peugeot maker PSA Group, which recently held inconclusive talks with Fiat Chrysler (FCA), and could spur more deals.

**Friendly proposal**

French group Renault said it was studying the proposal from Italian-American FCA with interest, and considered it friendly.

Shares in both companies jumped more than 10% as investors welcomed the potential creation of a company that would produce more than 8.7 million vehicles a year and aim for €5 billion ($5.6 billion) in annual savings.

It would rank third in the global auto industry behind Japan's Toyota and Germany's Volkswagen.

But analysts also warned of big complications, including Renault's existing alliance with Nissan, the French state's role as Renault's largest shareholder and potential opposition from politicians and workers to any cutbacks.

"The market will be careful with these synergy numbers as much has been promised before and there isn't a single merger of equals that has ever succeeded in autos," Evercore ISI analyst Arndt Ellinghorst said.

# GAIL reports highest-ever net profit

PRESS TRUST OF INDIA
NEW DELHI

State-owned gas utility GAIL India Ltd. reported its highest-ever net profit, record dividend payout and largest-ever capital expenditure of ₹54,000 crore as it builds infrastructure to take clean fuel to the unconnected parts of the country to aid transition to a gas-based economy.

The country's biggest transporter and marketer of natural gas reported that net profit rose 10% in the fourth quarter to ₹1,122 crore and by 30% to record ₹6,026 crore in the financial year ended March 31, its CMD B. C. Tripathi said.

GAIL board recommended a final dividend of ₹1.77 per share to take total dividend payout to highest -ever of ₹8.02 per share in the fiscal, he said.

"We are investing another ₹54,000 crore over the next 2-3 years in the laying of gas pipeline network that will feed households and industries such as fertiliser plants," he said.

# Reliance Capital to sell entire stake in radio unit

### Part of move to cut debt by ₹1,200 cr.

SPECIAL CORRESPONDENT
MUMBAI

Reliance Capital and Reliance Land (a part of Reliance Capital Group) have agreed to divest their entire equity stake in Reliance Broadcast Network Limited (RBNL) to Music Broadcast Limited (MBL).

RBNL operates under the brand name BIG FM Radio network with 58 stations across India. MBL will initially acquire a 24% equity stake of RBNL by way of a preferential allotment for a total consideration of ₹202 crore and thereafter subject to regulatory approvals, said a company statement.

MBL will acquire the remaining equity stake held by Reliance Capital and Reliance Land in RBNL at a total enterprise value of ₹1,050 crore, it added.

In addition, Reliance Capital will receive an estimated ₹150 crore from the disposal of other assets of RBNL, which do not form part of the deal with MBL, in accordance with the regulations.

In aggregate, the transaction will reduce Reliance Capital's outstanding debt by an estimated ₹1,200 crore. "We are delighted to announce the asset monetisation transaction with Music Broadcast Limited. This deal is part of our overall strategy to reduce exposure in non-core businesses and will reduce Reliance Capital's debt by an estimated ₹1,200 crore," said Amit Bapna, CFO, Reliance Capital.

# New code in offing for textile, clothing sector

### May improve staff working conditions

SPECIAL CORRESPONDENT
COIMBATORE

The 'Social and Labor Convergence Programme (SLCP),' an initiative to have a standard-neutral, converged assessment framework for the textile and clothing industry, will be launched in India shortly.

According to K.V. Srinivasan, chairman of The Cotton Textiles and Export Promotion Council (Texprocil), the issues of social and labour compliance had become highly relevant in labour-intensive industries, including in the textile and clothing sector.

The converged assessment framework is a tool developed by the SLCP, which provides a data set with no value judgment or scoring.

It is, however, compatible with existing audit systems and codes of conduct.

A statement said the initiative is led by world's leading manufacturers, brands, retailers, industry groups, non-governmental organisations and service providers.

This is a voluntary adoption by the textile and clothing makers. For the exporting units, it will reduce the number of social audits and facilitate measuring of employment practices, thus improving working conditions and employee relations. The SLCP would be holding free seminars at Mumbai, Bengaluru, Tiruppur, and New Delhi and will launch operations in India, China, Sri Lanka and Taiwan this month.





# 'H-1B curbs put pressure on IT firms' margin'

### However, revenue is expected to grow 7-8% in dollar terms in FY20, says Crisil

SPECIAL CORRESPONDENT
BENGALURU

Indian IT revenue is expected to grow by 7-8% in dollar terms during fiscal 2020, helped by double digit growth in digital services. However, operating margin is forecast to decline 30-80 bps (basis points) for the sector this year as local hires increase for onsite jobs, said Crisil Research.

Local talent comes at an additional cost of 25 to 30% compared with the salaries paid to H-1B holders deployed onsite. Traditionally, the sector had relied on labour arbitrage for maintaining margins, but that gap had been narrowing owing to various market forces – mainly, changing U.S. policy stance towards H-1B visas.

**North bound:** Rise in employee costs for the Indian IT firms are due to the tightening of H-1B visa norms. • K.R. DEEPAK

"Employee expenses, which account for nearly 60-65% of total operating costs and cost per employee for tier 1 players, rose faster at about 17% and about 9% on-year in fiscal 2019, respectively, compared with about 6% and about 3% a year before. For mid-tier players, the increase in employee expenses were about 13% on-year for nine months ended December of fiscal 2019 as many are yet to declare fourth quarter results," it said in a report.

Such a rise in staff costs can be attributed to tightening of visa norms for Indian players, resulting in higher onsite costs for them.

Ever since the U.S. government tightened its H-1B visa norms in 2017, challenges had mounted for the sector.

That year, Indian-origin employees were the largest consumers of H-1B visas at 63% of initial employment, so the sudden change meant fulfilling onsite client requirements became tough.

# Colgate-Palmolive India net rises 4.67%

SPECIAL CORRESPONDENT
NEW DELHI

Colgate-Palmolive India registered a net profit of ₹197.6 crore for the fourth quarter ended March 2019, a growth of 4.67% from ₹188.8 crore in the January-March 2018 period.

Net sales stood at ₹1,146.6 crore, an increase of 6% over the same quarter of the previous year. This was led by a domestic volume growth of 5%, the company said. For the full year 2018-19, the net profit stood at ₹775.6 crore (₹673.32 crore). The board declared a special interim dividend of ₹8 per share.

## IN BRIEF


**DLF cuts net debt by 38% in March quarter**

NEW DELHI

Realty major DLF reduced its net debt by 38% in the fourth quarter of the last fiscal to ₹4,483 crore with the help of funds raised from selling shares to institutional investors. According to an investors presentation, DLF's net debt has come down "from ₹7,224 crore in Q3 of FY19 to ₹4,483 crore in Q4 of FY19." DLF's net net debt would further come down in the current quarter with the likely infusion of ₹2,250 crore into the company by the promoters. PTI

**Tata Tele: Airtel submits ₹644 crore to TDSAT**

NEW DELHI

Bharti Airtel is learnt to have submitted a bank guarantee of ₹644 crore to telecom tribunal TDSAT to complete the merger of Tata Teleservices' consumer business with the company. On May 2, the TDSAT granted partial stay on a ₹8,300-crore demand raised by the telecom department from Bharti Airtel for approving its merger with the consumer business of Tata Teleservices Ltd. PTI

**'AI adoption to raise staff output by over 2 times'**

NEW DELHI

Adoption of Artificial Intelligence is expected to help double the rate of industrial innovation, and may result in an over two times jump in employee productivity in India by 2021, a study by tech giant Microsoft said. The organisations that have adopted AI saw tangible improvements of 8-22% in areas such as customer engagement, margins and competitiveness, it said. PTI

# India spurs Siemens' digital push

'Local innovation caters to increased customer demand for digital offerings'

PIYUSH PANDEY

MUMBAI


Siemens will soon open Next47's India office; the venture firm helps connect customers with global innovation. ■ REUTERS

India will play an important role in Siemens' global digitalisation strategy as the German-based automation major shifts its focus to high margins digital business.

"India is a key focus market and plays an important role in our global digitalisation strategy," said Roland Busch, chief operating officer, chief technology officer and member of the managing board, Siemens AG.

"Research and software development in India, coupled with the sharpened focus on start-up innovations through Next47, will actively drive the implementation of cutting-edge technologies," he added.

The company will also shortly open the India office for Next47, a global venture firm that aims to connect Siemens customers with startup innovation from around the world.

"With our unique IoT platform, comprising an advanced technology stack, domain know-how and an inclusive innovation ecosystem, Siemens is well prepared to support India into the digital age," Dr. Busch added. "4,000 IoT and software experts will collaborate with teams around the world to conceptualise, develop, test and bring-to-market applications in the areas of smart urban infrastructure, digital enterprise, connected mobility, future of energy and artificial intelligence," said a company statement.

It added that IoT solutions developed in India will complement work done at the MindSphere Application Centers in Pune, Noida and Gurgaon where software developers, data specialists and engineers help develop digital innovation for data analysis and machine learning.

Sunil Mathur, MD and CEO, Siemens Ltd., said, "We are seeing an acceleration in interest and demand from customers for digitalisation. IoT-enabled applications will focus on contributing to customers' efforts to maximise the benefit from digitalisation through data insights."

# Yamaha opens first India unit to make musical instruments

The company plans to make India an export hub, says MD

SPECIAL CORRESPONDENT

CHENNAI

Yamaha Corporation of Japan opened its first factory in India for musical instruments with a view to make it an export hub.

"We have started making musical instruments in India for the Indian market," said Takashi Haga, MD, Yamaha Music India Pvt. Ltd. (YMIPL)

The factory, located about 70 km from here, is being built in phases.

The first phase involved an investment of ₹380 crore. It is currently producing portable keyboards. This would be followed by acoustic guitars and pro-audio speakers.

Takashi Haga

The facility can produce 1.50 lakh portable keyboards and two lakh acoustic guitars annually.

"Initially, the factory will cater to the demands of the domestic market. Later, we plan to export 50% of our production.

"We have been selling our musical products in India since 2008. Till now, they were being imported from China. We posted revenue of ₹200 crore. We are coming to India at the right time," said Rehan Siddiqui, business head, MI sales and marketing division, YMIPL.

**Boosting market share**

Asserting sales was growing at 20%-22% year-on-year, Mr. Siddiqui said: "Right now, our market share in India is in single-digit and we will double it soon.

"We will begin construction of the second phase of the unit after two to three years time," Mr. Haga said.

## Natco Pharma net drops on Tamiflu write-off

Declares third interim dividend

SPECIAL CORRESPONDENT

HYDERABAD

Drugmaker Natco Pharma has reported a sharp, almost 60%, decline in its consolidated net profit for the quarter ended March, which was lower than 38% drop in total revenue.

Net profit for the quarter stood at ₹120.4 crore, or 59.82% lower from the ₹299.7 crore of the year-earlier period. Net revenue at ₹486.7 crore declined 38.23% from ₹787.9 crore.

For the full fiscal, the consolidated net profit declined 7.6% to ₹642.4 crore (₹695.2 crore), while total revenue stood at ₹2,224.7 crore (₹2,242.4 crore).

The decline in profit was primarily due to write-off of Oseltamivir (Tamiflu generic) inventory by the firm's marketing partner in the U.S. "The flu season in USA was weaker than expected resulting in the write-off of this inventory valued at approximately $5.5 million," Natco Pharma said.

In the domestic business, despite intense price pressures, the company saw growth in the oncology segment. A company statement said the board of directors had declared the third interim dividend of ₹1.25 per equity share of ₹2 each, resulting in a total dividend payout of ₹6.25 per equity share for 2018-19. The firm's shares gained 2.85% to ₹524.80 apiece on Monday.

## Rane Holdings profit rises on higher offtake

SPECIAL CORRESPONDENT

CHENNAI

Rane Holdings Ltd. has posted 22% increase in standalone net profit for the fourth quarter ended March 2019 to ₹16.96 crore on higher offtake across major vehicle segments.

Total revenue rose to ₹30.14 crore from ₹28.31 crore. Revenue from Indian original equipment customers grew 11%, from international customers 18% and Indian aftermarket segment 12%.

The board declared a final dividend of ₹11 per share. It also recommended the appointment of Harish Lakshman, vice chairman, as joint MD for five years from August 1 subject to shareholders approval.

## Srei Equipment ties up with OBC to offer loans for equipment purchase

Association to aid in boosting Srei's leadership position

SPECIAL CORRESPONDENT

KOLKATA

Srei Equipment Finance Limited (Srei Equipment), a wholly owned subsidiary of Srei Infrastructure Finance Limited (Srei), and Oriental Bank of Commerce on Monday announced a strategic alliance to offer loans for purchase of equipment under a co-lending arrangement.

iQuippo, a Kanoria Foundation initiative, would facilitate the sourcing of loans under this programme.

The partnership would allow Srei Equipment and Oriental Bank of Commerce to collaborate, co-operate and widen their respective markets and customer base. Financing of construction, mining and allied equipment (CME), medical equipment, commercial vehicles and farm equipment would be covered under this arrangement.

Sunil Kanoria

Sunil Kanoria, vice-chairman, Srei, said: "With a stable government in place, the infrastructure sector in India is expected to grow rapidly. Srei Equipment and Oriental Bank of Commerce's combined experience and expertise in offering innovative financing solutions will help us in expanding our reach and create value for our customers."

Devendra Kumar Vyas, CEO, Srei Equipment, said that while the bank would benefit from SREI Equipment's domain expertise and stakeholder relationships in the equipment financing space, Oriental Bank's support would help in strengthening SREI's leadership position.

## Infinix eyes 6% market share in smartphones

SPECIAL CORRESPONDENT

KOLKATA

Infinix India, a recent entrant into Indian smartphone market, is aiming to grab a 5-6% market share by the end of this fiscal, CEO Anish Kapoor said.

Talking to *The Hindu*, he said the company expected to launch four devices this year on the back of the five launches in 2018. Under the Make-In-India initiative, the company services the Indian market through its Noida unit, which was set up last year. He declined to give details on the firm's investment or the capacity. Founded in 2013, Infinix is a brand from Transsion Holdings, a Chinese firm, with presence in the emerging markets.