

MARKET WATCH

	03-05-2019	% CHANGE
Sensex	38,963	-0.05
US Dollar	69.22	0.21
Gold	32,470	-0.45
Brent oil	71.27	2.00

NIFTY 50

	PRICE	CHANGE
Adani Ports	387.25	-8.05
Asian Paints	1438.55	1.95
Axis Bank	757.30	4.95
Bajaj Auto	3059.75	29.20
Bajaj Finserv	7624.20	45.35
Bajaj Finance	3111.85	-19.90
Bharti Airtel	331.45	7.25
BPCIL	380.75	2.30
Britannia Ind	2696.15	-86.90
Cipla	564.50	-1.10
Coal India	252.10	-0.25
Dr Reddys Lab	2907.45	-12.45
Eicher Motors	20352.35	-212.75
GAIL (India)	345.45	-2.10
Grasim Ind	898.65	-0.65
HCL Tech	1143.05	-17.00
HDFC	2006.40	-11.00
HDFC Bank	2367.95	12.15
Hero MotoCorp	2565.40	13.70
Hindalco	205.10	0.40
Hindustan Unilever	1693.55	-30.00
Indiabulls HFL	705.70	26.05
ICICI Bank	401.80	6.25
IndusInd Bank	1556.60	-4.70
Bharti Infratel	274.00	3.15
Infosys	723.60	-7.20
Indian OilCorp	156.15	-1.95
ITC	304.25	-0.75
JSW Steel	308.85	2.20
Kotak Bank	1417.80	11.45
L&T	1363.60	4.85
M&M	645.80	-0.10
Maruti Suzuki	6710.00	26.75
NTPC	135.45	2.35
ONGC	170.25	1.35
PowerGrid Corp	190.85	0.65
Reliance Ind	1408.85	3.80
State Bank	310.00	1.85
Sun Pharma	453.25	1.05
Tata Motors	209.45	2.15
Tata Steel	547.80	-7.15
TCS	2132.00	-83.40
Tech Mahindra	817.40	-19.60
Titan	1145.05	6.90
UltraTech Cement	4566.00	-50.30
UPL	970.35	6.45
Vedanta	167.70	-0.60
Wipro	290.90	-2.75
YES Bank	175.90	2.15
Zee Entertainment	411.40	-7.05

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on May 03

CURRENCY	TT BUY	TT SELL
US Dollar	69.02	69.34
Euro	76.94	77.30
British Pound	89.73	90.15
Japanese Yen (100)	61.88	62.17
Chinese Yuan	10.25	10.30
Swiss Franc	67.61	67.93
Singapore Dollar	50.58	50.83
Canadian Dollar	51.23	51.47
Malaysian Ringgit	16.66	16.76

Source:Indian Bank

BULLION RATES CHENNAI

May 03 rates in rupees with previous rates in parentheses

Retail Silver (1g)	39.5	(39.7)
22 ct gold (1 g)	2992	(3002)

# ‘Don’t terminate GSP benefits to India’

25 U.S. lawmakers warn Trump administration that firms seeking to widen exports to India may be hit

PRESS TRUST OF INDIA  
WASHINGTON

The U.S. should not terminate the GSP programme with India after the expiry of the 60-day notice period on Friday, a group of 25 influential American lawmakers urged the U.S. Trade Representative, warning that companies seeking to expand their exports to India could be hit.

The Generalized System of Preference (GSP) is the largest and oldest U.S. trade preference programme designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries.

On March 4, President Donald Trump announced that the U.S. intended to terminate India’s designations as a



**Last-minute effort:** The 60-day notice period for ending GSP benefits to India came to a close on May 3. ■AP

beneficiary developing country under the GSP programme. The 60-day notice period ended on May 3.

On the eve of the end of the notice period, the 25 U.S. lawmakers made a last-ditch effort to convince the Trump administration from going ahead with its decision.

The 25 members of the

U.S. House of Representatives, in a passionate letter, urged U.S. Trade Representative Robert Lighthizer to continue negotiating a deal that protects and promotes jobs that rely on trade – both imports and exports – with India.

They argued that terminating GSP for India would

hurt American companies seeking to expand their exports to India.

“India’s termination from GSP follows its failure to provide the United States with assurances that it will provide equitable and reasonable access to its markets in numerous sectors,” Mr. Trump had said in a letter to Congress, providing a notice of his intent to terminate the designation of India as a beneficiary developing country under GSP programme.

In his letter, Mr. Trump said that he was determined that New Delhi had “not assured” the U.S. that it would “provide equitable and reasonable access” to the markets of India.

“I will continue to assess whether the Government of India is providing equitable

and reasonable access to its markets, in accordance with the GSP eligibility criteria,” he wrote.

‘None will benefit’

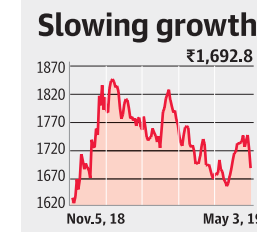
Expressing concern over such a move, the lawmakers said that no party – in the United States or India – would benefit from terminating GSP benefits.

“American companies that rely on duty-free treatment for India under the GSP will pay hundreds of millions of dollars annually in new taxes. In the past, even temporary lapses in such benefits have caused companies to lay off workers, cut salaries and benefits, and delay or cancel job-creating investments in the United States,” the lawmakers said.

## India extends retaliatory tariff deadline on U.S. items

PRESS TRUST OF INDIA  
NEW DELHI

The government has again extended its deadline to impose retaliatory import duties on 29 U.S. products, including on almonds, walnuts and pulses, till May 16. A Finance Ministry notification said that implementation of increased customs duty on specified imports from the U.S. has been postponed from May 2 to May 16 this year. These deadlines have been extended several times since June 2018, when India decided to impose duties in retaliation to a U.S. move to impose high customs duties on certain steel and aluminium products.



Moderation is happening primarily in general trade and wholesale channels and from the lens of geography, it is more pronounced in rural markets

SANJIV MEHTA, CMD, Hindustan Unilever

Metrics	Q4 FY19	Q4 FY18	Growth (%)
Total income (₹ cr.)	10,063	9,197	9.41
Net profit (₹ cr.)	1,538	1,351	13.84
EPS (₹)	7.11	6.24	
Dividend (₹)	13	12	

## Subdued rural market impacts HUL growth

Volume growth lowest since Sept. 2017

SPECIAL CORRESPONDENT  
MUMBAI

Hindustan Unilever Ltd. reported an about 14% rise in net profit for the fourth quarter of 2018-19, even as volume grew at a subdued 7%, due to a slowdown in rural demand. This is the lowest growth since the quarter ended September 30, 2017 when volume rose 4%.

The company registered a profit of ₹1,538 crore in the three-month period ended March 31, 2019, higher than ₹1,351 crore registered in the corresponding quarter of the previous fiscal.

Total sales in the quarter stood at ₹9,809 crore, nearly 9% higher than the corresponding quarter’s sales of ₹9,003 crore. “The moderation is happening primarily in the general trade and wholesale channel and from the lens of geography, it was more pronounced in rural markets,” said chairman and managing director Sanjiv Mehta, while addressing the media.

“This is not a panic situation. This is not an economy going into a tailspin and consumption [vanishing]. This is about relative growth rate,” he added.

Going ahead, the company said it believed that ma-

croeconomic indicators were hinting at a moderate near-term market growth, even as currency and commodities continue to be volatile.

“Low wage rates and food prices mean less money in the hands of rural people that is getting reflected in the consumption pattern or growth slowing down. Wholesalers, who work with larger inventory, would have been impacted with tightening liquidity,” he said.

In terms of segment revenue, while the home care segment clocked double digit growth at 13%, the foods & refreshment segment grew at 9% and beauty & personal care segment saw a growth of 7%.

“In the backdrop of slowing demand, HUL has posted decent operating performance... The weakening rural demand will have impact on the performance in the near term,” said Kaushtubh Pawaskar, Research Analyst, Sharekhan.

For the fiscal 2018-19, the firm saw total sales of ₹37,660 crore, up 8.8% from the previous fiscal’s ₹34,619 crore. Net profit rose 15.4% to ₹6,036 crore in FY19 from ₹5,237 crore in FY18.

## Tata Chem Q4 net slips 62.8% to ₹450.1 crore

U.K. operations face obstacles: CEO

SPECIAL CORRESPONDENT  
MUMBAI

Tata Chemicals’ consolidated net profit for the fourth quarter ended March 31, 2019 fell by 62.8% to ₹450.10 as the profit for the same period last year was boosted by pre-tax gain of ₹1,279.39 crore due to sale of its urea and customised fertilizers business to Yera Fertilizers India Private Limited.

On a like-to-like basis, the company’s profit from continuing operations went up by 26.4%.

The profits were reported on an 8% growth in revenue to ₹2,759.39 crore.

Commenting on the results, R. Mukundan, MD and CEO, Tata Chemicals Ltd., said: “We are pleased to share a positive overall performance despite some challenges on the energy cost and overall plant’s fixed cost. The overall operational efficiency continues to grow and the performance



R. Mukundan

was on expected lines across all geographies, except a few obstacles in the U.K. operations. The Indian chemicals business registered a robust performance. U.S. has delivered better results than the same period last year and Kenya exhibited a positive momentum.”

For FY18-19, the company’s consolidated net profit came down by 11% to ₹1,395 crore on 9% growth in its income from operations on consolidated basis to ₹11,296 crore.

## RBI imposes fines on PPIs for violating norms

‘They had flouted regulatory rules’

SPECIAL CORRESPONDENT  
MUMBAI

The Reserve Bank of India has slapped monetary penalty on five pre-paid payment instrument issuers including Vodafone m-pesa and Phonepe, for violating regulatory guidelines.

A penalty of ₹3.05 crore has been imposed on Vodafone m-pesa and ₹1 crore each on Mobile Payments, PhonePe and G.I. Technology Private Ltd.

Also, a penalty of ₹5 lakh has been imposed on Y-Cash Software Solutions.

In a separate statement, the central bank said it had imposed a penalty of ₹29.67 lakh on Western Union Financial Services Inc., USA., and ₹10.12 lakh on MoneyGram Payment Systems Inc, USA, for non-compliance of regulatory guidelines.

The penalties on Western Union and MoneyGram had been imposed by the central bank under the provisions

of the Payment and Settlement Systems Act, 2007, for compounding of the contravention.

Yes Bank penalised

RBI also imposed a penalty of ₹11.25 lakh on private sector lender Yes Bank for violation of norms pertaining to issuance and operations of PPIs.

In a statement to the exchanges, the private sector lender said: “RBI has identified certain violations of RBI circular ... on Issuance and Operation of Prepaid Payment Instruments (PPIs) in connection with certain product features of an open loop prepaid card (co-branded) previously issued by the bank.”

“The bank had launched this product as a pilot program from September 13, 2017, and had later discontinued this product with effect from March 14, 2018,” it added.

## Asia-Pacific to grow 5.7% this year: ADB

Consumer, investor behaviour may be undermined by trade tensions, says Nakao

RAGHUVIR SRINIVASAN  
NADI, FIJI

The Asia-Pacific region is expected to power ahead growing at 5.7% this year but escalating trade tensions are a source of worry, according to Takehiko Nakao, President and Chairperson, Asian Development Bank.

Addressing the opening session of the Board of Governors at ADB’s 52<sup>nd</sup> Annual Meeting here, Mr. Nakao said that consumer and investor behaviour could be undermined by trade tensions between countries.

Reform, re-orient

“There has been much debate about it but I’m a firm believer in the multilateral system,” he said, adding, “but we have to reform and



**Dousing fires:** ADB’s Takehiko Nakao says he is a firm believer in the multilateral system. ■SPECIAL ARRANGEMENT

reorient ourselves to earn the support of members and their taxpayers.”

The bank’s lending grew to a record \$21.6 billion in 2018, 10% higher compared to 2017. Mr. Nakao elaborat-

ed on the Strategy 2030 plan of ADB which will focus on six key areas – operational and action plans for the private sector, addressing remaining poverty and inequality, accelerating

progress in gender equality, continuing to foster regional cooperation and integration, expanding private sector operations and using concessional resources effectively.

‘World comes to Fiji’

Addressing the session, Fiji’s Prime Minister Josia Voreque Bainimarama said: “The world has come to us. This conference marks the end of an era of missed opportunities for the Pacific region.”

This is the single largest gathering in Fiji with over 2,000 delegates and was the first time that the ADB held its annual meeting in the Pacific region, he pointed out.

(The correspondent is in Fiji at the invitation of ADB)



IN BRIEF



‘No gold shifted out of India in 2014 or later’

MUMBAI  
The Reserve Bank of India (RBI) on Friday clarified that no gold was shifted by the central bank to other countries in 2014 or thereafter. The clarification comes after some reports suggested that RBI shifted abroad a part of its gold holding in 2014. While RBI said it was a normal practice for central banks world over to keep their gold reserves overseas with Central Banks of other countries like Bank of England for safe custody, it denied any such move in 2014 or later.

Chola Financial Q4 net profit rises 1.96%

CHENNAI  
Cholamandalam Financial Holdings Ltd., formerly known as TI Financial Holdings Ltd., has reported a an almost flat growth in standalone net profit for the quarter ended March 2019 to ₹34.26 crore from ₹33.60 crore in the corresponding quarter last year. Total income rose 2.41% to ₹36.47 crore from ₹35.61 crore. The board has recommended a final dividend of 65 paise for fiscal year 2018-19.

Independent director in Reliance Home Fin quits

NEW DELHI  
Reliance Home Finance on Friday said one of its Independent Directors Padmanabh Vora has resigned from the board citing default in payment of dues and rating downgrade as reasons. In a separate BSE filing, the company said Rashna Hoshang Khan has been appointed as an Independent Director on the board of the company for five years with effect from May 2, 2019. PTI

# Used car industry eyes 7.2 mn units

Crosses 4 mn-mark in FY19, valuation to touch ₹50,000 crore by FY22: IBB report

LALATENDU MISHRA  
MUMBAI

The Indian pre-owned car segment, larger in size than the new car market in terms of volume, is expected to reach between 6.7 million and 7.2 million units a year by FY22, according to IndianBlueBook (IBB), the industry’s pricing and analytics handbook brought out by Mahindra First Choice Wheels.

The pre-owned and associated industry will be valued at ₹50,000 crore by then, it said.

In its third edition of the ‘India Pre-owned Car Market Report’, IBB said despite its large size, the overall pre-owned cars market will remain fragmented, with only 30% of the market will be catered to by organised players



Launch pad: Over 85% pre-owned car buyers choose the vehicle en route to buying a new car, says IBB. •P.V.SIVAKUMAR

who have developed a transparent business model to discover the right price.

“Indian pre-owned vehicle market is at an interesting stage of evolution. Everything around us is changing.

An interesting shift, is the impact of technology in users’ decision-making process, with price transparency and ease of discovery creating new ‘trusted’ channels in the pre-owned car ecosystem,”

## Share of small tea growers in harvest rises

Output in north India increases 2.5%

INDRANI DUTTA  
KOLKATA

The Indian tea industry harvested its highest tea crop of 1,350 million kg for fiscal 2019 and 1,338.6 million kgs for the calendar year according to official statistics.

The figures show that the small tea growers now have a 48% share in the country’s tea output with West Bengal’s Terai region small growers having the highest share of 73.6% and Tamil Nadu having a 61.2% share.

In 2017 the STG share was around 46.4%, it was learnt.

An analysis of the figures shows that production in north India rose between June and September, but declined in December and January.

Production in south India declined in major months except October and December when significant increase was seen.

“Tea Board is now doing a baseline survey to gauge estate-wise production, equipment use and also the actual acreage under tea,” Deputy Chairman, Tea Board, Arun Kumar Ray told *The Hindu*.

Output in north India rose 2.5%, with Assam – accounting for half of India’s tea crop – showing a 2.5% rise. Darjeeling crop stood at 7.7 million kg in 2018. Tamil Nadu saw a 4.8% drop, trending a similar crop shortfall in the two other tea growing States of the south, Karnataka and Kerala.

## GMR arm’s resolution plan gets nod

SPECIAL CORRESPONDENT  
HYDERABAD

A resolution plan between the gas-based power producer GMR Rajahmundry Energy Ltd (GREL) and its lenders has been executed, GMR Infrastructure Ltd said on Friday.

The existing ₹2,353 crore debt has been lowered to ₹1,412 crore. The GMR Group has infused ₹395 crore towards meeting 20% of principal towards repayment of debt and the interest servicing obligations of GREL for the first year. The balance ₹1,130 crore would be repayable over 20 years. The debt of ₹941 crore has been converted into redeemable preference shares repayable from the 17th to the 20th year.

## Home project launches in 9 cities slump 32%

‘GST transition rule changes attributed to fall; trend may change post polls’

SPECIAL CORRESPONDENT  
MUMBAI

A PropTiger.com study on India’s nine key property markets in the January to March quarter (Q4) has reported a 5% year-on-year decline in home sales and a 32% fall in new project launches. However, as per the report, unsold housing stock declined by about 10% in the same period, providing a breather to developers.

“While there might not be any significant improvement in new launches and home sales in the first quarter of FY20, things may start to change after the results of the Lok Sabha elections are announced,” said Mani Rangarajan, group chief operating officer, Elara Technologies, which owns PropTiger.com. “In fact, as



Safe bet: A cautious approach in new launches has resulted in a fall of 10% in unsold housing stock. •PAUL NORONHA

more clarity emerges on issues pertaining to GST, these numbers might see improvement in the quarters that follow. Property rates would also see an upward movement in time to come,” he said. As per the report, developers sold 75,706 units in Q4 as against 79,601 units in the Q4

FY18. The decline was on account of changes in the Goods and Services Tax (GST) transition rules, the report said.

Despite an overall decline in numbers, home sales in some cities including Hyderabad, Gurugram, Pune and Mumbai increased in Q4.

## ‘Big 4 audit firms to desist from practising law’

Interim order by Bar Council of Delhi

IANS  
NEW DELHI

The Bar Council of Delhi, in an interim order on Friday, directed four big accounting firms, E&Y, Deloitte India, Price Water House Cooper’s and KPMG, to refrain from practising law until further orders from the lawyers’ body.

The Bar Council has also asked these firms for a list of all advocates enrolled across all their offices, in any capacity. The Bar Council will hear the matter next on July 12.

The Bar Council action came on a complaint by senior advocate Lalit Bhasin alleging that though all these firms were accounting firms originally, they were engaged in law practice,

which was not legally permissible. Mr. Bhasin, who is also the president of the Society of India Law Firms, said accounting firms have been encroaching into legal practice and their practice of hiring law graduates to provide non-litigation legal solutions was in contrast with the Advocates Act.

“The Council is of the view that in the meantime, all the firms... refrain themselves from indulging in any such practice until further orders,” said a statement from the Delhi Bar Council.

In November 2018, an expert panel reportedly constituted by the Ministry of Corporate Affairs suggested amendment to the Advocates Act to allow audit firms to offer legal services.

## Sagar Cements acquires Jajpur Cements

SPECIAL CORRESPONDENT  
HYDERABAD

Sagar Cements on Friday said it had completed the acquisition of 100% stake in Jajpur Cements Private Ltd (JCPL) and will set in motion the process of establishing a 1.5 million tonne greenfield cement grinding unit in Jajpur, Odisha.

The board of Sagar Cements, had in December, approved the investment of ₹108 crore in JCPL in a phased manner to acquire 100% shareholding and to set up through it a 1.5 million tonne greenfield cement grinding unit in Jajpur, Odisha at a total cost of ₹308.10 crore.

The new unit is likely to be completed by March 2021.