

MARKET WATCH

	06-05-2019	% CHANGE
Sensex	38,600	-0.93
US Dollar	69.40	-0.26
Gold	32,720	0.22
Brent oil	70.71	-0.78

NIFTY 50

	PRICE	CHANGE
Adani Ports	379.80	-7.45
Asian Paints	1412.80	-25.75
Axis Bank	747.45	-9.85
Bajaj Auto	3026.20	-33.55
Bajaj Finserv	7667.95	43.75
Bajaj Finance	3034.30	-77.55
Bharti Airtel	333.45	2.00
BPLCL	390.35	9.60
Britannia Ind	2666.00	-30.15
Cipla	563.35	-1.15
Coal India	251.35	-0.75
Dr Reddys Lab	2920.60	13.15
Eicher Motors	20349.90	-2.45
GAII (India)	346.25	0.80
Grasim Ind	896.55	-2.10
HCL Tech	1136.05	-7.00
HDFC	1965.45	-40.95
HDFC Bank	2328.45	-39.50
Hero MotoCorp	2531.30	-34.10
Hindalco	198.90	-6.20
Hind Unilever	1668.90	-24.65
Indiabulls HFL	686.55	-19.15
ICICI Bank	401.30	-0.50
IndusInd Bank	1528.25	-28.35
Bharti Infratel	271.85	-2.15
Infosys	718.40	-5.20
Indian OilCorp	156.70	0.55
ITC	307.00	2.75
JSW Steel	296.70	-12.15
Kotak Bank	1410.40	-7.40
L&T	1352.70	-10.90
M&M	638.50	-7.30
Maruti Suzuki	6709.65	-0.35
NTPC	135.00	-0.45
ONGC	170.15	-0.10
PowerGrid Corp	190.45	-0.40
Reliance Ind	1384.90	-23.95
State Bank	308.75	-1.25
Sun Pharma	453.15	-0.10
Tata Motors	199.80	-9.65
Tata Steel	535.95	-11.85
TCS	2157.85	25.85
Tech Mahindra	820.15	2.75
Titan	1082.85	-62.20
UltraTech Cement	4518.55	-47.45
UPL	949.80	-20.55
Vedanta	166.75	-0.95
Wipro	290.85	-0.05
YES Bank	166.25	-9.65
Zee Entertainment	387.75	-23.65

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on May 06

CURRENCY	TT BUY	TT SELL
US Dollar	69.21	69.53
Euro	77.50	77.86
British Pound	90.63	91.05
Japanese Yen (100)	62.44	62.73
Chinese Yuan	10.23	10.28
Swiss Franc	67.94	68.26
Singapore Dollar	50.77	51.01
Canadian Dollar	51.37	51.61
Malaysian Ringgit	16.68	16.79

Source:Indian Bank

BULLION RATES CHENNAI

May 06 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.2	(39.5)
22 ct gold (1 g)	3017	(2992)

Mastercard to invest \$1 billion in India over five years

Aims to develop India as global technology node

TCA SHARAD RAGHAVAN
NEW DELHI

Mastercard on Monday announced a \$1 billion investment in India over the next five years aimed at converting India into a vital node in the company's infrastructure, and also to continue business expansion.

"There is a very large presence that Mastercard has built, and now, after having seen the last five years, we are very bullish on the overall Indian economy and what the future looks like, and clearly very excited about the digital payments ecosystem and payments ecosystem in general," Ari Sarker, co-president, Asia Pacific at Mastercard told *The Hindu*.

"Therefore, we are making a commitment of another \$1 billion in India in the coming five years, and what



is interesting in this investment is that roughly \$300 million is going to go into an investment where India will become a part of our global technology nodes of our network," Mr. Sarker added.

Previous investment Mastercard has previously invested \$1 billion in India over the last five years, Mr. Sarker explained, which have resulted in several acquisitions, increased employment in the India offices, and improvements in

available from suppliers of substitute crudes – Saudi Arabia, Kuwait, Iraq, Nigeria, and the U.S.

"Iran is a problem, if you have seen recent terrorism incidents, and we should be doing whatever we can against terrorism," Mr. Ross told reporters after meeting Finance Minister Arun Jaitley.

'Will solve issues' Separately, after a meeting between Mr. Ross and Union Commerce Minister Suresh Prabhu, the Indian government said the U.S. and India stand committed to resolve outstanding trade issues by "exploring suitable solutions which are mutually beneficial."

technology development capabilities. "If you look at 2014, our presence in India was only 30-odd people, which was largely focussed on banks in India for our sales and distribution effort," Mr. Sarker said.

"Today, 14% of our global workforce is based in India and we are developing significant technology capabilities out of India through our technology hubs in Pune [and] Vadodara."

The about \$300 million portion of the investment will make India a node for the delivery of payment processing capabilities. "In essence, all of our processing capabilities [such as] authorisation, clearing, settlement, tokenisation, fraud and safety services, all of that will be locally delivered," he said. "It will take us two years to build up."

U.S. can't ensure cheaper oil for India, says Ross

'Oil is owned by private people'

PRESS TRUST OF INDIA
NEW DELHI

The U.S. on Monday said it could not ensure the sale of its crude oil to India at concessional rates to make up for the cheaper Iranian oil going out of the market.

"Oil is owned by private people, so the government cannot force people to make concessionary price," U.S. Commerce Secretary Wilbur Ross told reporters.

India, this month, stopped importing crude oil from Iran following the U.S. move to end sanction waivers.

Iranian oil was a lucrative buy for Indian refiners as the Persian Gulf nation had provided 60 days of credit for purchases, terms not

available from suppliers of substitute crudes – Saudi Arabia, Kuwait, Iraq, Nigeria, and the U.S.

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Stocks bleed on U.S.-China trade war

Sensex declines 0.93%; ICICI Bank, RIL among top losers

SPECIAL CORRESPONDENT
MUMBAI

Fresh concerns over the trade war between the U.S. and China sent equity markets into a tailspin on Monday, with Indian benchmarks shedding close to a per cent each.

The 30-share Sensex opened the day lower by nearly 250 points before losing further ground to touch a low of 38,509 – a fall of over 450 points compared to Friday's close of 38,963.

The benchmark finally closed at 38,600.34, down 362.92 points, or 0.93%.

As many as 25 of the 30 constituents, including heavyweights like ICICI Bank, Reliance Industries, Infosys, HDFC, Hindustan Unilever and State Bank of India, ended the day in the red.

On an overall basis, more than 1,600 stocks lost ground on BSE, which was almost double the number of gainers at 831.

The broader Nifty lost 114

points or 0.97% to close at 11,598.25.

"The fall in the markets was mainly due to U.S. President Donald Trump planning on doubling the tariff rate on \$200 billion of Chinese goods," said Hemang Jani, head – Advisory, Sharekhan.

"We expect market turbulence to continue on the back of U.S.-China trade tensions, the ongoing general elections and Q4 earnings season," Mr. Jani added.

In a series of tweets on Sunday, U.S. President Donald Trump said that tariffs on Chinese goods worth \$200 billion would be shortly increased from 10% to 25%. Another \$325 billion worth of goods that remain untaxed would soon attract a rate of 25%, he added.

Panic sell-off This led to a panic sell-off in most markets, with the Chinese benchmarks shedding more than 5%, while Hang

Seng lost nearly 3%. All the other leading equity indices in Asia also ended in the red on Monday.

Mr. Trump said on Twitter the U.S. would more than double tariffs on \$200bn (£152bn) of Chinese goods on Friday and would introduce fresh tariffs.

Incidentally, the India VIX, which is looked upon as a 'barometer' of short-term volatility, rose nearly 10% to 26.43.

"Market volumes were lower than recent average as buyers stayed away amidst tense times," Deepak Jasani, Head of Retail Research, HDFC Securities, said.

"India VIX closed 10.2% higher at 26.5 – more than three-year high," he added.

Meanwhile, the rupee weakened 18 paise against the dollar to close the day at 69.40 over renewed concerns over global trade wars that made foreign investors withdraw from emerging markets.

Wall Street falls after Trump's tariff threat

Tech shares drop the most

REUTERS

U.S. stocks posted broad-based declines on Monday, but bounced back from session lows, after President Donald Trump's surprise threat to raise tariffs on Chinese goods.

Boeing Co., the single largest U.S. exporter to China, fell 1.7%, while chipmakers, which get a good portion of their revenue from China, tumbled. The Philadelphia chip index slid 2.34%, while the broader technology sec-

tor fell 1.28%. Apple Inc. declined 2.1%, and dragged on the tech sector, while other marquee names such as Amazon.com Inc., Microsoft Corp and Facebook Inc. fell about 1%.

At 11:04 a.m. ET, the Dow Jones Industrial Average was down 230.33 points, or 0.87%, at 26,274.62. The S&P 500 was down 26.59 points, or 0.90%, at 2,919.05 and the Nasdaq Composite was down 81.04 points, or 0.99%, at 8,082.96.

ICICI Bank Q4 net declines 5% to ₹969 cr.

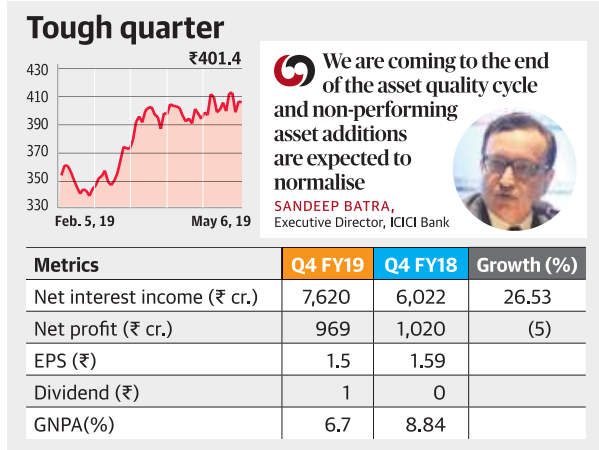
Private sector lender's margins at all-time high; net NPA ratio falls to 2.06%, the lowest in 13 quarters

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender ICICI Bank reported a 5% decline in standalone net profit to ₹969 crore during the fourth quarter of 2018-19, compared to ₹1,020 crore during the same period of the previous year. The profit for Q4 of FY18 was boosted by a one-time gain of around ₹3,300 crore from stake sale in ICICI Securities, one of its subsidiaries.

This apart, rise in expenses also impacted the bottom-line in Q4, which rose 18% to ₹14,680 crore.

Asset quality of the bank improved, as gross and net NPAs declined sequentially and on a year-on-year basis. The bank's gross NPA as at end of March was ₹46,292 crore (or 6.7% of gross ad-



vances) as compared to ₹56,063 crore (8.84%) a year ago and ₹51,591 crore (7.75%) as at December end.

Net NPA ratio decreased from 2.58% on December 31, 2018 to 2.06% at March 31, 2019, the lowest in the last 13

quarters, the bank said. "Net NPAs decreased by over 50% year-on-year to ₹13,577 crore on March 31, 2019," the bank said. "We are coming to the end of the NPA cycle, NPA additions to further normalise," said Sandeep Batra,

who has been appointed as the executive director by the board of the bank on Monday. The appointment, which is for five years, is subject to regulatory approvals.

"We aim to have a 15% RoE by June 2020," he said. For FY19, return on equity was 3.2%.

Gross NPA addition The gross additions to NPA were ₹3,547 crore in Q4 2019 compared to ₹2,091 crore in the preceding quarter.

The gross NPA additions in Q4 include an account in the sugar sector.

As on March 31, 2019, the fund-based and non-fund based outstanding to borrowers rated 'BB and below' was ₹17,525 crore, which is about 3% of the bank's loan book.

Discom debt to return to pre-UDAY levels

State-owned power generation firms have to become commercially viable: Crisil

SPECIAL CORRESPONDENT
MUMBAI

Aggregate external debt of State-owned electricity distribution companies (discoms) is set to increase to pre-Ujwal Discom Assurance Yojana (UDAY) levels of ₹2.6 lakh crore by the end of this fiscal, according to Crisil's analysis of discoms in 15 States, which account for 85% of the aggregate losses.

With most States having limited fiscal headroom, continuous financial support to their discoms may be difficult. So discoms have to become commercially viable through prudent tariff hikes and a material reduction in aggregate technical and commercial (AT&C) losses, said the Crisil statement.

As per the MoUs States had signed under UDAY in



No bailout: Tariff hikes and a reduction in AT&C losses is the way forward for State discoms, says Crisil. ■P.V. SIVAKUMAR

fiscal 2016, their discoms were to initiate structural reforms by reducing AT&C losses by 900 basis points (bps) to about 15% in fiscal 2019, and also implement regular tariff hikes of 5-6% per annum. In lieu, State go-

vernments took over three-fourths of discom debt, thus reducing the interest cost burden. While discoms enjoyed the benefit of debt reduction, structural reforms have been slow to come by.

For instance, AT&C losses

reduced by only 400 bps by December 2018 from pre-UDAY levels and the average tariff increase were a paltry 3% per annum.

'Potential for losses' "Further improvement in operations may face challenges because the focus on new rural connections without adequate tariff hikes can increase losses," said Subodh Rai, senior director, Crisil Ratings.

"Add to that the funding needs for budgeted capital expenditure, and the external debt of discoms would balloon to about ₹2.6 lakh crore by the end of fiscal 2020." That arithmetic is based on the assumption of average tariff increase of 2%, and partial funding of losses through State grants.

IN BRIEF



Dr. Reddy's launches testosterone gel in U.S.
HYDERABAD
Dr. Reddy's Laboratories has launched in the U.S. testosterone gel 1.62%, a therapeutic equivalent generic version of AndroGel 1.62% that is indicated for adult males with low or no testosterone due to certain medical conditions. The AndroGel (testosterone gel) brand and generic had sales of approximately \$ 815.6 million of moving annual total in the U.S. for the twelve months ended February 2019, the firm said.

SAT gives interim relief to three NSE officials
MUMBAI
The Securities Appellate Tribunal has granted interim relief to three NSE officials who were told to step down by the SEBI for their alleged role in the co-location matter. The tribunal has stayed the SEBI order, while posting the matter to July 22. As per the SEBI order, Ravi Varanasi, Nagendra Kumar and Deviprasad Singh were restrained from holding a position in a stock exchange for two years.

USFDA for action against Strides Pharma unit
NEW DELHI
Strides Pharma Science Ltd. said the U.S. health regulator had classified its Puducherry facility as official action initiated (OAI) for non-compliance of norms. The company received a communication from the US FDA on May 4, 2019, classifying the facility as OAI, based on the inspection conducted from January 28 to February 5, 2019, Strides Pharma Science said in a regulatory filing. PTI

Ratan Tata invests in Ola's EV arm

Funding is part of ₹400 crore raised in first round by the company

SPECIAL CORRESPONDENT
MUMBAI

Tata Group chairman emeritus Ratan Tata has invested an unspecified amount in Ola Electric Mobility to support its ambitions to scale EV deployment in India. Mr. Tata has made the investment in the newly-formed Electric Mobility company in his personal capacity. Ola Electric Mobility Pvt. Ltd. on Monday announced Mr. Tata's investment in the company as part of its Series A round of funding.

Early investor in Ola
Mr. Tata is also an early investor in ANI Technologies Pvt. Ltd., Ola's parent company. Mr. Tata's investment in Ola Electric will bring 'his



Betting big: Ratan Tata said he believes Ola Electric will play a key role in the development of the EV ecosystem. •PTI

deep experience and mentorship to the company's ambitions to make electric mobility viable at scale', Ola Electric said. His decision to invest is a 'significant endorsement of the company's approach to developing an electric mobility ecosystem, including in-

novations in charging infrastructure, swapping models, and market-appropriate products', it added.

Pilot projects
Ola Electric is currently running several pilots involving charging solutions, battery swapping stations and de-

ploying vehicles across two, three and four-wheeler segments. On his investment, Mr. Tata, said, "The electric vehicle ecosystem is evolving dramatically every day, and I believe Ola Electric will play a key role in its growth and development." Ola Electric Mobility has raised a sum of ₹400 crore led by several of Ola's early investors, Tiger Global and Matrix India and others, as part of its first round of investment. The company was initially established to enable Ola's electric mobility pilot programme in Nagpur. In 2018, Ola announced 'Mission: Electric' to bring one million electric vehicles on Indian roads by 2021. And this move is part of that vision.

HDFC Bank board to mull stock split

SPECIAL CORRESPONDENT
MUMBAI

The board of private sector lender HDFC bank would meet on May 22 to consider a stock split. "HDFC Bank Ltd. has informed BSE that the Board of Directors of the Bank... would consider a proposal for sub-division of Bank's equity shares from 1 equity share of face value of ₹2 each to 2 equity shares of face value of ₹1 each, at their meeting to be held on May 22, 2019," said a statement issued to the stock exchanges. Shares of the leading private sector lender lost 1.71% on Monday to close at ₹2,328.40. It is trading quite close to its 52-week high of ₹2,376.

Get a tablet, become a financial adviser

IIFL's device comes at a ₹25,000 cost

SPECIAL CORRESPONDENT
MUMBAI

Domestic brokerage IIFL has launched its Advisor Anytime Anywhere (AAA) service that allows an individual to become an Independent Financial Advisor (IFA) at a cost of ₹25,000. It comes with a proprietary tablet that has pre-loaded software, giving real-time access to stock markets, mutual funds, news, views and expert recommendations. The brokerage said this would help individuals in smaller cities achieve their entrepreneurial aspirations even as financial inclusion gets a fillip. It added that this initiative would help

create as many as one million jobs. "A ₹25,000 refundable deposit and [is] all that's required to be an [IFA], with all hardware and software you need to on-board, transact and service clients for all financial products and operate from anywhere in India," said a release by IIFL. The content, service, software, research and tools come free, it said. The deposit of ₹25,000 is refundable within three months. The device will allow partners to sell mutual funds, health insurance, and National Pension System offerings, among others.

IOB to raise ₹850 crore this fiscal via asset sale

Lender identifies 32 properties for sale

SPECIAL CORRESPONDENT
CHENNAI

Public sector lender Indian Overseas Bank (IOB) is planning to raise about ₹850 crore in the current fiscal through sale of non-core assets, including property and investments, to augment its capital. As per the plan, IOB has been exploring options for stake sale in joint venture/other entities to augment resources, which could help raise more than ₹445 crore, the bank said in a regulatory filing. The bank was looking at 'all avenues' to improve its capital position and was actively pursuing monetisation of its non-core assets, the statement said.

As part of its strategy to unlock assets to raise capital, the bank has identified 32 properties for sale, including prime properties in Singapore and Hong Kong aggregating to ₹900 crore. In 2018-19, the bank sold six properties – one domestic and five overseas – for ₹129 crore which helped in accretion to capital. The bank has initiated the process for selling the remaining 26 properties, valued at about ₹775 crore, and has engaged various stakeholders for expediting the sale and to derive 'maximum value' in the process, the statement said. The lender has also started the process of selling non-core investments worth ₹72 crore.

No coercive action against VW, orders SC

PRESS TRUST OF INDIA
NEW DELHI

The Supreme Court on Monday restrained the Centre from taking any "coercive" step against German auto major Volkswagen for non-submission of the ₹500 crore fine imposed by the National Green Tribunal for damaging the environment through use of a "cheat device" in its diesel cars in India. The court order came on the eve of the deadline set by the NGT for Volkswagen India Private Limited, the Indian arm of the auto major, to deposit the fine with the Central Pollution Control Board (CPCB). The firm has already deposited ₹100 crore with the CPCB.

Titan plans to spread Taneira saree store network

To open 14 showrooms with investment of ₹4-5 crore each

SPECIAL CORRESPONDENT
HYDERABAD

Titan Company, a part of the Tata Group, plans to add 14 stores of Taneira, its youngest brand representing a collection of handwoven and premium sarees from different clusters across the country, this fiscal. "We are ramping up the business. It is a very big opportunity for us," managing director of Titan Bhaskar Bhat said, pointing out that the market for occasion-wear sarees was estimated at about ₹20,000 crore. Speaking at the opening of Taneira store in Hyderabad, the first in the city and fifth in the country, he said



Bhaskar Bhat

including the new outlet the company expected to open 14 showrooms by March in several cities. On the investment likely in each store, he said it would be in the range of ₹4-5 crore. He said sarees were a natural extension for

Titan. "Similar to the jewellery market, this 5,000-year-old category is a large, unorganised market and underserved in terms of authenticity of the product." **Sourced from weavers** The sarees showcased at Taneira are sourced from around 300 weavers in 70 clusters across the country, and priced from ₹1,000 to ₹2.5 lakh. Besides the collection which comprises Banarasi silks, Pitambari, Rangkaat and Gysar, rich Kanjeevarams, Chanderis, Jamdanis, Ikats and Tussars, the store also features custom lehangas, fabrics and ready-to-wear blouses.

Kerry Indev unveils eight delivery services

SPECIAL CORRESPONDENT
MUMBAI

Kerry Indev Logistics has announced the launch of eight express services targeted at different B2B and B2C segments of the Indian market, under the Kerry Indev Express brand. With this, the company will compete with other logistics majors operating in the space of delivery of e-commerce packets, documents and parcels. "The new Express Service will enable us to offer end-to-end logistics solutions to our customers by providing last mile connectivity," S. Xavier Britto, chairman, Kerry Indev Logistics said.