

MARKET WATCH

	31-05-2019	% CHANGE
Sensex	39,714	-0.30
US Dollar	69.70	0.24
Gold	33,170	0.91
Brent oil	64.79	-3.67

NIFTY 50

	PRICE	CHANGE
Adani Ports	416.40	7.10
Asian Paints	1407.30	32.70
Axis Bank	808.30	0.75
Bajaj Auto	2925.90	-19.10
Bajaj Finserv	8187.95	-38.95
Bajaj Finance	3467.10	-14.55
Bharti Airtel	348.80	2.10
BPCl	409.35	1.70
Britannia Ind	2921.95	34.80
Cipla	558.85	-3.10
Coal India	253.50	0.55
Dr Reddys Lab	2678.35	25.95
Eicher Motors	19947.75	56.25
GAIL (India)	361.00	1.75
Grasim Ind	886.10	-25.35
HCL Tech	1092.55	14.35
HDFC	2182.65	-1.75
HDFC Bank	2425.35	-14.20
Hiera MotoCorp	2680.25	-34.95
Hindalco	197.00	-1.55
Hind Unilever	1788.50	4.25
Indiabulls HFL	786.55	12.50
ICICI Bank	423.70	-2.50
IndusInd Bank	1605.35	18.45
Bharti Infratel	269.00	-2.90
Infosys	737.75	4.20
Indian Oil Corp	165.55	3.60
ITC	278.55	-10.10
JSW Steel	271.70	-4.90
Kotak Bank	1522.15	-13.20
L&T	1557.55	-1.05
M&M	647.05	-14.65
Maruti Suzuki	6869.85	2.15
NTPC	133.25	-1.85
ONGC	171.95	2.50
PowerGrid Corp	189.30	-1.90
Reliance Ind	1330.15	0.40
State Bank	352.50	-1.05
Sun Pharma	409.85	-2.90
Tata Motors	172.60	-2.55
Tata Steel	488.30	0.35
TCS	2196.55	50.25
Tech Mahindra	760.35	25.35
Titan	1235.75	-4.85
UltraTech Cement	4760.10	1.20
UPL	998.95	-6.90
Vedanta	160.55	-3.45
Wipro	286.40	-1.60
YES Bank	147.80	-7.20
Zee Entertainment	357.45	-7.80

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on May 31

CURRENCY	TT BUY	TT SELL
US Dollar	69.48	69.80
Euro	77.51	77.87
British Pound	87.42	87.83
Japanese Yen (100)	63.86	64.16
Chinese Yuan	10.05	10.10
Swiss Franc	69.11	69.43
Singapore Dollar	50.39	50.62
Canadian Dollar	51.30	51.54
Malaysian Ringgit	16.57	16.66

Source: Indian Bank

Tight-fisted Centre meets deficit target

Fiscal deficit came in at 3.39% as against the 3.4% projected in the revised estimates of the Budget

PRESS TRUST OF INDIA
NEW DELHI

Fiscal deficit for 2018-19 came in at 3.39% of the GDP (gross domestic product), marginally lower than the 3.4% projected in the revised estimates of the Budget, mainly on account of lower expenditure and increase in non-tax revenue.

In absolute terms, the fiscal deficit at the end of March 31, 2019, stood at ₹6.45 lakh crore as against ₹6.34 lakh crore in the revised estimates of the Budget.

The fiscal deficit for 2018-19 works out to 3.39% of the GDP, as per data released by the Controller General of Accounts (CGA).

Although in absolute terms the fiscal deficit has gone up, as a percentage of



Under check: An increase in non-tax revenue also contributed to the lower fiscal deficit. • GETTY IMAGES/ISTOCK

GDP, the deficit figure has come down marginally, mainly on account of gross domestic product expansion in 2018-19.

GDP at current market prices in 2018-19 is estimated at ₹190.10 lakh crore, a 11.2%

growth over ₹170.95 lakh crore in 2017-18.

Non-tax revenues during the 2018-19 fiscal stood at ₹2.46 lakh crore, marginally higher than the ₹2.45 lakh crore in the revised estimates of Budget.

Tax revenue lagged at ₹13.16 lakh crore during the last fiscal

However, tax revenue lagged at ₹13.16 lakh crore during the last fiscal, as against ₹14.84 lakh crore in the revised estimates.

Total receipts stood at ₹16.66 lakh crore during the fiscal, compared to ₹18.22 lakh crore in the revised estimates.

Total expenditure at the end of 2018-19 fiscal was lower at ₹23.11 lakh crore as both capital and revenue expenditure were less than what was projected in the revised estimates. In the revised estimates, the government had projected the total expenditure at ₹24.57 lakh crore.

The CGA data also showed

that fiscal deficit in April, the first month of 2019-20 fiscal, stood at 22.3% of the Budget estimates.

In absolute terms, the deficit stood at ₹1.57 lakh crore in April, while the full 2019-20 budget estimate is about ₹7.04 lakh crore.

Fiscal deficit, which is the difference between expenditure and revenue, was originally budgeted at 3.3% for 2018-19.

Upward revision

However, the government later revised upward the deficit to 3.4% in the revised estimates of 2018-19 Budget to accommodate extra spending on account of schemes for farmers.

For 2019-20, the fiscal deficit is budgeted at 3.4% of the gross domestic product.

Sensex pares losses after intraday drop of about 700 points

Financial sector stocks swing wildly

SPECIAL CORRESPONDENT
MUMBAI

Ahead of the announcement of portfolios of the Ministers sworn-in on Friday, the stock market witnessed a bout of extreme volatility with the benchmark Sensex shedding about 700 points – falling from 40,000 levels to the day's low of 39,374 – and quickly recouping a large part of the losses, as investors placed bets amid the uncertainty over portfolio distribution.

The 30-share Sensex, which touched a high of 40,122.34 in the morning session, finally settled the day at 39,714.20, a decline of 117.77 points or 0.3%. The broader Nifty fell 23.10 points to close at 11,922.80.

The Bank Nifty index also witnessed a sharp drop in the forenoon session but staged a recovery soon after.

Interestingly, market participants, while welcoming the appointment of Nirmala Sitharaman as the new Finance Minister, acknowledged the fact that the Rajya Sabha member's portfolio did take the market by surprise.

"The allocation came as a surprise, but I will say [Ms.] Nirmala [Sitharaman] has done a fairly good job as Defence Minister and proved her acumen. I think she fits the bill better than anyone else," said Garima Kapoor, economist, Elara Capital.

"After [Arun] Jaitley, she's the best bet that the Prime Minister Narendra Modi could have had as she has worked in the Finance Ministry as MoS (Minister of State), has domain knowledge as she is an economics post-graduate and also



worked in the sector, so all the main boxes are ticked. Simplification of GST, measures to revive consumption, recapitalisation of public sector banks and addressing the dislocation in financial sector, especially NBFCs, remain key tasks to address," she added.

In a similar context, Amar Ambani, president and research head, Yes Securities, said that Ms. Sitharaman had done justice to the portfolios she had managed so far, while presenting proper facts and figures.

Weak sentiment

The market sentiment remained weak on Friday with almost 1,600 stocks losing ground against less than 1,000 gainers.

While the broader market breadth was in line with the trend visible in the markets in most of the trading sessions when the benchmarks lost ground, the knee-jerk fall and the ensuing recovery were primarily due to intraday swings in financial sector stocks.

The Sensex pack saw as many as 19 declines with HDFC Bank, ICICI Bank, Kotak Mahindra Bank, M&M and Yes Bank contributing to the index's losses.

IL&FS probe: ED to quiz directors of 14 firms

The companies have a total exposure of ₹10,000 cr. towards the crisis-ridden firm

SHARAD VYAS
MUMBAI

The Enforcement Directorate has called in for questioning, directors of 14 companies as part of a money laundering probe into the affairs of crisis-ridden Infrastructure Leasing and Financial Services Ltd. (IL&FS).

SFIO charge sheet

A day after the Serious Fraud Investigation Office (SFIO) filed its first charge sheet on the irregularities at IL&FS and ILFS Financial Services Ltd. (IFIN), sources said a total of 48 companies with debt obligations and borrowing exposure towards IL&FS and IFIN were under the ED's scanner as well.

However, for now, the interrogation would include the first batch of executives



Noose tightens: A total of 48 companies with exposure towards IL&FS and IFIN are under the ED scanner. • REUTERS

specifically from the 14 firms which have total exposure to the tune of ₹10,000 crore towards IL&FS, sources in the ED said. The SFIO, in its charge sheet filed on May 30, named some of the companies that are part of the ED

investigation, including Siva India Commercial Traders, ABG, A2Z and Parsvanath Group. However, officials said some of the other big infrastructure firms based out of Mumbai, Pune, New Delhi and Chennai too were under

the scanner.

"We are looking at the firms carrying out major infrastructure works, but were given loans without sufficient collateral, and later failed to service the debts. As many as 14 of the 48 companies were severely stressed. Yet the loans were processed. Our focus is on these firms to see if any dirty money was channelled through them," a senior ED official said. The ED, had on May 21, carried out searches at the homes of directors Rajesh Kotian, Shehzaad Dalal, Manu Kochhar and Mukund Sapre. They had been on the boards of IL&FS Transportation Networks India Ltd. (ITNL), IFIN, IL&FS Investment Advisors LLC and IL&FS Investment Managers Ltd., officials said.

RCom lenders claim dues of ₹49,193 crore

PRESS TRUST OF INDIA
NEW DELHI

Financial creditors of Reliance Communications (RCom) have submitted claims of more than ₹49,193 crore, that showed that China Development Bank, Life Insurance Corporation and State Bank of India have the highest exposure in the dues.

According to the list, Interim Resolution Professional (IRP) Pardeep Kumar Sethi had admitted claims of ₹47,038.79 crore and the remaining amount had been put for verification. The list showed that China Development Bank (CDB) claimed dues of ₹9,863.89 crore and the IRP had admitted the entire claim.

INTERVIEW | ARANCHA GONZALEZ

'Expensive access to credit a universal issue for SMEs'

'Making finance work for them is better than closing markets'

M. SOUNDARIYA PREETHA

Arancha Gonzalez the Executive Director of International Trade Centre (ITC) since 2013, is also the co-chair of the World Economic Forum's Council on the Future of Trade and Investment. She served as the Chief of Staff to WTO Director-General Pascal Lamy between 2005 and 2013. A regular visitor to India, an issue close to her heart is the empowerment of women entrepreneurs in different countries and connecting them to international markets. Excerpts from an interview:

What is the focus of ITC?

■ It [ITC] is an agency that belongs to the World Trade Organisation and to the United Nations. Embedded in the organisation's DNA is how to use trade, investments, to get people out of poverty, to provide opportunities, foster

development and generate jobs. Our focus today is not just trade per se, but supporting trade aligned with specific development objectives.

You spoke briefly at Mekelle about the need for trade cooperation in the current scenario. Can you elaborate?

■ What we are witnessing is deterioration in the perception of trade in some parts of the world, but it is not un-

You have to combine gradual opening up of the economy with mechanisms to support SMEs

iversal. In some places, trade is seen as a lose-lose game and some argue that 'for me to win you have to lose', and 'if you win in trade, I must be losing'. There is also a perception that international cooperation and multilateralism is for the weak. Some argue that 'if you are strong, you should not engage in international cooperation' or that you should be either managing your relations in a unilateral manner or, at best, bilaterally; but not through an international cooperation framework. The inauguration of the KPR Garment factory in Mekelle, Ethiopia, is of course the opposite, and was the result of a triangular cooperation among the U.K., the ITC and India, which led to an Indian company to invest

and create more than 1,000 jobs in Ethiopia.

How do you see ITC's role when there are such perceptions about international trade?

■ At ITC, we see our role as defending the values of multilateralism, the values of openness, the values of predictability and transparency. And we demonstrate this work through concrete examples, which, in my view, is much more forceful than abstract speeches.

For example, Ethiopia has for many years been a rather closed economy. Lately, though, it has decided to open up, reform, become competitive, become more attractive for foreigners. It is important to stress that this is something Ethiopia has decided [by] itself, because it has realised that it will benefit the country and will generate jobs. However, it is also true that international trade does not automatically benefit everybody.

We see pressure on sectors such as SMEs in every country. How can there be a balance?

One universal problem facing SMEs is very expensive access to credit and capital. So, instead of closing markets to imports, you would gain more from providing better access to credit for SMEs.

You have to make the finance sector also work for SMEs. Rather than relying solely on keeping the market closed, you have to combine intelligently the gradual opening up [of the economy] with mechanisms to facilitate and support the SMEs.

(The correspondent was in Ethiopia at ITC's invitation.)

NITI for policy framework for infra projects

PRESS TRUST OF INDIA
NEW DELHI

A task force on project management, headed by NITI Aayog CEO Amitabh Kant, has suggested the development of a National Project Management Policy Framework for the effective execution of public sector and public-private partnership infrastructure projects.

It has also recommended the setting up of a nodal body for the certification of chartered project management professionals to create world-class infrastructure. The report says, project management, with a view to deliver on time and within budget, is a learnable capability that can be institutionalised as demonstrated by the experiences of the U.S., the U.K., the UAE and China.

Jaypee Infra lenders' plea to vote against NBCC bid

PRESS TRUST OF INDIA
NEW DELHI

Lenders of Jaypee Infra-tech have filed a petition before the National Company Law Appellate Tribunal (NCLAT) to allow them to vote against NBCC's bid in an ongoing insolvency process, sources said.

Voting on NBCC's bid started on Friday and will continue till June 10. On Thursday, a committee of creditors had decided to put on vote NBCC's bid to acquire the realty firm even as the bankers had reservations on the bidder not agreeing to dilute certain conditions in its offer, including relief from future tax liabilities. The tribunal had last month barred lenders from rejecting the offer of the public sector firm.



IN BRIEF

**Ramco introduces crack-resistant cement**

CHENNAI
The Ramco Cements Ltd. has launched crack-resistant, premium blended cement called Ramco Supercrete. It is priced at ₹450 a bag. Touted as an alternative to 53 grade cement, it would address the need for high strength concrete and durability. It is compatible with m-sand. The cement will be initially produced at Ariyalur in Tamil Nadu. Ramco plans to produce four million tonnes, or 30% of the total production, of the new variety during FY20.

M.K. Sharma appointed to Vedanta board

NEW DELHI
Vedanta Ltd. on Friday said it has appointed M.K. Sharma to the company's board as a non-executive independent director with effect from June 1, 2019. He previously held the position of vice-chairman at Hindustan Unilever. He was instrumental in leading many significant projects and the experience he brings would be very critical for the firm's growth, Vedanta chairman Navin Agarwal said. PTI

USFDA issues EIR to Dr. Reddy's unit

HYDERABAD
Dr. Reddy's Laboratories has said the US Food and Drug Administration has issued establishment inspection report (EIR) for its active pharmaceutical ingredient (API) manufacturing facility in Miryalaguda, Telangana. In a regulatory filing, Dr.Reddy's said the issue of the EIR indicated the closure of audit. The inspection classification of the facility is determined as voluntary action initiated.

Google to curb third-party access

To tighten norms for accessing user data for Chrome extensions, Google Drive

**SPECIAL CORRESPONDENT
NEW DELHI**

Amid growing global concerns over data privacy and security, Google has announced that it will be further tightening guidelines for third-party developers for accessing user data for Chrome extensions and Google Drive.

'Clear rules needed'

"Third-party apps and websites create services that millions of people use to get things done and customise their online experience. To make this ecosystem successful, people need to be confident their data is secure, and developers need clear rules of the road," Google's chief privacy officer Keith Enright said on Friday. The Chrome Web Store



Expanding use: Google would also be extending the incognito mode to products like Search and Maps. • REUTERS

offers about 1.8 lakh extensions and nearly half of all Chrome desktop users actively use these to customise their browser. Citing an example of the guideline, Mr. Enright said if there was more than one permission

that could be used to implement a feature, extensions must use the permission with access to the least amount of data. "Google has doubled down on the commitment to provide best-in-class, privacy settings and

controls across all of our products and services... We've made significant investments in getting this right... ensure that our products are continuing to innovate and reflect new and improved features to empower users to remain in control of their on-line experience," he said.

Incognito mode

He added that Google would also be extending the incognito mode, which prevents users' browsing history from being stored, to products like Search and Maps.

"We think that all of our users across all of our free and paid services around the world enjoy the same measure of privacy, best-in-class privacy that Google is committed to delivering consistently," he said.

Cox & Kings posts Q4 profit of ₹1,389 crore

**PRESS TRUST OF INDIA
NEW DELHI**

Travel firm Cox & Kings has reported a consolidated net profit of ₹1,388.84 crore for the quarter ended March 31, 2019.

It had posted a net loss after taxes and share of profit/loss of associates of ₹53.36 crore for the corresponding period of the previous fiscal, the firm said in a BSE filing.

Total income from operations stood at ₹1,262.89 crore (₹1,214.04 crore).

"Our focus on the right segment in each business has led to profitable growth in the quarter and we plan to sharpen our focus to improve future quality of earnings," Cox & Kings Group CEO Peter Kerker said.



Reaching out: 3M India will leverage the strength of Castrol's pan-India network, Castrol India said. • SPECIAL ARRANGEMENT

Castrol, 3M to offer vehicle care products

Enter pact to tap \$200 million market

**SPECIAL CORRESPONDENT
MUMBAI**

Castrol India Limited (Castrol), India's leading lubricants brand and 3M India Limited (3M) have entered into a strategic collaboration to bring in a range of vehicle care products.

The collaboration agreement was signed by Omer Dormen, MD, Castrol India Limited, and Debarati Sen, MD, 3M India Ltd., here on Friday.

Technological expertise

"Castrol is excited to combine our technological expertise, marketing and distribution strengths with 3M, a global leader in vehicle care innovation.

"Through this collaboration, we [are] entering the \$200 million vehicle care market in India, a move which aligns with Castrol's approach to developing and embracing new business models in the ever-evolving automotive landscape," said Mr. Dormen.

A range of 3M-Castrol branded bike and car care products, including shampoo, glass cleaner, cream wax, dashboard and tyre dressers will be made available across India.

Ms. Sen said, "We are real-

ly pleased to see this collaboration coming to life between two globally-respected and trusted brands. Both Castrol and 3M have an established presence in India and share values of customer-centricity. This collaboration will help us leverage our common strengths to meet the changing needs of Indian consumers and bring unique value offerings through the 3M-Castrol range of vehicle care products."

Pan-India marketing

Castrol and 3M look to harness a new business model with this collaboration. Castrol offers 3M's market-leading vehicle care products range to its customers and consumers, and 3M India will leverage the strength of Castrol's pan-India marketing and distribution network of over 1 lakh independent workshops and retail outlets, Castrol India said in a statement.

Shyam Balasubramanian, Global Innovation Director, Castrol, said, "We are bringing together Castrol's extensive network with 3M's innovation capabilities to improve the driving experience of our consumers. We are confident of being able to scale up the model."

NCLT rejects proposal of former EPJL promoters

They had raised offer to ₹1,200 crore

**PRESS TRUST OF INDIA
NEW DELHI**

The National Company Law Tribunal (NCLT) has rejected the ₹1,200-crore offer by former promoters of Essar Power Jharkhand Ltd. (EPJL) for one-time settlement with the lenders and take the company out of insolvency proceedings.

After the committee of creditors (CoC) of EPJL, in which leading private sector lender ICICI Bank has over 90% voting rights, declined the ₹1,200-crore settlement proposal against a total debt of about ₹5,600 crore, the NCLT rejected the promoters' offer.

"A proposal made by the ex-promoter/director pursuant to the direction issued

on March 11, 2019 and subsequently clarified by filing one affidavit dated May 16, 2019 does not find favour of the ICICI Bank – financial creditor who constitutes 99.34% voting share of the CoC," said the NCLT.

It further said: "There are plausible reasons given for not accepting the proposal. Accordingly, we are unable to accept any such proposal and the same is hereby rejected."

On March 11, NCLT had allowed Essar Power promoters to file a revised proposal to the resolution professional of EPJL, who was supposed to place it before a CoC meeting. Earlier, the promoters had offered ₹900 crore.

Tata Power to develop 100 MW solar project in Gujarat

Firm to supply power to GUVNL under a 25-year PPA

**SPECIAL CORRESPONDENT
MUMBAI**

Tata Power Renewable Energy Limited (TPREL), a wholly owned subsidiary of Tata Power, has received a letter of award (LOA) from Gujarat Urja Vikas Nigam Limited (GUVNL) to develop a 100 MW solar project in Raghnesda Solar Park of Gujarat.

The energy would be supplied to GUVNL under a power purchase agreement (PPA) valid for a period of 25 years from the scheduled commercial operation date.

The company had won this capacity in a bid announced by GUVNL in March 2019. The project has to be commissioned within 15 months from the date of



Praveer Sinha

execution of the PPA.

Clean and green energy

Commenting on the LOA, Mr. Praveer Sinha, CEO and MD, Tata Power, said, "We are proud to announce that we have been awarded 100 MW solar project in Gujarat,

and are thankful to the Government of Gujarat and the officials at GUVNL for this opportunity. We are delighted to contribute towards the realisation of our country's commitment towards clean and green energy through solar power generation."

With this win, TPREL's capacity under implementation would be 500 MW. This is in addition to the operating capacity of 2,268 MW.

"With this win, we continue to demonstrate our strong commitment towards renewable energy as well as project development, engineering and execution capabilities," said Ashish Khanna, president-renewables, Tata Power.