

MARKET WATCH

	24-06-2019	% CHANGE
Sensex	39,123	-0.18
US Dollar	69.35	0.33
Gold	34,270	-0.29
Brent oil	64.79	-0.59

NIFTY 50

	PRICE	CHANGE
Adani Ports	406.00	4.00
Asian Paints	1376.15	-6.85
Axis Bank	762.85	-8.20
Bajaj Auto	2816.90	-58.65
Bajaj Finserv	8354.65	-37.80
Bajaj Finance	3545.35	-20.50
Bharti Airtel	345.10	1.30
BPL	380.85	0.85
Britannia Ind	2780.50	-46.20
Cipla	549.90	-1.65
Coal India	256.75	2.50
Dr Reddys Lab	2513.40	-38.15
Eicher Motors	19098.20	-621.00
GAIL (India)	306.70	-4.90
Grasim Ind	886.65	-11.10
HCL Tech	1077.90	1.65
HDFC	2148.90	8.10
HDFC Bank	2417.95	3.75
Hero MotoCorp	2586.25	-19.75
Hindalco	198.20	0.55
Hind Unilever	1764.45	-2.20
Indiabulls HFL	619.10	7.10
ICICI Bank	429.45	-1.35
IndusInd Bank	1461.55	12.90
Bharti Infratel	272.80	-2.55
Infosys	745.50	-4.70
Indian Oil Corp	152.05	-1.80
ITC	276.25	2.00
JSW Steel	257.80	-9.35
Kotak Bank	1470.60	-19.20
L&T	1541.00	1.25
M&M	634.85	7.40
Maruti Suzuki	6459.90	42.65
NTPC	135.60	1.05
ONGC	165.20	-5.75
PowerGrid Corp	199.05	-0.85
Reliance Ind	1262.40	-17.10
State Bank	353.20	3.80
Sun Pharma	383.45	0.65
Tata Motors	159.30	0.40
Tata Steel	486.25	-11.40
TCS	2275.50	25.65
Tech Mahindra	728.25	-12.20
Titan	1300.05	7.70
UltraTech Cement	4574.80	-20.35
UPL	936.55	46.45
Vedanta	168.45	-3.95
Wipro	283.90	-1.95
YES Bank	111.95	2.35
Zee Entertainment	341.35	-4.30

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on June 24

CURRENCY	TT BUY	TT SELL
US Dollar	69.15	69.47
Euro	78.80	79.17
British Pound	88.20	88.61
Japanese Yen (100)	64.46	64.76
Chinese Yuan	10.05	10.10
Swiss Franc	70.96	71.29
Singapore Dollar	51.07	51.31
Canadian Dollar	52.44	52.69
Malaysian Ringgit	16.69	16.78

Source: Indian Bank

BULLION RATES CHENNAI

June 24 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.3	(41)
22 ct gold (1 g)	3265	(3237)

Will follow all security norms: Huawei

'Will sign no-back-door-entry pact; will invest more in India if allowed to participate in 5G rollout'

YUTHIKA BHARGAVA
NEW DELHI

Stating that it will comply with any security guidelines proposed by the Indian government, including upcoming data privacy laws and signing a 'no-back door' agreement, Huawei on Monday said it was willing to invest more in India if given a green signal for participating in 5G roll-out.

Stressing that India should take an 'independent' and 'informed' decision, Huawei India CEO Jay Chen said the government should provide a "level playing field" for vendors to participate in the much-awaited 5G trials in the country.

The statement comes a day ahead of the U.S. Secretary of State Mike Pompeo's visit to India. The U.S. has



Level field: Huawei also said that other original equipment manufacturers must also sign a no-back door agreement. *AP

banned Huawei over security and espionage-related concerns and has been lobbying with other countries, including India, to ban the telecom major. India is yet to announce its decision over the company's participation in the much-awaited upcom-

ing 5G trials. Mr. Chen said, "We provide the pipe in the form of equipment and we provide the tap in the form of a smartphone etc. What is being transported in this pipe or equipment is up to the operators, content providers... We are like a car ma-

nufacturer... what is being transported by the car on the highway, we don't know. It is up to the police to check it... So guidelines and policy can be formulated by the Indian government and we are ready to comply with everything, including data privacy laws as and when they are finalised."

However, he added, that the company has proposed that the government should ask all the OEMs (original equipment manufacturers) to sign a no-back door agreement. "We agree to it. Other OEMs should also come forward for such an agreement with government and operators," he said. A 'backdoor' refers to getting access to a computer system or data by bypassing the system's in-built security mechanism.

On timing, he said, "As and when they give a 5G green signal, we are willing to work at various places and do more investments in India," he said, adding that it could be in the form of collaborating with Indian startups for 5G use cases, in skill development and for local manufacturing.

"The [Indian government] also understands that it is not a question of cybersecurity but trade war... We have been in India for 20 years... it was about security, we would have been caught. You can't hide in an open world. We have been following all the laws... There is no evidence... just by listening to the U.S., we don't see India taking a decision that will create a trouble for us..." Mr. Chen said.

Little surprise in Acharya's resignation

But exit robs RBI of key perspective

RAGHUVIR SRINIVASAN

Viral Acharya's resignation as Deputy Governor of the Reserve Bank of India, while unfortunate, is not really a surprise. There are two reasons for this.

First, that thundering speech he delivered as the A.D. Shroff Memorial Lecture on October 26, 2018 where he signed off with the statement: "Governments that do not respect central bank independence will sooner or later incur the wrath of financial markets, ignite economic fire, and come to rue the day they undermined an important regulatory institution..."

Mr. Acharya may have merely spoken what his then boss, Urjit Patel, wanted him to or he may have been disturbed enough to voice his own thoughts, of course with Mr. Patel's prior nod. But the fact is that he had crossed a line in the delicate balance between the central bank and the government. And he had to pay the price for it, only the timing was uncertain.

Second, his position turned weak after Mr. Patel resigned in December last. Not only was Mr. Acharya known to be a confidante of Mr. Patel, he was also a fellow monetary policy hawk and was handpicked by the former Governor to the post he has now resigned from.

That said, Mr. Acharya's resignation is sad because it robs the central bank of an outsider's perspective. His headline monetary policy stance would have been a valuable counterpoint now when the central bank is more tuned to an accommodative stance.

Mr. Acharya's exit is bound to restart the debate over picking foreign-trained economists for top positions



Viral Acharya

in governance. He would be the third such high-profile economist in recent times - after Raghuram Rajan and Urjit Patel - to exit his role under circumstances that are not normal.

COMMENT

There are those who believe that it would be better to back talent from within the RBI and the government as they have a better understanding of factors that are uniquely Indian.

Indeed, some of the most successful central bankers in recent times have been either career officers of the RBI or bureaucrats. S. Venkitaraman, Y.V. Reddy and Duvvuri Subbarao were bureaucrats in their earlier avatar. Another accomplished governor, C. Rangarajan, was an academic. The legendary S.S. Tarapore was a career central banker and so were Usha Thorat and Shyamala Gopinath who had notable tenures as deputy governors.

Thus, a clear frontrunner to succeed Mr. Acharya will be Michael Patra, executive director, and a member of the Monetary Policy Committee. Mr. Patra is a career RBI officer and is as conservative as they come in Mint Street. Appointing him will mean a seamless transition, in every sense of the phrase.

Jet IRP asks creditors to submit claims by July 4

Airline owes over ₹8,000 cr. to lenders

SPECIAL CORRESPONDENT
MUMBAI

The interim resolution professional (IRP) for Jet Airways has issued a public notice inviting claims from all creditors to the airline to be submitted to him before July 4, 2019.

On June 20, Jet was admitted to the NCLT for bankruptcy proceedings. "The creditors of Jet Airways are hereby called upon to submit their claims with proof on or before July 4 to the interim resolution professional. Financial creditors shall submit their claims with proof by electronic means only," Ashish Chhawchharia, partner, Grant Thornton, who has been appointed as the IRP for Jet, said. "All other creditors shall

submit their claims with proof in person, by post or by electronic means, "the notice added. The airline owes over ₹8,000 crore to a consortium of 26 banks led by State Bank of India (SBI), and over ₹13,000 crore to vendors, passengers and employees.

SBI moves NCLAT
Meanwhile, the SBI has filed a caveat at the NCLAT, appealing that the lender should be heard if a party challenges the decision of the NCLT in the case. The move is also due to an intervention application moved by the Netherlands-based operational creditor, which was rejected by the Mumbai bench of NCLT citing lack of cross-border jurisdiction.

Das goes into huddle with RBI management after Acharya exit

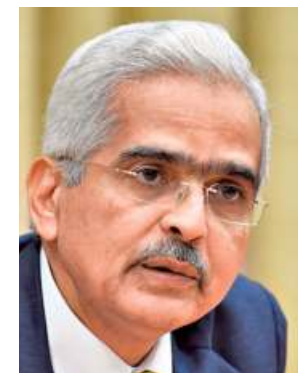
RBI Governor seeks to assess impact of deputy's resignation

MANOJIT SAHA
MUMBAI

Reserve Bank of India Governor Shaktikanta Das went into a huddle with the central bank's senior management on Monday following the resignation of deputy governor Viral Acharya six months before his term ended.

According to central banking sources, the RBI Governor, along with deputy governors, met the senior management of the central bank to assess the impact of Mr. Acharya's decision. The meeting went on till late in the evening.

Mr. Acharya was an outspoken deputy governor at the central bank and a strong votary of RBI's



Shaktikanta Das

independence. "Governments that do not respect central bank independence will sooner or later incur the wrath of financial markets," he had said in a speech in October last year. The events following

the speech led to the resignation of Governor Urjit Patel in December, who was replaced by Mr. Das.

Merger issue brewing
Another issue that has been brewing in the RBI is the proposal to create a supervisory vertical merging banking, non-banking and co-operative bank supervision, which fall under three separate departments now.

The issue, mooted in the board meeting held in Chennai last month, has not gone down well with many RBI officers. M.K Jain, the deputy governor for the supervisory departments, will be meeting officials on Tuesday to take feedback on the issue.

+ I-T refund of ₹64,700 crore issued in FY20

PRESS TRUST OF INDIA
NEW DELHI

The Income Tax department has issued refunds worth ₹64,700 crore in the current fiscal, and for full 2018-19 fiscal the amount released was over ₹1.61 lakh crore, Finance Minister Nirmala Sitharaman told the Lok Sabha on Monday.

More than 6.49 crore electronic returns were submitted for the assessment year 2018-19, up 18.65% from over 5.47 crore in assessment year 2017-18. "The government has accorded high priority to issue refunds for all taxpayers, including small taxpayers. Less than 0.5% of income tax returns (ITRs) are selected for scrutiny, the majority are processed expeditiously and refunds are issued."

'Defaulter count in PSBs has risen 60% since FY15'

₹7,654 cr. recovered in the period: FM

PRESS TRUST OF INDIA
NEW DELHI

The number of wilful defaulters in nationalised banks has increased by more than 60% to 8,582 to March 2019 from 2014-15, the government said on Monday. By the end of the 2014-15 fiscal, the figure had stood at 5,349, Finance Minister Nirmala Sitharaman told the Lok Sabha.

A wilful defaulter is an entity or a person that has not paid a loan back despite the ability to repay it.

The Minister was replying to a question as to whether the cases of wilful defaulters of banks have increased in the last five years. Rising consistently since 2014-15, the number of such borrowers increased to 6,575 in 2015-16, 7,079 in 2016-17 and further to 7,535 in 2017-18.



Nirmala Sitharaman

"Wilful defaulters are acted against comprehensively. Moreover... as per RBI's instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years," she said. An amount of ₹7,654 crore has been recovered from their accounts in the period.

Microsoft VC arm sharpens focus in India

SPECIAL CORRESPONDENT
BENGALURU

Microsoft will expand its start-up financing initiative in India through its venture capital arm, M12. The VC entity, set up in July 2016, has invested in 80 start-ups across North America, Europe and Israel. However, the programme was made available to entrepreneurs in India only in January this year. Microsoft's M12 has made its first India investment of \$10 million in a healthcare platform start-up, Innovacer. M12 fund focuses on A to C stage funding and the fund size ranges \$2-\$10 million.

Buoyed by India's entrepreneurial potential, the tech major would play a vital role in nurturing the start-up community here, said Anant Maheshwari, president, Microsoft India.

Investors' trading costs may decline with interoperability kicking in next week

Facility allows brokers to use any clearing corporation to settle trades

ASHISH RUKHAIYAR
MUMBAI

Investors could soon see a drop in trading costs if market participants pass on the benefits of interoperability that will kick in from next week.

According to market participants, interoperability between clearing corporations that allows brokers to use any of the clearing corporations to settle their trades, would lower the compliance cost for market intermediaries, which in turn could lower the trading cost for investors.

It would also strengthen the risk management of the capital markets and minimise the potential systemic risk, if in case a particular clearing corporation shuts



down due to a technical glitch, cyberattack or any natural cause, they said. "The efficient allocation of funds would lead to cost-effective trades, and make exchange transactions more affordable," said Vijay Bhushan, president, Association of National Exchange

Members of India (ANMI). Simply put, interoperability allows market participants to consolidate their clearing and settlement functions at a single clearing corporation, irrespective of the stock exchange on which the trade is executed, resulting in a reduction in compliance costs, and thus bringing down the trading costs as well.

Currently, the trade executed on a particular exchange is settled through the exchange's own clearing corporation. This led to a practice wherein broker members had to keep margins with each clearing house as all equity and derivative brokers are members of the BSE and the NSE, along with the Metropolitan Stock Ex-

change of India (MSEI). "Member brokers keep their funds and collateral with high buffer across exchanges and across segments. Under interoperability, they will be able to consolidate and reduce buffer, lowering their overall collateral requirement," said Kunal Sanghavi, chief financial officer, MSEI.

"This is a big plus. Trading members will find it easy on margining," he added. For example, if a broker has a ₹100 crore margin in NSE's clearing corporation, he or she can use that margin to trade on the BSE as well under interoperability. This significant reduction in margin requirements is expected to bring down overall trading costs.

THE HINDU GROUP

Number of prepositions in English

200

150

250

Number of words in the Oxford dictionary

1,71,476

81,476

2,51,456

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IN BRIEF


Alembic gets USFDA nod for ophthalmic solution

NEW DELHI
Alembic Pharmaceuticals said it had received approval from the US health regulator for Bromfenac Ophthalmic Solution, used for treatment of post-operative inflammation and reduction of ocular pain in patients who have undergone cataract surgery. The approved product is therapeutically equivalent to the reference listed drug (RLD), Bromday Ophthalmic Solution, 0.09%, of Bausch & Lomb. PTI

L&T bags power project order worth ₹7,000 cr.

MUMBAI
Larsen and Toubro Ltd. (L&T) has bagged an EPC (engineering, procurement and construction) order from SJVN Thermal Pvt. Ltd. to set up a 2x660 MW ultra super-critical power plant in the Buxar district of Bihar. The deal, bagged by L&T's power division, is worth more than ₹7,000 crore. The scope of work for L&T includes design, engineering, testing and commissioning of the Buxar project on a turnkey basis.

TCS buys additional 15% in Japanese subsidiary

MUMBAI
IT exporter Tata Consultancy Services (TCS) has bought an additional 15% stake in its Japanese arm Tata Consultancy Services Japan, Limited (TCS Japan), a joint venture with Mitsubishi Corporation (MC), to enhance its shareholding to 66% for \$32.5 million. A TCS statement said that the current governance of operations and management would remain unchanged by the share acquisition.

Emami promoters cut 10% stake

Raise ₹1,230 crore to primarily pare debt at the promoter level

**SPECIAL CORRESPONDENT
KOLKATA**

The promoters of Emami Group have raised nearly ₹1,230 crore by selling 10% of their stake in Emami Ltd. The money thus raised is proposed to be used primarily for further paring debt at the promoter level.

This is the second round of stake sale with the promoters offloading 10% in February to raise about ₹1,600 crore. The latest stake sale occurred on the floor of the stock exchange to marquee institutional investors.

The total promoter stake in Emami Ltd., subsequent to the stake sale, stands at 52.7%.

The promoters intended to maintain this controlling majority stake in Emami Ltd. without further diluting it,



Still in control: The total promoter stake in Emami Ltd. subsequent to the stake sale stands at 52.7%.

the company said in a regulatory filing.

'No further stake sale'

In case of further fund raising, the indication is that the Emami promoters may dip into their pool of 'diverse assets', according to the release. The process for identi-

fication of such assets has begun, the release added.

Commenting on the stake sale and value-realisation efforts, Mohan Goenka, director, Emami Group, said:

"The promoters are committed to being proactive in addressing business and industry challenges and work-

ing in the best interests of all Emami Group stakeholders."

The promoters debt stood at around ₹2,200 crore with the banks and ₹700 crore with debt mutual funds.

'Zero debt'

"This will now become zero." Aditya Agarwal, director, Emami Group, said: "The deleveraging of debt is a priority for the promoters of Emami Group. We have always endeavoured and continue to endeavour to take such steps to fuel the growth of the Group."

Emami, which owns brands like Keshking, Navratna and Boroplus had seen flat domestic sales in 2018-19 with an extended winter impacting summer sales, which account for 40% of the turnover.

Piramal plans to sell 20% stake in Shriram Capital

It had recently pared 9.96% in STFC

**SPECIAL CORRESPONDENT
MUMBAI**

After exiting Shriram Transport Finance earlier this month, Piramal Enterprises has now proposed to sell its entire 20% stake in Shriram Capital.

Long-term strategy

"Following the sale of the entire shareholding held by the company in Shriram Transport Finance Company Limited (STFC), as a part of the long-term strategy of the company to fund growth of its financial services business, the company is evaluating the feasibility of sale of the entire (effective 20%) stake held by the company in Shriram Capital Limited," Piramal said in a filing to exchanges.

"The proposed transaction would be subject to receipt of necessary approvals, including the approval of the board of directors of the company at the appropriate stage, and necessary disclosures will be made by the company at the relevant time, in accordance with applicable law," the company said.

Piramal had acquired 20% stake in Shriram Capital – the financial services arm of the Shriram group – in 2014 for ₹2,014 crore.

Earlier this month, the company sold 9.96% stake in Shriram Transport Finance in the secondary market. Piramal Enterprises also has 10% stake in Shriram City Union, a retail-focussed non-banking finance firm.

KPR Agrochem to raise ₹283 cr. via public issue

**SPECIAL CORRESPONDENT
MUMBAI**

KPR Agrochem Ltd. will open its Initial Public Offering (IPO) on June 28 to raise ₹210 crore and to sell 12 million shares held by a section of shareholders.

The company has fixed the price band between ₹59 and ₹61 for equity shares with a face value ₹10 each.

The earliest closing date of the IPO will be July 02, 2019. KPR Agrochem is focussed on manufacturing, distribution and retailing of a range of crop yield enhancing and protection products.

For FY18, the firm had a total income of ₹600 crore and a net profit of ₹29.6 crore on restated, audited and consolidated basis.

RBI unveils online portal for filing grievances

'Data can be used by RBI for analytics'

**SPECIAL CORRESPONDENT
MUMBAI**

The Reserve Bank of India (RBI) has launched a Complaint Management System (CMS) – an online portal to facilitate bank customer grievance redressal processes. The CMS portal can be accessed on RBI's website and complaints can be lodged against any of the entities regulated by the central bank.

"CMS will be accessible on desktops as well as on mobile devices. The RBI also plans to introduce a dedicated Interactive Voice Response (IVR) System for tracking the status of complaints. I am sure, with time, the customer-friendly nature of the CMS will be

RBI plans to introduce a dedicated IVR system for tracking complaint status

SHAKTIKANTA DAS
Governor, RBI

further enhanced," RBI Governor Shaktikanta Das said while launching the application. CMS provides features such as acknowledgement through SMS and email notification, status tracking through unique registration number, receipt of closure advises and filing of appeals, where applicable. "Data from CMS can be leveraged by the RBI for analytics, which can be used for regulatory and supervisory interventions," Mr. Das said.

Kalyan Jewellers on expansion mode

Focus will be on consolidating business in the south

**SPECIAL CORRESPONDENT
CHENNAI**

Kalyan Jewellers will focus on the southern States by setting aside ₹300 crore for expansion during the current fiscal, said a top official.

"In the past, our focus was to expand our operations in the non-south geographies and we made a foray into 10 new markets," said T.S. Kalyanaraman, CMD, Kalyan Jewellers India Ltd. "This year, our key focus will be on consolidating our southern operations."

8 more showrooms

The Thrissur-based jeweller currently has 136 showrooms across the country and 103 showrooms in different parts of the globe.

It is planning to open eight showrooms in the cur-



Ramesh Kalyanaraman

rent fiscal by investing between ₹30-₹45 crore per showroom. "Currently, the southern market accounts for 50% of our revenue. Hence, the focus will be on southern states. Most of the showrooms will be large-format stores, as they have proven successful," said Ramesh Kalyanaraman, executive director, Kalyan Jewellers.

"The expansion cost of ₹300 crore will be met partly through internal accruals and bank loans," he said.

As per the plan, the jeweller will open two showrooms each in Andhra Pradesh, Tamil Nadu and Karnataka and one each in Kerala and Telangana, respectively. Plans are on to open similar number of showrooms pan-India during the year. Last fiscal, the firm registered a revenue of about ₹10,000 crore and aims to achieve ₹11,500 crore revenue this fiscal.

Claiming that the firm was in a healthy financial position, Mr. Ramesh said it had a bank loan of ₹3,000 crore and it was fully secured by way of immovable properties, fixed deposits and other assets worth ₹5,294 crore.

Glenmark's Brazilian arm, Novartis ink pact

To sell 3 respiratory drugs in Brazil

**SPECIAL CORRESPONDENT
MUMBAI**

Glenmark Farmacêutica Ltda, the Brazilian subsidiary of Glenmark Pharmaceuticals Ltd., has entered into an exclusive agreement with Novartis Biosciences S.A, a subsidiary of Novartis AG, for commercialising and marketing three respiratory products for treatment of symptoms of chronic obstructive pulmonary disease (COPD) in Brazil.

This agreement will be effective July 01, 2019.

The products are Seebri (Glycopyrronium bromide), Onbrize (Indacaterol) and Ultibro (combination of Indacaterol and Glycopyrronium), which are for relief of symptoms in adults with

chronic obstructive pulmonary disease.

"This arrangement will strengthen our respiratory franchise in Brazil. This partnership is in line with our vision to expand our respiratory product offerings for patients and prescribers in Brazil and further consolidate our position in this segment," said Glenn Saldanha, CMD, Glenmark Pharmaceuticals.

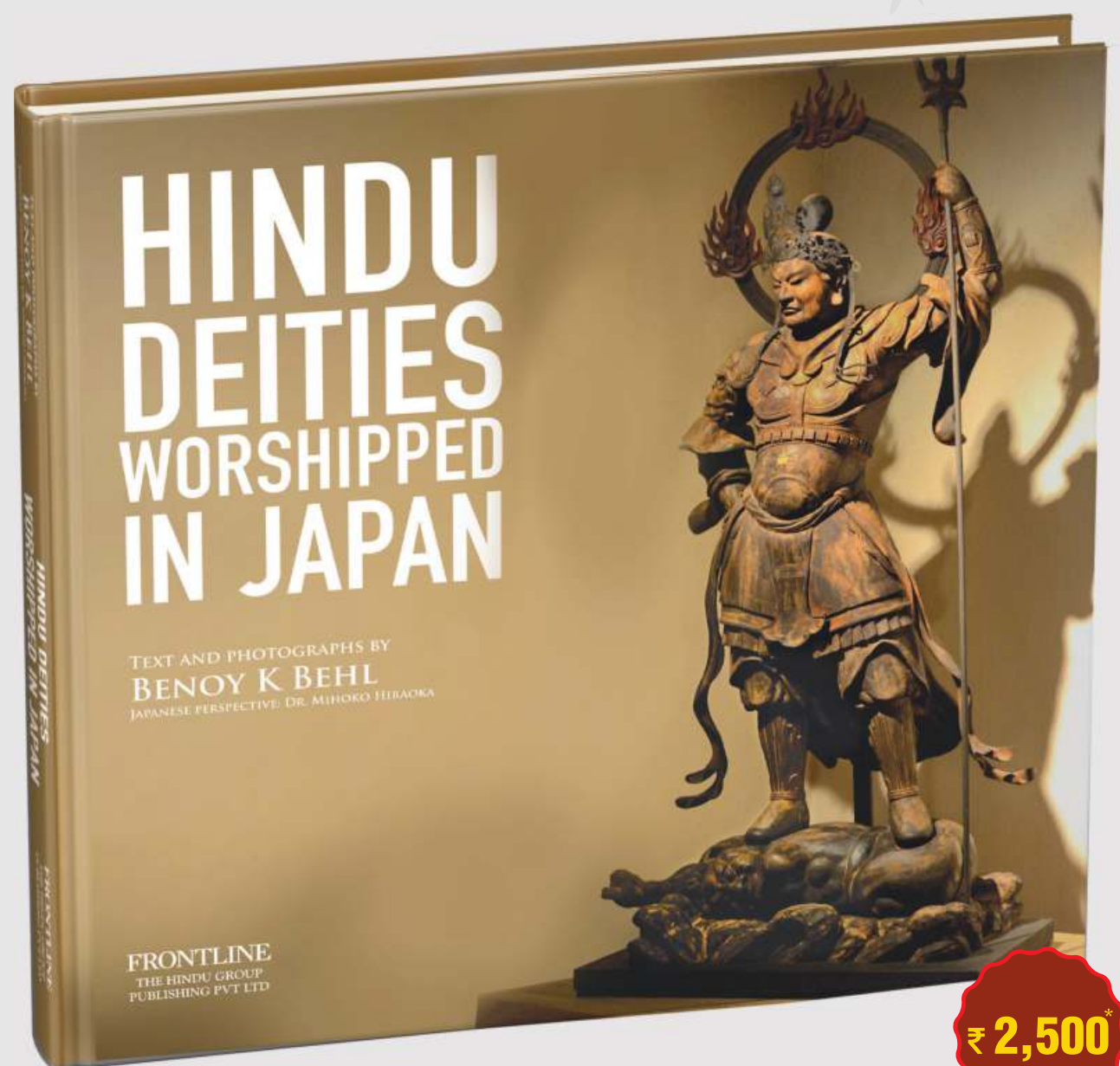
Under the agreement, Novartis remains the holder of the registration of these medicines and will be responsible for their manufacture. Glenmark will be responsible for promoting, commercialising and distributing these products in Brazil.

A SPECIAL PUBLICATION FROM THE HINDU GROUP

This coffee-table book opens a window to the practice of Buddhism in Japan, right from its arrival in that country 1,000 years ago to its growth through the worship of deities of Indian origin. Benoy Behl's images illuminate the pages and present an invaluable account of Japan's links with Hinduism and with its Buddhist past

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