

MARKET WATCH

	11-07-2019	% CHANGE
Sensex	38,823	0.69
US Dollar	68.44	0.20
Gold	35,800	2.67
Brent oil	66.78	0.58

NIFTY 50

	PRICE	CHANGE
Adani Ports	412.90	7.90
Asian Paints	1332.45	9.50
Axis Bank	766.40	-2.85
Bajaj Auto	2711.70	-28.70
Bajaj Finserv	7645.70	-12.50
Bajaj Finance	3451.05	22.00
Bharti Airtel	360.75	2.20
BPLCL	350.55	0.95
Britannia Ind	2765.15	-4.40
Cipla	552.40	7.45
Coal India	234.90	1.55
Dr Reddy's Lab	2653.05	68.40
Eicher Motors	19034.15	283.15
GAIL (India)	147.45	2.50
Grasim Ind	919.25	5.80
HCL Tech	1020.80	1.90
HDFC	2261.90	34.15
HDFC Bank	2407.15	18.40
Hero MotoCorp	2507.80	107.80
Hindalco	198.45	4.80
Hind Unilever	1730.90	12.30
Indiabulls HFL	672.15	12.55
ICICI Bank	426.55	-4.35
IndusInd Bank	1541.25	54.00
Bharti Infratel	264.90	4.95
Infosys	721.50	4.25
Indian OilCorp	147.90	-0.25
ITC	275.65	2.50
JSW Steel	267.30	12.40
Kotak Bank	1484.95	9.10
L&T	1495.20	-4.35
M&M	634.15	12.50
Maruti Suzuki	6031.20	103.30
NTPC	128.95	-0.10
ONGC	153.10	1.45
PowerGrid Corp	208.60	3.30
Reliance Ind	1281.55	2.70
State Bank	363.20	9.00
Sun Pharma	398.15	5.95
Tata Motors	156.80	5.15
Tata Steel	462.00	7.20
TCS	2102.55	-5.65
Tech Mahindra	665.70	-9.15
Titan	1097.00	-4.20
UltraTech Cement	4539.10	58.40
UPL	631.25	-3.60
Vedanta	163.65	3.65
Wipro	267.75	0.80
YES Bank	92.45	-0.55
Zee Entertainment	354.80	22.05

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on July 11

CURRENCY	TT BUY	TT SELL
US Dollar	68.24	68.56
Euro	76.91	77.27
British Pound	85.70	86.13
Japanese Yen (100)	63.10	63.40
Chinese Yuan	9.94	9.99
Swiss Franc	69.21	69.54
Singapore Dollar	50.34	50.58
Canadian Dollar	52.27	52.52
Malaysian Ringitt	16.58	16.67

Source: Indian Bank

BULLION RATES CHENNAI

July 11 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.3	(41)
22 ct gold (1 g)	3330	(3270)

Dow crosses 27,000 points for first time

REUTERS
The Dow Industrials crossed 27,000 points for the first time and the S&P 500 was near record highs on Thursday, lifted by technology and healthcare stocks and raised bets of an interest rate cut following Fed chief Jerome Powell's dovish remarks.

Shares of health insurers including Cigna Corp and UnitedHealth Group Inc. jumped 13.74% and 4.74%, while drug distributors such as McKesson Corp rose 3.85% after the Trump administration withdrew a rule aimed at eliminating drug rebates from its Medicare health plans.

The healthcare index, which is the worst performing S&P sector this year, rose 0.29%.

Mr. Powell, who began his second day of testimony before the Congress, had said that the central bank stood ready to "act as appropriate" to support record U.S. economic growth.

Promoters' feud: IndiGo shares fall for third straight day

SPECIAL CORRESPONDENT MUMBAI

Shares of InterGlobe Aviation Ltd. (IGAL), the company that owns and operates IndiGo airline, plunged for the third consecutive day with both sides - RG Group and IGE Group - adopting a hard-line stance.

During intraday trade, the stock plunged nearly 9% to close at ₹1,354.85, down 3.07%, on the BSE.

Meanwhile, the government wants market regulator SEBI to probe the role of all board members and entities associated with the two main promoter groups for all wrongdoings, officials said.

The stock exchanges would collate data for all suspicious trades over the past one year, especially of those associated with all board members, they added.

(With PTI inputs)

Reliance Infra in pact with lenders, gets 180-day standstill

Anil Ambani's Reliance Group plans to sell assets worth ₹21,000 cr. to repay debt

PIYUSH PANDEY MUMBAI

Reliance Infrastructure Ltd. has signed an inter-creditor agreement (ICA) with 16 lenders, getting a 180-day standstill from the banks.

This comes when Anil Ambani's Reliance Group is planning to raise as much as ₹21,000 crore by monetising its assets starting from roads, to its corporate office, radio unit to holdings in the financial services business to reduce debt.

As per the RBI Circular of June 7, 2019, the resolution plan of Reliance Infrastructure is to be implemented within 180 days.

"Reliance Infrastructure is confident of implementing its resolution plan well before the 180-day deadline based on advanced progress of its various asset monetisa-



Selling spree: The infrastructure company also plans to monetise its 7 lakh sq. ft office space at Santacruz. • REUTERS

tion initiatives," said the company in a statement.

As per the RBI framework, resolution plan has to be agreed to by 75% of the lenders by value of debt and 60% by number of lenders.

Reliance Infrastructure had already announced the sale of the Delhi-Agra toll

road for an enterprise value of ₹3,600 crore.

With this transaction, the company's debt would decline more than 25% to just over ₹4,000 crore.

Reliance Infrastructure also plans to monetise its 7 lakh sq. ft Reliance Centre in Santacruz by way of long-

term lease. Reliance Infrastructure's subsidiary Reliance Power, had recast loans of ₹2,430 crore (\$347 million) from U.S. Exim Bank for its Samalkot project.

While the repayment schedule, which was amortised, had been converted into bullet payments, the final loan maturity had been extended to June 2022 at an interest rate of 2.65% per annum, said Reliance Power in a filing with the exchanges.

Reliance Power, with an operating portfolio of 5,945 MW, is in advanced stages of development of the Bangladesh project and is relocating its Samalkot modules to that country. Shares of Reliance Infrastructure rose 10.98% to ₹51.05 on the BSE in a flat market on Thursday, valuing the company at ₹1,342.56 crore.

Vedanta plans to invest ₹55,000 cr. to up output

Eyes world's 'largest zinc producer' tag

SPECIAL CORRESPONDENT MUMBAI

Diversified resources major Vedanta Ltd. plans to spend as much as ₹55,000 crore (\$8 billion) in the medium term to boost output across its businesses, chairman Navin Agarwal informed the shareholders.

Addressing the company's 54th annual general meeting (AGM) on Thursday, he said the company planned to invest ₹25,000 crore in the zinc business, ₹20,000 crore in oil and gas, and ₹10,000 crore in the aluminium business over the next three years.

"Looking at the medium term, our plans include a total capital investment of ₹55,000 crore to increase production by about 50% across our businesses which we expect to fund from internal cash flows," said Mr. Agarwal.

On the energy business, Mr. Agarwal said, "India currently imports around 80%

of its oil and gas requirements, amounting to \$150 billion. As India's largest private sector oil and gas producer, the company aims to double its current contribution of 27% of the nation's production.

"The company is now, also, the largest private acreage holder in the country with the acquisition of 53 new blocks under the new licensing policy."

One of India's largest aluminium producers, Vedanta plans to enhance production capacity by 50% to produce three million tonnes of integrated aluminium.

"Our growth plans will see us become the world's largest zinc producers and one among the top three silver producers globally.

"We successfully built and commissioned the Gamsberg mining complex in South Africa, this year, which is the world's largest undeveloped zinc deposit," said Mr. Agarwal.

Long-term motor insurance cover only for new cars, bikes

Circular clarifies products won't be offered for renewals

N.RAVI KUMAR HYDERABAD

Insurance regulator IRDAI has clarified that the long-term motor insurance products it had permitted general insurers to offer while implementing the Supreme Court's directions in a case last year, applied only to new private cars and new two-wheelers.

"These products shall not be offered for renewal of existing policies or for old vehicles," new Member (Non-life) T.L. Alamelu, who joined the authority earlier this month, said in a circular on Thursday.

A senior executive of a private general insurance company, who did not wish to be identified, said the circular cleared the confusion among some intermediaries whether the long-term policies could be issued to old vehicles too.

"It is hereby reiterated



• GETTY IMAGES/ISTOCK

'Housing affordability has worsened'

SPECIAL CORRESPONDENT MUMBAI

The quarterly residential asset price monitoring survey (RAPMS) of the Reserve Bank of India (RBI) has showed that the housing affordability has worsened in the last four years.

"Housing affordability worsened over the past four years as the house price to income (HPTI) ratio increased from 56.1 in March 2015 to 61.5 in March 2019," the survey said.

Mumbai remains the least affordable city in India, while Bhubaneswar remains the most affordable city, the survey noted.

LTI ratio

"The movement of median loan to income (LTI) ratio also confirms worsening housing affordability as it moved from 3.0 in March 2015 to 3.4 in March 2019," the RBI said.



DHFL has been given seven days to prepare a resolution plan which will be scrutinised by banks. • REUTERS

Lenders sign pact to recast DHFL's debt

Plan to execute resolution by Sept.

MANOJIT SAHA MUMBAI

A consortium of 27 lenders, including State Bank of India (SBI), has signed a pact, known as intercreditor agreement (ICA), to restructure the debt of troubled mortgage lender Dewan Housing Finance Corporation (DHFL).

Banks had extended close to ₹40,000 crore loans to the home finance company, and there is a similar amount that DHFL had raised through debt instruments like non-convertible debentures (NCDs).

Among lenders, SBI has the largest exposure of about ₹11,000 crore to DHFL.

Banks want the NCDs to be a part of the resolution plan. "We will request NCD investors, since their money is involved, to be a part of the plan, so that a comprehensive resolution can be executed smoothly," a banker involved in the resolution plan said.

Among the 27 banks, most have signed the ICA, with a few remaining due to approvals pending from the relevant authorities. Banks have 30 days' time to sign the ICA, according to norms.

According to bankers, DHFL has been given seven days to prepare a resolution plan which will be scrutinised by the banks.

Bankers said the idea was to execute the resolution plan by the end of September by changing the management, so that the account does not become non-performing.

To be sure, DHFL has not

defaulted on bank loans till now. Still, banks can go ahead with a resolution plan if there are signs of stress in the borrower account, according to Reserve Bank of India guidelines on stressed asset resolution.

In case DHFL fails to bring in a new investor, the debt will be restructured, which is essentially giving more time to the company to repay. However, in case the debt is recast, banks have to classify the loan as NPA.

DHFL has been scouting for a strategic partner since February. While DHFL has been in discussion with some investors, nothing has been finalised till date.

'More clarity'

"There is more clarity to investors on DHFL books now as we have done a detailed analysis. So, we expect to bring in a new investor by September," said a top official of a public sector bank. DHFL plans to raise ₹7,000 crore to ₹8,000 crore from the new investors.

The signs of stress became visible after DHFL delayed repayments to NCD holders, which led to a rating downgrade to 'default' by ICRA.

"It was a positive outcome on being part of the ICA...want resolution plan to be a collaborative approach for maximisation of value for all stakeholders," DHFL sources said, adding that the lenders had appreciated the company's intent on meeting obligations for almost nine months without any fresh borrowing and business.

KPR Mill cancels buy-back

SPECIAL CORRESPONDENT
MUMBAI

Less than a week after the government proposed a 20% tax on share buy-backs, a listed company has cancelled its buy-back as the tax liability would make the offer size go beyond the limit approved by the board and the shareholders.

"We hereby inform you that we have today filed with SEBI our communication conveying that the increase in the amount of buy-back obligation due to the tax proposal in the Finance Bill 2019 was neither contemplated nor prevailing at the time of the consideration and the approvals of the board and shareholders," said KPR Mill in a statement to the stock exchange.

NCLAT order on Essar Steel: lender protests

PRESS TRUST OF INDIA
MUMBAI

Axis Bank joined State Bank of India by going public with its displeasure on the recent NCLAT judgment putting secured creditors at par with the operational creditors.

"The NCLAT order does beg the question if this is how the proceeds will be shared, then secured creditors will ask what is the need to go to the IBC and not wait for liquidation," Axis Bank MD and CEO Amitabh Chaudhry said.

He said it was still unclear on what was the formula that was adopted by the NCLAT while approving ArcelorMittal's ₹42,000-crore bid.

'Global gold demand may fall 2.4%'

World Gold Council cites Centre's decision to raise duty on yellow metal

SPECIAL CORRESPONDENT
MUMBAI

The government's decision to increase duties on gold could result in 2.4% decline in the global demand for the precious metal in 2019, while the long-term demand in the Indian market could fall by around 1% every year if the duty becomes permanent, according to the World Gold Council (WGC).

"... we estimate that the recent announcement of a 2.5% increase to gold's import duty by the Indian Ministry of Finance may result in a reduction in 2019 demand of approximately 2.4%. And that, if the higher levy were to become permanent, it could reduce long-term Indian consumer demand by slightly less than 1% per year," stated a report by



Reforms being implemented in India and China are likely to support long-term gold demand, says WGC. ■ REUTERS

the global organisation.

While presenting the Budget on July 5, Finance Minister Nirmala Sitharaman proposed increasing the customs duty on gold and other precious metals from 10% to 12.5%.

Incidentally, the All-India

Gem and Jewellery Domestic Council had sought a reduction in import duty on gold, in its pre-budget recommendations submitted to the Finance Ministry.

Meanwhile, WGC is of the view that broad structural economic reforms that are

being implemented in both India and China are likely to support long-term demand for gold. The global body also expects central bank gold demand, led by emerging markets, to remain positive in the near future.

Overall demand 'robust'

"For the rest of the year, we believe that consumer demand may be soft and speculative activity could amplify price movements but, overall, it is likely that investment demand will remain robust and central banks will continue their net purchasing trend," added the report.

According to WGC, over the next 6-12 months, financial market uncertainty and accommodative monetary policy are likely to support gold investment demand.

'Exempt tea sector from TDS on cash'

SPECIAL CORRESPONDENT
KOLKATA

The Indian Tea Association (ITA) has sought exemption from the Centre's budgetary proposal of 2% tax deducted at source for cash withdrawals of more than ₹1 crore annually.

The association said that banking infrastructure in areas around tea estates and villages where workers lived, was not adequate.

The total annual wage payout for the 9 lakh industry workers is about ₹8,000 crore in Assam and North Bengal. During demonetisation, servicing them proved to be a problem as neither the banks were adequately staffed to handle payment volumes, nor were proper ATM services available, it said.



Rafael's Pini Yungman (left) and chairman of Kalyani Group Baba N. Kalyani in Hyderabad on Thursday. ■ NAGARA GOPAL

Kalyani JV gets missile kits order for \$100 mn

Delivery may begin from Q4 this fiscal

SPECIAL CORRESPONDENT
HYDERABAD

A joint venture of a Kalyani group firm and Israel's Rafael Advanced Systems has secured a \$100 million contract for manufacturing 1,000 Barak-8 MRSAM missile kits.

Kalyani Rafael Advanced Systems (KRAS), the joint venture, in which the Indian partner's holding is 51% and the rest is with Rafael, will manufacture the kits at its production facility near Hyderabad and supply them to Bharat Dynamics for further integration. Eventually, the product will be used by the Indian Army and the Air Force.

A crucial component, the kits in the mid-section of the missiles will contain all control and automation, a senior executive of KRAS told the media here on Thursday. The first set of the kits, under the nearly four-year delivery schedule, is expected to begin from the fourth quarter this fiscal.

Receiving the contract, Kalyani Group chairman Baba Kalyani said the order was a testimony to the capabilities existing in the Indian private sector and how they could be utilised to achieve

the Make in India dream. "We are confident of executing many more such orders."

He said Rafael was sharing all the technology to make this product at the plant in Hyderabad that was inaugurated in August 2017. "Going forward [we] will be actively engaged in manufacturing and supply of some of the advanced systems of Rafael portfolio to friendly nations from Hyderabad. Also plan to leverage the engineering expertise of existing KRAS team towards integration of weapon platform," he said.

Second facility

As the production expands, the capabilities would also expand, Mr. Kalyani said, adding there were plans for putting up a second facility.

The joint venture manufactured several products and its exports were worth \$15 million. KRAS is expected to ramp up the headcount to 300 technical experts by 2023.

Rafael executive VP and general manager of Air and Missile Defense Systems Division Pini Yungman emphasised KRAS's commitment to the operational readiness of the Indian Army and IAF.

De Beers to invest \$10 bn for global expansion

To expand in China, India markets

MINI TEJASWI
BENGALURU

London-based De Beers Group, that specialises in diamond exploration, mining, retail, trading and industrial diamond manufacturing, has embarked on a \$10 billion five-year global market and mine expansion drive.

Stephen Lussier, executive vice-president – marketing, De Beers Group and also chairman of Forevermark, the group's diamond brand, told *The Hindu* that the group had chalked out a major global expansion plan that would include a combination of inorganic and organic activities, technology upgradation, adding more mining ships to its existing

five such vessels plus expanding existing key markets, including China, India, the U.S. and Japan.

"We are investing \$10 billion towards various global expansion activities planned for the next five years.

'Add more ships

"Our mandate is to expand the life of existing mines and make them technologically advanced. We will also be adding more mining ships, each at a cost of \$500 million. We are focussing on future smart mining to improve overall safety in diamond mining. With this, locating pure and natural diamonds will also come easy for us," he said.

Bids invited for Pawan Hans

Centre aims to sell 51% in chopper firm in third attempt

SPECIAL CORRESPONDENT
NEW DELHI

The Centre on Thursday invited bids for selling its entire stake of 51% in Pawan Hans Limited in its third attempt at divesting its stake in the chopper firm. Pawan Hans is a 51:49 venture between the Ministry of Civil Aviation and ONGC, and has a fleet of 43 helicopters.

The successful bidder will have the option to buy ONGC's stake of 49% in Pawan Hans. The government has sweetened the deal by reducing the net worth criteria for bidders to apply, from ₹500 crore to ₹350 crore.

It has also offered to indemnify the successful bidder of 51% of the liabilities related to tax and statutory dues of ₹576.99 crore, which was among the reasons why



the last two attempts at disinvestment failed, according to sources.

August 22 deadline

The company's capital stands at ₹560 crore as on March 31, 2019. Interested entities are required to submit bids by August 22, and the Centre will announce the shortlisted bidders by September 12.

Shortlisted bidders will be

required to submit a financial bid in the form of price per share for acquiring 51% Government of India stake.

The successful bidder will be required to lock-in its shareholding in Pawan Hans for three years. It can't sell, transfer or mortgage the company's assets for two years or terminate any of the permanent employees for one year from the completion of the transaction.

The heliport owned by the firm in New Delhi is not part of the stake sale, though the selected bidder will have the right to use it for the first two years. Employees and management of Pawan Hans can also bid either independently or in consortium or as a joint venture along with a bank, venture capitalist or a financial institution.