

MARKET WATCH

22-07-2019	% CHANGE
Sensex	-0.80
US Dollar	-0.17
Gold	0.27
Brent oil	2.27

NIFTY 50

PRICE	CHANGE
Adani Ports	1.70
Asian Paints	35.10
Axis Bank	-1.80
Bajaj Auto	4.65
Bajaj Finserv	-403.90
Bajaj Finance	-76.50
Bharti Airtel	2.60
BPL	2.50
Britannia Ind	-1.55
Cipla	-5.75
Coal India	-0.50
Dr Reddys Lab	19.35
Eicher Motors	-592.00
GAIL (India)	0.40
Gaslin Ind	12.20
HCL Tech	3.35
HDFC	-116.65
HDFC Bank	-78.40
Hero MotoCorp	16.30
Hindalco	6.40
Hind Unilever	-39.70
Indiabulls HFL	20.95
ICICI Bank	1.20
Indusind Bank	-3.75
Bharti Infracore	4.55
Infosys	-1.00
Indian Oil Corp	1.45
ITC	-3.90
JSW Steel	5.35
Kotak Bank	-44.60
L&T	-7.85
M&M	-6.40
Maruti Suzuki	143.40
NTPC	0.95
ONGC	2.75
PowerGrid Corp	-1.60
Reliance Ind	31.50
State Bank	-5.15
Sun Pharma	8.90
Tata Motors	1.90
Tata Steel	7.50
TCS	32.95
Tech Mahindra	-3.10
Titan	-5.50
UltraTech Cement	61.15
UPL	-4.60
Vedanta	6.00
Wipro	0.10
YES Bank	7.90
Zee Entertainment	11.10

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on July 22

CURRENCY	TT BUY	TT SELL
US Dollar	68.71	69.03
Euro	77.07	77.43
British Pound	85.70	86.10
Japanese Yen (100)	63.66	63.96
Chinese Yuan	9.99	10.03
Swiss Franc	70.03	70.36
Singapore Dollar	50.52	50.76
Canadian Dollar	52.54	52.78
Malaysian Ringgit	16.69	16.79

Source: Indian Bank

BULLION RATES CHENNAI

July 22 rates in rupees with previous rates in parentheses

Retail Silver (1g)	44.5	(44.6)
22 ct gold (1 g)	3348	(3363)

IN BRIEF



Flipkart simplifies norms for onboarding sellers

BENGALURU
Flipkart has simplified its onboarding process to make things easy for its first-time vendors. The e-tailer has set up 13 regional teams that will assist sellers, from small towns across the country, list their products on the platform and reach out to over 150 million customers. "By simplifying the number of steps, we are making it easier for sellers to list on our platform and get started from day one," said Nishant Gupta, head, marketplace business, Flipkart.

L&T Tech to partner UTC for Collins Aerospace

MUMBAI
L&T Technology Services (LTTS) has been selected as a strategic partner by United Technologies Corporation (UTC) for Collins Aerospace, a subsidiary of UTC. Collins Aerospace comprises former UTC Aerospace Systems, Rockwell Collins and BE Aerospace, and is one of the leading providers of intelligent solutions for the global aerospace and defence industries. L&T Technology Services has been a long-standing engineering partner for UTC.

Laurus's partner rolls out Pregabalin in U.S.

HYDERABAD
Laurus Labs on Monday said its exclusive distribution partner Rising Pharmaceuticals had launched a generic version of Lyrica (Pregabalin) capsules in the U.S. market. A product indicated for management of neuropathic pain, Pregabalin capsules had U.S. sales of around \$5.4 billion for the 12 months ended March, Laurus Labs said, citing IMS Health figures. Rising had received the final approval from the USFDA for the abbreviated new drug application.

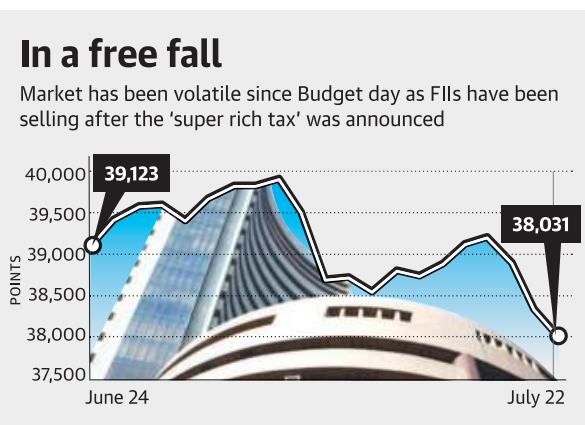
Sensex tanks over 300 points

Driven by weak global cues, tepid earnings and unabated selling by FIIs

SPECIAL CORRESPONDENT MUMBAI

Equities fell for the third consecutive session on Monday as investors remained jittery amid weak corporate numbers and unabated selling by foreign institutional investors (FIIs).

A fall in most global markets also acted as a catalyst. The losses in the Indian stock market were led by financials after HDFC Bank on Friday reported a 21% rise in net profit but also said that retail loan growth slowed and the gross non-performing asset ratio moved up. The 30-share Sensex lost 305.88 points or 0.8% to close at 38,031.3. In the last three trading sessions, the index has lost a total of nearly 1,200 points. HDFC was the biggest loser in the Sensex



pack, shedding more than 5%, followed by HDFC Bank, which lost 3.32%. The broader Nifty closed at 11,346.20, down 73.05 points or 0.64%. The India VIX index inched up nearly 4% on Monday. "Market has been falling since Budget day as FIIs have

started selling after the 'super rich tax' was announced," said Rajiv Singh, chief executive officer, Karvy Stock Broking. "Today's fall was caused by follow-on selling by FIIs in the index heavyweights, besides weak global cues. Market has also started

factoring in weak corporate results, slow progress of monsoon, lack of any stimulus package from the government to spur consumption and no concrete steps being taken by the government to address liquidity crunch."

Foreign investors have been net sellers at nearly ₹9,000 crore in the July. After selling equities worth ₹4,262 crore in January, foreign investors were net buyers for five consecutive months till June, pumping in a net ₹82,910 crore in Indian equities. On Monday, the market breadth was extremely weak with over 1,700 stocks losing ground on the BSE, against only 768 gainers. Sectoral indices representing banking, realty, financials and FMCG lost over 1% each on Monday.

Deloitte exits as auditor of two B.M. Khaitan group companies

Auditor PwC had earlier exited group flagship Eveready

SPECIAL CORRESPONDENT KOLKATA

The audit woes of the B. M. Khaitan Group companies continue with Deloitte Has-kins & Sells LLP exiting two companies - Mleod Russel India Ltd. (MRIL) and McNally Bharat Engineering Company Ltd.

About a month ago, PwC had exited group flagship Eveready Industries India Ltd. (EIIL). MRIL said this in a regulatory filing while also announcing the resignation of its chief financial officer K. K. Baheti, who has made way for Pradip Bhar, an employee of the group.

Stating its intent of not continuing with the audit functions of McNally Bharat,

MRIL also announced the resignation of its chief financial officer K.K. Baheti

Deloitte said that the decision was linked to the adverse audit opinion on the financial state of the company and also considering the fact that the company did not meet with clients' acceptance and continuance norms. Deloitte was one of the two joint auditors, the other being V Singhi & Associates, who will continue.

In the case of tea company MRIL, the reason for the change in auditors has been given as "resignation in view of the matters stated in the

adverse audit change opinion on the financial statements of the company for the year ended March 31, 2019 and the matters of the Company reported to the Ministry of Corporate Affairs."

'Sharp adverse opinion' Lodha & Co have been appointed as MRIL auditors. Deloitte had earlier given sharp adverse opinion about the company's ability to continue as a going concern.

PwC had exited Eveready audit duties a month ago citing its concerns over issues of financial controls. Both MRIL and EIIL have also seen credit downgrades by the rating agencies.

Investors evince interest in DHFL stake

SPECIAL CORRESPONDENT MUMBAI

Mortgage lender DHFL, which is facing a cash crunch and has decided to sell promoter stake, said investors are showing interest in picking up a stake in the company.

"The board took on record that the company has received non-binding indicative term sheets as part of the proposed corporate restructuring of the company and any proposals approved will constitute a part of the resolution plan," DHFL informed the exchanges after its board meeting on Monday.

DHFL promoters are looking to divest half of their stake (about 39%) to raise about ₹5,000 crore.

Govt. must reduce borrowing by divesting stake in PSEs: Acharya

'Cut subsidies that do not deliver long-term growth'

SPECIAL CORRESPONDENT MUMBAI

Reserve Bank of India (RBI) Deputy Governor Viral Acharya said that disinvestment in public sector enterprises (PSEs) would alleviate crowding-out effects of the government's borrowing in the country.

"One possible solution is for the government to improve the share of capital expenditures, which currently stand at a meagre 14%," he had said at an event in IIT-Bombay last week on the subject, "Why less can be more: on the crowding-out effects of government financing." The same speech was delivered at a Federal Bank event in Kochi in November.



Viral Acharya

He said serious rationalisation could be undertaken including cutting back on subsidies and programmes that are not delivering long-term growth, and instead, focussing on providing education, health and infrastructure. Mr. Acharya had decided to quit the RBI six

months before his tenure ends. His last working day is July 23. "Another way is for the government to reduce its borrowings in the market by divesting more of its public sector enterprise shares," Mr. Acharya said.

The Deputy Governor argued there could be efficiency gains if there are more private investors playing an effective role in the governance of public sector enterprises, which will also reduce the need for market borrowings by the government and reduce crowding-out. "The much-needed land, labour and agricultural reforms could be undertaken, all of which can help crowd-in private sector growth," he added.

SC puts on hold Essar Steel sale to ArcelorMittal

We would like to settle the issue once and for all, says court

PRESS TRUST OF INDIA NEW DELHI

The Supreme Court put on hold the sale of Essar Steel to ArcelorMittal as it agreed to hear the appeal filed by financial lenders against the NCLAT order, saying it would like to settle the issue "once and for all." A bench of Justices R.F. Nariman and Surya Kant said the monitoring committee would continue its work till the case is heard on August 7.

"Once the Committee of Creditors (CoC), in their concerned wisdom, had decided on the division of assets, there should have been no re-distribution, like you are an Interim Resolution Professional. We would settle



This issue once and for all, the bench observed.

The bench was hearing a plea by CoC of Essar Steel challenging NCLAT's July 4 order that approved steel tycoon Lakshmi Mittal-led ArcelorMittal's ₹42,000 crore bid for acquiring the debt-laden firm. The CoC had

sought the quashing of the National Company Law Appellate Tribunal (NCLAT) order which had given financial creditors equal status with operational creditors in the distribution of ArcelorMittal's bid amount.

Essar Steel was auctioned under the Insolvency and Bankruptcy Code to recover ₹54,547 crore of unpaid dues of financial lenders and operational creditors.

The tribunal had said the CoC will have no role in the distribution of the bid amount and allowed claims of operational creditors such as Dakshin Gujarat, Gujarat Energy, Bharat Petroleum, Indian Oil, GAIL, ONGC, and the NTPC.

IL&FS gets nod to sell wind energy arms to ORIX

Bid amount to go into escrow account

SPECIAL CORRESPONDENT MUMBAI

IL&FS has received approval from Justice (retired) D. K. Jain for the proposed sale of wind energy subsidiaries, held under IL&FS Wind Energy Limited (IWEL), to ORIX Corporation of Japan, the firm said in a statement.

Justice (retired) Jain was appointed by the NCLAT to supervise the resolution process of IL&FS Group companies. "The approval has been granted on the conditions that the proposal will now be placed before the NCLT for its approval and the bid amount realised from the sale be kept in an escrow account. This amount will only be disbursed in accordance with the directions in the proceedings pending before NCLT/NCLAT," the



statement said. ORIX, that owns 49% stake in each of the seven operating wind power plants of the IL&FS Group, expressed its intent to buy out the remaining 51% stake held by IWEL.

ORIX Corporation decided to match the offer of the highest bidder, of approximately ₹4,800 crore for 100% of enterprise value, contemplating no hair cut to the debt of the SPVs aggregating to ₹3,700 crore.

TVS Motor Co. initiates major cost reduction plan

Cites liquidity crunch, new norms and an increase in costs

SPECIAL CORRESPONDENT CHENNAI

Two- and three-wheeler manufacturer TVS Motor Co. Ltd. has initiated a major cost reduction programme, to meet uncertainties in the automobile sector, according to its CMD.

"Last year itself, our cost reduction was the highest achieved in India," said Venu Srinivasan, CMD, TVS Motor Co. Ltd.

"And this year, we are trying to push it further," he added, while addressing shareholders at the company's annual general meeting. "With all the uncertainties, lack of money availability, new norms coming in and costs being pushed up, monsoon being erratic, volatile inter-trade and tension



Venu Srinivasan

in the Middle East, we do expect a volatile and an unpredictable year," he cautioned shareholders, who sought a bonus issue. Mr. Srinivasan said: "In such a year, the main task undertaken by the company is cost control. We have to keep our cost at the lowest level."

According to him, the company's electric two-wheelers will be out in the next couple of months. much ahead of the market and infrastructure.

He also said all the vehicles rolled out by the company from December would be BS-VI ready. Regarding the firm's tie-up with BMW for making high-end bikes, he said it had rolled out 50,000 bikes so far.

Net profit dips

The company's standalone net profit for the first quarter ended June 2019 dipped 3% to ₹142.30 crore from ₹146.60 crore in the corresponding year-earlier period. Revenues stood at ₹4,469.80 crore, recording a 7.22% growth.

Low taxes will boost luxury car sales: Suri

Only government can unlock potential by rationalising taxation: JLR India MD

MINI TEJASWI BENGALURU

India's luxury car market will grow fourfold if the government is willing to re-work the existing tax regime to make it feasible and reasonable, said Jaguar Land Rover India Ltd. (JLRIL), the Indian subsidiary of British auto major, Jaguar Land Rover.

Rohit Suri, president and managing director at JLRIL, said that taxation being unreasonably high in the country, it 'constricts and restricts' market growth. Nowhere in the world was taxation this high, he said.

Mr. Suri told *The Hindu* that "currently, the government is the top beneficiary of high-end car sales in the country with cars (sedans and SUVs) attracting 48% and 50% levy (Goods and Services Tax, in addition to compensation cess), respec-



Wrong wheel drive: Unreasonably high taxes constrict and restrict market growth, says Rohit Suri. ■ AFP

tively. Customs duty on completely built imported cars is more than 200%."

Positive impact

Any recent reduction in taxation would have immediate positive impact on the price and create quick momentum in high-end car sales. This would help all stakeholders,

including the government, he said. "Funnily, under the existing tax regime, the government earns much more from us selling the products.

"After making all investments in building cars and selling them, we earn 5-10% while the government gets a lion's share of revenue via GST," Mr. Suri added.

According to Mr. Suri, the country has a large buyer segment ready for high-end machines, but only the government will be able to unlock this potential by rationalising taxation.

No big uptick

"Until such a time, the segment will not see any significant uptick," he said. Annually, some 40,000 high-end cars (Jaguar/Land Rover, BMW, Mercedes, Audi, Volvo, Lexus and Porsche brands put together) are sold in India as against the country's total passenger car sales of over 3.5 million in 2018.

"By now, India's luxury car market should have had at least 4-5% market share, that's the ratio we see in mature car markets," he added. "[The] government has been of the general perception that luxury cars are sin products," said Mr. Suri.

Godrej, L&T play a role in successful moon mission

Supply critical equipment to ISRO

PIYUSH PANDEY MUMBAI

Indian companies such as Godrej Aerospace and Larsen and Toubro (L&T) played a critical role in Indian Space Research Organisation's (ISRO's) most complex mission so far - Chandrayaan-2.

India's second lunar exploration mission was launched using the Geosynchronous Satellite Launch Vehicle Mk III (GSLV Mk III) from Sriharikota and is expected to land near the Moon's south pole, an uncharted territory, in the first week of September 2019.

Key role

When asked for comments, J.D. Patil, whole-time director and senior executive vice-president for L&T's Defence and L&T-NxT busi-

nesses told *The Hindu*, "L&T has played a vital role in powering ISRO's second historic mission to the moon, and has been involved in the production of a range of hardware for all launch systems of ISRO till date, including for the GSLV Mk-III."

Godrej's contribution includes critical equipment such as LI10 engine and CE20 engine for the launcher GSLV Mk III, thrusters for the orbiter, lander and components for DSN antenna.

Jamshyd Godrej, CMD, Godrej & Boyce said, "We are proud to have contributed to ISRO's most complex mission so far. "Our partnership with ISRO spans decades and we look forward to a continued partnership for many more decades to come."

Kotak bank Q1 net rises 33% on higher NII

SPECIAL CORRESPONDENT MUMBAI

Private sector lender Kotak Mahindra Bank reported a 33% increase in its standalone net profit for the April-June quarter to ₹1,360 crore on the back of a 23% increase in net interest income (NII) to ₹3,173 crore, as well as lower provisioning.

Net interest margin for the period under review was 4.49%, compared with 4.28% a year earlier.

Gross non-performing assets of the bank (NPAs) increased marginally to 2.19% in Q1 a year ago while net NPAs declined to 0.73% from 0.86%.

The private lender's provisions were down to ₹316.76 crore in Q1 compared with ₹469.63 crore during the same period of the previous year.