

MARKET WATCH		
	19-08-2019	% CHANGE
Sensex	37,402	0.14
US Dollar	71.43	-0.40
Gold	38,570	-0.25
Brent oil	59.41	1.19

NIFTY 50		
	PRICE	CHANGE
Adani Ports	357.40	0.05
Asian Paints	1586.45	-11.00
Axis Bank	685.00	9.35
Bajaj Auto	2725.50	-25.45
Bajaj Finserv	7376.65	-62.75
Bajaj Finance	3328.05	-9.15
Bharti Airtel	361.00	-0.55
BPCL	347.00	-4.20
Britannia Ind	2478.40	-21.05
Cipla	475.85	-0.25
Coal India	198.95	-3.00
Dr Reddys Lab	2509.10	16.55
Eicher Motors	16337.70	-262.75
GAIL (India)	127.30	-2.35
Grasim Ind	732.35	-19.90
HCL Tech	1064.05	1.30
HDFC	2114.05	14.05
HDFC Bank	2206.85	-20.85
Hero MotoCorp	2631.50	-37.50
Hindalco	181.15	1.35
Hind Unilever	1820.90	-7.75
Indiabulls HFL	536.85	-13.90
ICICI Bank	423.40	4.45
Indusind Bank	1442.50	3.40
Bharti Infratel	255.30	6.10
Infosys	777.65	3.10
Indian OilCorp	125.80	-0.45
ITC	251.55	-1.45
JSW Steel	226.20	-0.95
Kotak Bank	1496.35	-2.60
L&T	1352.20	16.95
M&M	520.55	-7.30
Maruti Suzuki	5982.55	7.50
NTPC	118.90	1.10
ONGC	126.30	-1.60
PowerGrid Corp	207.05	-4.10
Reliance Ind	1292.60	14.60
State Bank	286.85	-4.05
Sun Pharma	426.00	11.30
Tata Motors	120.80	-0.55
Tata Steel	359.55	-3.50
TCS	2163.00	-2.10
Tech Mahindra	670.35	11.35
Titan	1088.95	13.15
UltraTech Cement	4158.15	-49.85
UPL	542.05	-7.00
Vedanta	144.30	-0.10
Wipro	252.10	2.90
YES Bank	76.65	-2.80
Zee Entertainment	348.05	1.45

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on August 19		
CURRENCY	TT BUY	TT SELL
US Dollar	71.23	71.55
Euro	79.09	79.45
British Pound	86.35	86.75
Japanese Yen (100)	66.83	67.13
Chinese Yuan	10.10	10.15
Swiss Franc	72.65	72.99
Singapore Dollar	51.43	51.68
Canadian Dollar	53.70	53.94
Malaysian Ringgit	17.04	17.15

BULLION RATES CHENNAI		
August 19 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	47.6	(48)
22 ct gold (1 g)	3584	(3583)

Nestle India hopeful of tackling economic slowdown, says CMD

The company clocked double digit growth in tier-II, tier- III towns in June quarter

SPECIAL CORRESPONDENT CHENNAI

Leading food and beverages company Nestle India is hopeful of tackling the general economic slowdown being faced by several sectors, said a top official.

“From a modest double-digit growth, we are expecting a decent single-digit growth for the current year,” said Suresh Narayanan, chairman and managing director, Nestle India Ltd.

Price hikes

“Yes, the situation is bad. But it is not like other sectors. There could be some selective price hikes,” he said.

According to him, currently Nestle India was in a better position than other



Suresh Narayanan

companies as it had reported positive growth. It was due to factors such as lower levels of penetration of the category in which it operated, lower rural play and introduction of innovation and renovation in products.

In tier-II and tier- III towns, Nestle registered

double-digit growth in the June quarter of 2019.

Asserting that the downturn provided a greater opportunity for a company to engage and connect with customers and to improve the salient features of a brand, he said that next year, the firm would increase its advertisement and marketing spending and investments in new products.

Besides, it would also double its rural play from the present 52,000 villages over the next two-three years. “Commodity prices have gone northwards in the case of milk and wheat. We are trying to mitigate it. During the first half of the year, the commodity prices increased by 200 basis points, we absorbed 160 basis

points,” he said.

Nestle launched 61 new products in the last three years of which 70% were successful. The rest of them needed recalibration, he added.

Nestle would invest ₹700 crore in the first two phases for setting up its ninth Maggi noodles unit at Sanand in Gujarat. It would provide direct employment to 400 people of which 50% would be women. The unit would go on stream over the next 18-24 months.

The firm was also evaluating the option of investing in chocolate and confectionery. On Monday, the company announced its entry into the ₹8,000-crore cocoa-malt-based products, with the launch of Milo.

Spandana Sphoorty drops on BSE debut

SPECIAL CORRESPONDENT MUMBAI

Shares of micro-finance institution Spandana Sphoorty Financial, which made its debut on the bourses on Monday, fell below the issue price even as benchmark indices posted marginal gains.

On the BSE, the shares listed at ₹824 before falling to a low of ₹690, which was almost 20% lower than the issue price of ₹856. While the shares did manage to recover from the lows to touch a high of ₹865, it ended the day at ₹848.40 with about 4.72 lakh shares changing hands.

On the NSE, it closed at ₹854.75 with 46.32 lakh shares being traded. At Monday’s closing price on the BSE, market capitalisation of the firm was pegged at almost ₹5,445 crore.

NTPC to set up 5,000 MW solar park in Kutch

Plans to enhance renewables capacity

PIYUSH PANDEY MUMBAI

State-owned NTPC is planning to set up 5,000 mega watt (MW) ultra mega solar park (UMSP) in Kutch, Gujarat, which may see investments exceeding ₹20,000 crore. This move is aimed at scaling up the renewable portfolio of India’s largest power producer with 55,786 MW of installed capacity.

“We have identified land in Kutch and expect to start work this year itself,” NTPC CMD Gurdeep Singh said.

Of NTPC’s 55,786 MW capacity, only about 900 MW comes from solar.

The company plans to increase its power generation to 130 giga watts (GW) by 2032 with 30% coming from non-fossils.

“We are taking an aggressive position in renewables.

‘Investment in water infra will spur growth’

Projects at ₹3 lakh cr. capex may kick-start investment cycle, spur jobs: analysts

LALATENDU MISHRA MUMBAI

Prime Minister Narendra Modi’s announcement on the 73rd Independence Day on providing water connections to every household in the country at an estimated capital expenditure of over ₹3 lakh crore is expected to create huge business opportunities for corporates, said analysts.

They said the move would provide employment to millions of people and may kick-start the investment cycle.

“These are part of a ₹100-lakh crore ambitious investment plan for the next five years. Certainly, the investments in water-related projects are a step in the right direction,” said Jagannarayan Padmanabhan, director, Practice Leader, Transport Infrastructure Advisory, CRISIL.

He said all investments in



Flip side: Where will the government get so much money to invest, it can’t get anything from the private sector which is badly battered, said an independent analyst. ■ SHAJU JOHN

water supply-related projects should be made by the government as private sector would not be keen to invest in such projects since pay-per-use model has not been established in the sector.

Vinod Karki, head, Strategy, ICICI Securities, said, “Multiplier impact of the central government’s capital outlay on aggregate demand is much higher and continues for a much longer pe-

riod as compared to the revenue expenditure such as tax cuts or other income stimulus. “Also, such investment results in job creation and ancillary economic activities,” he said.

However, some analysts expressed the doubt on the availability of huge funds for these projects. “These are only good announcements. Unless there is financial closure of each of these pro-

jects, it is of no use. The announcements were fine in the first term [last five years] but now people would like to see action on the ground,” said independent analyst Ambareesh Baliga. “The main question is where will the government get so much money to invest. They can not get anything from the private sector which is badly battered and has no money to invest,” he added.

Hero Electric unveils two electric scooters

Two-wheelers provide 100-km range

SPECIAL CORRESPONDENT BENGALURU

Hero Electric India, that sold around three lakh electric two-wheelers across the country, has announced the country launch of its new electric scooters, Optima ER priced at ₹68,721 and Nyx ER at ₹69,754, on Monday.

Addressing the media, Sohinder Gill, CEO, Hero Electric India, said: “We want to offer the best of electric vehicles to our customers. One feedback that we have constantly received was the range-anxiety associated with scooters. With the Nyx ER and Optima ER, we are addressing that issue and offering a package that is high on performance and usability.”

The two new scooters pack a top speed of 40km/hour and provide 100-km



Sohinder Gill, CEO, Hero Electric India, with the newly-launched scooter.

range, double what compared to their predecessors – Optima E5 and NYX E5 when charged fully. It takes four hours to completely charge double lithium-ion batteries with a capacity of 48v.

Hero Electric India has also opened its new corporate office in Bengaluru.

DTC panel submits report

SPECIAL CORRESPONDENT NEW DELHI

The government-appointed task force set up to formulate a new direct tax code to replace the existing Income Tax Act submitted its report to Finance Minister Nirmala Sitharaman on Monday.

However, the details of the report and its recommendations have not been made public. “Union Minister of Finance and Corporate Affairs Nirmala Sitharaman received the report submitted by Akhilesh Ranjan, Convenor of the Task force constituted by the Government to draft New Direct Tax Law, in New Delhi today,” the Ministry of Finance tweeted on Monday.

Since the Direct Tax Code is to replace the Income Tax Act, which was enacted in 1961, tax experts expect a wide variety of changes to be brought in to modernise India’s direct tax system.

Deadline extended

The task force, then under Arbind Modi was initially supposed to submit its report by May 31 but the then Finance Minister Arun Jaitley gave it a two-month extension to complete the exercise.

The Finance Ministry, had in November 2018, appointed Akhilesh Ranjan, Member (Legislation) of the Central Board of Direct Taxes, as the convenor of the task force following the retirement of Mr. Modi.

The other members of the task force include Girish Ahuja, a chartered accountant, Rajiv Memani, chairman and regional managing partner of EY, Mukesh Patel, a tax advocate, Mansi Kedia, a consultant with ICRIR and G.C. Srivastava, a retired Indian Revenue Service officer.

Mood of gloom and doom won’t help, says Das

Growth is our highest priority, says RBI Governor; welcomes move by banks to link fresh loans to repo rate

SPECIAL CORRESPONDENT MUMBAI

Amid the slowdown in economic activity, Reserve Bank of India Governor Shaktikanta Das urged businesses not to be pessimistic, while acknowledging headwinds, and reiterated that growth was the central bank’s highest priority.

“I would appeal to the leaders of business and financial sector fraternity, it is the sentiment which is important. Please look at the opportunities ahead of us,” Mr. Das said at a seminar organised by industry body FICCI and IBA. “We do realise that there are challenges, there are difficulties coming from external and domestic sources. But I think one has to look at the opportunities, one has to maintain a posi-

tive sentiment and capitalise on this opportunities. Because the mood of doom and gloom is not going to help anyone,” he said. The RBI Governor reiterated that growth was the highest priority for the central bank. RBI has reduced the repo rate by 110 bps since February to support growth with inflation staying under control.

“At this particular juncture, growth is a matter of highest priority,” he said, adding that the issues of financial stability also assumed importance.

He said the headwinds to financial stability could emanate from various sectors of the economy – the credit market, financial markets, external sector and payment system. On the issue of head-



Positive vibes: RBI Governor Shaktikanta Das addresses a session at the FIBAC 2019, in Mumbai on Monday. ■ PTI

winds from the credit market, particularly from non-banking finance companies, Mr. Das said it would be the RBI’s endeavour not to allow any large, systemically important NBFCs to fail. “We

are monitoring the various developments that are happening. We have a system of monitoring top NBFCs, about 50-odd, including housing finance companies...they are constantly being

monitored,” he said. “It is our endeavour to ensure that there is no collapse of a large or systemically important NBFC.” In October last year, infrastructure conglomerate IL&FS defaulted on a series of payments which led the government to replace the existing board with a new one and started a resolution process through asset monetisation.

Faster transmission

The RBI Governor welcomed the latest move by banks to link fresh loans to repo rate which would enable faster transmission of interest rates. While a few banks have already linked retail loans like home loans to the repo rate, some others are in the process of rolling out the scheme. “Our expectation is

that they should move faster...It is a positive trend. But this process needs to be faster. The economy needs a certain kind of push not only from monetary policy but also from its transmission,” Mr. Das said.

The RBI Governor said that he expected the government to infuse capital in the public sector banks at the earliest for not only meeting regulatory requirement but also to fund growth.

“Our expectation is that the ₹70,000 crore capital that has been provided by the government for public sector banks will be released at an early date, will be released upfront. This will not only be a requirement for regulatory compliance but also meet growth capital needs.”

Corporate tax will be cut gradually: FM

Says govt. will back wealth creators

PRESS TRUST OF INDIA NEW DELHI

Finance Minister Nirmala Sitharaman on Monday said corporate tax rate for companies with over ₹400 crore turnover would be gradually cut to 25% and the government will support wealth creators.

In her maiden Budget last month, she had cut corporate tax for companies with annual turnover of up to ₹400 crore to 25% from 30% earlier.

Last year, the then Finance Minister Arun Jaitley had cut the corporate income tax rate to 25% for companies with a turnover of up to ₹250 crore.

Speaking at an industry event here, Ms. Sitharaman



Nirmala Sitharaman

said the corporate tax reduction for the rest of corporates would be gradual.

She did not give a time frame for the reduction.

Echoing Prime Minister Narendra Modi’s Independence Day speech, she said Indian wealth creator entrepreneurs would be given all kind of support.