

**MARKET WATCH**

|           | 09-09-2019 | % CHANGE |
|-----------|------------|----------|
| Sensex    | 37,145     | 0.44     |
| US Dollar | 71.71      | 0.01     |
| Gold      | 39,225     | -0.75    |
| Brent oil | 62.74      | 3.53     |

**NIFTY 50**

|                   | PRICE    | CHANGE  |
|-------------------|----------|---------|
| Adani Ports       | 369.55   | 3.80    |
| Asian Paints      | 1540.60  | 8.20    |
| Axis Bank         | 671.55   | 0.45    |
| Bajaj Auto        | 2817.80  | -21.55  |
| Bajaj Finserv     | 7323.95  | 148.05  |
| Bajaj Finance     | 3437.35  | 64.35   |
| Bharti Airtel     | 356.45   | 7.20    |
| BPL               | 382.00   | 3.00    |
| Britannia Ind     | 2682.70  | 14.70   |
| Cipla             | 475.00   | 0.10    |
| Coal India        | 199.35   | 0.75    |
| Dr Reddys Lab     | 2749.20  | 9.25    |
| Eicher Motors     | 16206.75 | -200.50 |
| GAIL (India)      | 132.15   | 0.80    |
| Grasim Ind        | 705.75   | 2.05    |
| HCL Tech          | 1084.40  | -16.00  |
| HDFC              | 2064.25  | 22.80   |
| HDFC Bank         | 2249.60  | 3.70    |
| Hero MotoCorp     | 2691.60  | 31.65   |
| Hindalco          | 189.25   | 0.85    |
| Hind Unilever     | 1834.05  | 14.90   |
| Indiabulls HFL    | 424.60   | -1.10   |
| ICICI Bank        | 395.45   | 4.10    |
| Indusind Bank     | 1335.00  | 3.90    |
| Infra Infra       | 752.95   | 2.60    |
| Infosys           | 829.10   | -11.05  |
| Indian Oil Corp   | 126.65   | -0.30   |
| ITC               | 245.50   | 1.60    |
| JSW Steel         | 219.50   | 1.55    |
| Kotak Bank        | 1471.30  | 29.75   |
| L&T               | 1357.00  | 28.35   |
| M&M               | 532.55   | 3.05    |
| Maruti Suzuki     | 6335.50  | 148.55  |
| NTPC              | 126.35   | -0.65   |
| ONGC              | 129.40   | 1.45    |
| PowerGrid Corp    | 202.90   | -0.60   |
| Reliance Ind      | 1222.20  | -0.30   |
| State Bank        | 278.00   | 4.05    |
| Sun Pharma        | 428.80   | 3.70    |
| Tata Motors       | 121.90   | 0.65    |
| Tata Steel        | 353.80   | -1.60   |
| TCS               | 2182.85  | -14.65  |
| Tech Mahindra     | 712.90   | -8.85   |
| Titan             | 1088.35  | 19.65   |
| Ultra Tech Cement | 3905.60  | -1.95   |
| UPL               | 587.45   | 19.50   |
| Vedanta           | 141.25   | -0.55   |
| Wipro             | 255.60   | 3.60    |
| YES Bank          | 63.10    | 2.70    |
| Zee Entertainment | 362.95   | 1.70    |

**EXCHANGE RATES**

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 09

| CURRENCY           | TT BUY | TT SELL |
|--------------------|--------|---------|
| US Dollar          | 71.50  | 71.82   |
| Euro               | 78.89  | 79.24   |
| British Pound      | 89.39  | 89.79   |
| Japanese Yen (100) | 66.86  | 67.16   |
| Chinese Yuan       | 10.03  | 10.08   |
| Swiss Franc        | 72.23  | 72.56   |
| Singapore Dollar   | 51.84  | 52.07   |
| Canadian Dollar    | 54.34  | 54.59   |
| Malaysian Ringgit  | 17.11  | 17.23   |

Source: Indian Bank

**BULLION RATES CHENNAI**

September 09 rates in rupees with previous rates in parentheses

|                    |      |        |
|--------------------|------|--------|
| Retail Silver (1g) | 51.3 | (51.3) |
| 22 ct gold (1g)    | 3659 | (3658) |

**IN BRIEF**



**Cipla chairman becomes Fellow of Royal Society**

CHENNAI  
Yusuf Hamied, chairman, Cipla, was recently elected honorary Fellow of the Royal Society for his service to the cause of science. Prior to the admissions ceremony last week, Dr. Hamied had delivered a speech on "Chemistry in the service of humanity". "Today, this recognition from the Royal Society is the fulfilment of my life's mission," he said. A total of 51 new Fellows and 10 foreign members were elected to the Society in 2019, said a statement.

**Union Bank board okay merger proposal**

NEW DELHI  
Union Bank of India on Monday said its board of directors had approved the merger of Andhra Bank and Corporation Bank with itself and given its nod for a capital infusion of ₹17,200 crore, of which up to ₹13,000 crore would be through equity capital and up to ₹4,200 crore would be through additional tier II bonds, in the current fiscal. The decision was taken at the meeting of the board of directors held on Monday, the bank said in a filing. PTI

**Air Asia India could have done better: ICICI Sec.**

MUMBAI  
Air Asia India may have significantly cut its losses in the April-June quarter to ₹15.1 crore from ₹61.82 crore in the same period last year, but it could have done better considering the demand-supply mismatch after the complete grounding of Jet Airways, ICICI Securities Ltd. said. "Despite recording positive EBITDA, the firm has posted a loss of ₹15.1 crore in Q2CY19. This is after a record ₹680-crore loss in FY19," Ansuman Deb, research analyst, ICICI Securities said.

# Mutual fund SIPs dip in August

Total assets rise, aided by strong flows into liquid schemes

SPECIAL CORRESPONDENT  
MUMBAI

Mutual fund assets registered a rise in the month of August, largely aided by strong flows in liquid schemes even as retail flows remained flat and that of systematic investment plans (SIPs) witnessed a marginal dip.

According to the Association of Mutual Funds in India (AMFI), the total assets under management (AUM) of the mutual fund industry was pegged at ₹2.81 lakh crore, marginally higher than July's ₹2.78 lakh crore.

Among the different categories of funds, liquid funds registered the highest quantum of inflows at nearly ₹79,500 crore, while the overall debt/income category saw net inflows of nearly ₹91,127 crore, higher than

**Steady stream**

| Category                   | July                | August              |
|----------------------------|---------------------|---------------------|
| <b>Open-ended Schemes</b>  |                     |                     |
| Income/Debt                | 61,845.54           | 91,126.76           |
| Growth/Equity              | 8,112.52            | 9,152.43            |
| Hybrid                     | 7,393.21            | 4,946.57            |
| Solution Oriented          | 154.98              | 143.81              |
| Others                     | 12,620.87           | (1,184.38)          |
| <b>Close-ended Schemes</b> |                     |                     |
| Income/Debt                |                     | (1,495.23)          |
| Growth/Equity              | (20.69)             | (62.39)             |
| Interval schemes           | (168.95)            | (89.33)             |
| <b>Total AUM</b>           | <b>24,53,626.38</b> | <b>25,47,593.76</b> |

Net flows (₹ cr.)

Source: AMFI

the previous month's flows of ₹61,845.54 crore.

Equity funds also witnessed a rise in terms of inflows with August net flows pegged at ₹9,152.43 crore as against July's ₹8,112.52 crore. "Retail investor interest in equity mutual funds, for the

fourth time in succession, continues to be steady, displaying maturity, despite uncertain economic and volatile market situation," said N.S. Venkatesh, CEO, AMFI.

Flows through SIPs, however, were pegged at ₹8,230.76 crore in August,

lower than the previous month's net flows of ₹8,324.28 crore. Further, the SIP AUM, which largely includes retail money, stood at ₹2.71 lakh crore in August compared with July's nearly ₹2.69 lakh crore.

Figures for retail AUM came in at ₹10.71 lakh crore in August, almost unchanged compared to the previous month's ₹10.70 lakh crore.

The total number of folios rose to 8.54 crore in August, from July's 8.48 crore. The folio count has risen 11% from a year earlier.

On the outlook for September, Mr. Venkatesh said that while liquid funds might see little volatility due to quarter-end phenomenon, other categories of funds should see a positive trend with SIP numbers also expected to be robust.

## Eveready says no decision on asset sale; shares drop

SPECIAL CORRESPONDENT  
KOLKATA

Eveready Industries India Ltd., (EIL) the flagship company of the B.M. Khaitan family-controlled Williamson Magor Group, said in a regulatory filing that no definite decision had been taken on any strategic option with regard to sale of assets.

Responding to stock exchanges seeking a clarification on a report citing global major Duracell evincing interest in Eveready's assets, the company said on Monday that as part of its business strategy, various strategic options, joint ventures and commercial arrangements involving the company were evaluated and considered.

"However, as of this time, no definite decision around any such possible option(s) has been made by the company," it said. EIL shares were volatile during the day, closing 5% lower. EIL, like two other group companies, has also been facing debt-servicing pressure with a worsened debt-equity ratio in 2018-19.

**'Flat sales'**

Best known for its battery business which accounts for half of its revenues, followed by flashlights, it has, over the years, diversified into LED lights, small home appliances and confectionery. It closed 2018-19 with flat sales and lower profit.

EIL has mandated Kotak Mahindra Bank to scout for either a strategic or a financial partner. The company was seeking a valuation of about ₹4,000 crore, it is learnt.

## Tribunal quashes SEBI order against Price Waterhouse

Regulator couldn't establish fraud: SAT

SPECIAL CORRESPONDENT  
MUMBAI

The Securities Appellate Tribunal (SAT) has quashed the capital markets regulator's order that barred Price Waterhouse (PW) from auditing listed entities for two years for its alleged role in the fraud committed at the erstwhile Satyam Computer Services.

In January 2018, the Securities and Exchange Board of India (SEBI) barred PW for two years, while directing the audit firm to disgorge ₹13.09 crore along with 12% interest per annum since January 2009.

"The direction to debar the auditor from auditing the books of a listed company is neither remedial nor preventive. In fact, the direction is clearly punitive and violative of Article 19(1)(g) of the Constitution of India as it takes away the fundamental right to carry on its business," the 125-page order by SAT said.

More importantly, the tribunal highlighted the jurisdiction issue while observing that there was no need for SEBI to act against the auditor after the Institute of Chartered Accountants of India (ICAI) initiated proceedings and even cancelled the registration of the auditing firm.

"We may further point out that ICAI had initiated proceedings against the auditors under the CA Act and cancelled their licence to practice as CA. Once their licence has been cancelled, there was no need for SEBI to issue an order of debarment," it added.

The tribunal further said that the capital markets



watchdog acted against PW even though it was not able to establish any fraud or connivance on the part of the auditing firm or its partners.

"There is not even a whisper of a finding in the impugned order... about any connivance or collusion or intention or knowledge on their part... No evidence of any misconduct with regard to any member of the engagement team," it said.

"SAT has held that there is no shred of evidence to show that Price Waterhouse had fabricated or falsified or fudged the books of account of Satyam in collusion with its top management," said Sumit Agrawal, founder, Regstreet Law Advisors and a former SEBI law officer.

"This judgment is likely to have impact on cases where an intermediary is charged for not doing its 'due diligence' or the cases where SEBI routinely questions the accounting and fundamentals of companies and directs forensic audit in its discretion. Threshold of proof for charging a person for fraud is at the root of controversy," he added.

The tribunal has, however, upheld the disgorgement order that was passed against Price Waterhouse.

## ALL announces production holidays

Close to signing pact with management for 5.42% bonus, say unions

SPECIAL CORRESPONDENT  
CHENNAI

Commercial vehicle major Ashok Leyland has declared production holidays at its various plants for September due to continuing weak demand for its products. Meanwhile, the unions claimed that they were close to signing an agreement with the company's management for payment of bonus of 5.42% of profit of ₹1,983 crore in FY19.

In a communique sent to stock exchanges on Monday, the company said there would be 16 non-working days at its Ennore plant and five non-working days at the Hosur plants.

There will be 18 non-working days at the Pantnagar plant and 10 days each at the



Alwar and Bhandara plants during the month, the company said.

This is the second straight month the flagship company of the Hinduja Group is declaring production holidays at its plants. In August, it had declared holidays for 10 days at its Ennore plant.

Ashok Leyland reported a 70% decline in domestic

sales of medium and heavy commercial vehicles to 3,336 units in August 2019, from 11,135 units in the comparable period last year.

Total vehicles sales – domestic and exports – were down 47% to 9,231 units this August, from 17,386 units in August 2018.

**'Weak freight rates'**

"Medium and Heavy Commercial vehicles industry continued to remain under pressure due to weak freight rates, liquidity constraints and the economic downturn," according to recent report by research firm Kotak Institutional Equities.

The company would be paying about ₹107 crore in bonuses, if the agreement comes through. The unions

were demanding bonus payment of 10% and have now settled for 5.42%. "We have settled for 5.42%, due to the current slowdown. Otherwise, we would have gone up to 7%," said a member of a union who did not wish to be named.

The bonus agreement will see the company's 6,146 employees getting bonus totalling ₹1.75 lakh per employee.

"We have reached an agreement with the management, which will see each of Ashok Leyland's 6,146 employees across the company's eight plants getting a bonus totalling ₹1.75 lakh per employee," said a union member. When contacted, a company spokesperson said that the agreement had not been signed yet.

## McLeod Russel appoints SBI Caps to prepare debt recast proposal

Lending to McNally Bharat a mistake, says Aditya Khaitan

SPECIAL CORRESPONDENT  
KOLKATA

Bulk tea producer McLeod Russel India Ltd., has appointed SBI Capital Markets for preparing a debt recast proposal, which would involve restructuring of interest rates and conversion of short-term loans to long-term ones, chairman and managing director Aditya Khaitan said.

Earlier at the annual general meeting, he told shareholders that in hindsight, lending to group company McNally Bharat was a 'mistake'. MRIL's total debt stands at ₹1,700 crore. In recent times, the company has been forced to sell its assets to reduce debt.

A creditor has also moved the NCLT under the insolvency Code. "Our appeal is



now pending before the NCLT and we hope to resolve matters," he said.

Talking to reporters after the meeting, he said that upon receipt of the SBI Caps report, the company would discuss with the banks to obtain their views. Shareholders raised questions about MRIL's debts and wanted to know the promoters' commitment levels and the man-

agement's revival plans. Mr. Khaitan said that stagnant tea prices and oversupply conditions had worsened the company's financials. He wanted the government to check the growth of the unorganised sector. Referring to loans to McNally Bharat Engineering, he said the promoters wanted to see if the firm, which was into execution of infrastructure projects, could be turned around as it was facing serious trouble.

"In hindsight, it was a mistake and now lending has been stopped totally," he said. With gardens in West Bengal and Assam, MRIL was the single largest bulk tea producer in India. However, of late, its position has slid following the sale of a number of tea estates.

## Registration of steel and iron imports, a must

'Import-export data will help solve issue of over-invoicing and under-invoicing'

SPECIAL CORRESPONDENT  
NEW DELHI

In a bid to clamp down on the dumping of iron and steel imports, and also the over-and under-invoicing of these products, the government has removed these items from the 'free' category and has made it mandatory for importers to apply in advance for a registration of their import.

The new system will come into effect from November 1. This comes at a time when India has been at the receiving end of large amounts of steel dumping due to the on-going trade war between the U.S. and China.

According to a notification issued by the Directorate General of Foreign Trade, the import of 284 item lines under the steel and iron category has been re-designated from 'free' to 'free subject to compulsory registration



**When the iron is hot:** The move will protect the domestic industry, says a Ministry official. •REUTERS

under Steel Import Monitoring System".

This Steel Import Monitoring System (SIMS) will require the importer to submit advance information on an online portal for the import of the items mentioned in the notification and obtain an automatic registration number. This number can be

obtained by paying a minimum fee of ₹500 and maximum of ₹1 lakh, depending on the value of the imports.

The importer can apply for registration not earlier than 60 days before and not later than 15 days before the expected date of arrival of the import, and the registration number will remain va-

lid for 75 days. "This import-export data will bring transparency and will help solve the issue of over-invoicing and under-invoicing," an official in the Ministry of Commerce said. "It will also protect the domestic industry and help in taking anti-dumping actions."

**'Imports shrank in FY17'**

The Indian steel and aluminium industries have raised concerns that the trade war between the U.S. and China was leading to the dumping of steel and aluminium products in India that were originally meant for the other two countries.

According to the data with the Ministry of Commerce, Indian imports of steel and iron had contracted 31% in 2016-17, the financial year before U.S. President Donald Trump imposed higher import duties on steel.

## H-Energy, KSPL ink pact for regasification project

To develop terminal at Kakinada port

SPECIAL CORRESPONDENT  
MUMBAI

Hiranandani Group energy arm H-Energy has signed a port service agreement (PSA) with Kakinada Seaports Limited (KSPL) to develop a liquefied natural gas (LNG) regasification and re-loading terminal at Kakinada port.

KSPL has the concession for Kakinada Deep Water Port from the Government of Andhra Pradesh. "The PSA signed through H-Energy's wholly owned subsidiary East Coast Concessions Private Ltd. (ECLP) will help the company to develop an LNG hub at the Kakinada Port catering to the needs of domestic customers in the state of Andhra Pradesh and shall supply LNG through small LNG vessels to H-energy's upcoming

Kukrahati LNG terminal in the state of West Bengal and neighbouring countries like Bangladesh, Myanmar," said a company statement.

Commenting on the development, Mr. Darshan Hiranandani, CEO of H-Energy, said "H-Energy is excited to partner with Kakinada Seaports for our East coast project. We believe that Kakinada with its existing breakwater and deep draft combined with its close proximity to various natural gas pipeline makes this an efficient and successful project for our customers, our partners, and ourselves."

The PSA, along with its associated agreements, envisages a long-term association between the two organisations contributing towards India's growth story.

## United Breweries to offer craft and variety beer

Kingfisher maker studying market via 'taste trials' in Delhi, Bengaluru, Mumbai

MINI TEJASWI  
BENGALURU

United Breweries Limited (UBL), the manufacturer of Kingfisher (KF) beer, said the company was building capacities to widen the KF portfolio to play across product segments and price points within the country and abroad.

To start with, UBL will launch four new in-house products under craft and variety beer categories, apart from introducing new premium, niche international beer brands. The company will also invest in expanding production capacity and brand building.

Gurpreet Singh, divisional vice-president - marketing, UBL, said: "We want to expand our share in all products segments and price categories. We will have at least four new craft and variety beer brands ready for launch



Gurpreet Singh

from the Kingfisher stable within a couple of months. We will also bring in more international beers to the Indian market. All these are part of our efforts to build a wide range of portfolio under KF."

Mr. Singh said UBL is currently studying the market for craft and variety beer in India through taste trials across Delhi, Bengaluru and Mumbai, where such beverages

are becoming popular. "We are closely studying these segments. Apart from wheat beer, there are a few other varieties that are catching the fancy of customers. We want to cash in on this growing interest for such beer in the country," he added. Craft and variety beer account for more than 15% in matured beer markets like the U.S. Europe has been already witnessing a revolution in these categories.

**'Minuscule share'**

"Currently, craft and variety have a minuscule share in the Indian beer market, which of course talks about how huge a headroom we have for these products in the country. The Indian appetite for such beer is only growing rapidly, thanks to urban influence and increased global travel. Our core audience will be young

men across metros, while we also see a growing women population that is taking a liking to less bitter beers," Mr. Singh stated.

Commenting on market trends, he said the landscape for beer in the country had changed drastically. Though the landscape had been changing since early 2000, he said, the bulk of the change happened between 2008 and 2012. With this, hundreds of 'local beer brands vanished'.

"The industry has been reasonably buoyant in the last two years, until the ban on liquor sale along highways came up. But this eventually gave way to another interesting trend and format: an emergence of premium, family, walk-in liquor/wine stores and beer outlets, mostly across metros and even tier-2 cities," Mr. Singh added.

## L&T bags 'major' project from CIDCO

SPECIAL CORRESPONDENT  
MUMBAI

Larsen and Toubro (L&T) has secured a residential project from the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) to construct 23,432 dwelling units at various locations in Navi Mumbai.

The order bagged by the 'Buildings & Factories' business of L&T Construction did not provide the value of the contract, but said the order fell under the 'major' category, which ranges between ₹5,000 crore and ₹7,000 crore, according to the classification of contracts.

The building configurations vary from 13 to 20 storeys. L&T shares on the BSE rose 2.18% to close at ₹1,357.35 in a firm Mumbai market on Monday.