

MARKET WATCH		
	16-09-2019	% CHANGE
Sensex	37,123	-0.70
US Dollar	71.60	-0.96
Gold	38,860	1.2
Brent oil	67.74	12.10

NIFTY 50		
	PRICE	CHANGE
Adani Ports	370.60	-3.60
Asian Paints	1521.30	-26.90
Axis Bank	670.90	-3.35
Bajaj Auto	2874.45	-3.75
Bajaj Finserv	7280.25	-108.50
Bajaj Finance	3418.85	-8.50
Bharti Airtel	344.00	0.95
BPCL	380.00	-28.55
Britannia Ind	2715.05	-40.45
Cipla	470.50	1.50
Coal India	205.50	2.35
D Reddys Lab	2725.30	-6.25
Eicher Motors	16764.30	74.90
GAIL (India)	129.70	0.45
Grasim Ind	716.70	-0.85
HCL Tech	1069.90	1.40
HDFC	2046.75	-37.10
HDFC Bank	2244.15	-13.30
Hero MotoCorp	2738.65	-37.95
Hindalco	200.40	0.05
Hind Unilever	1816.30	10.75
Indiabulls HFL	435.25	-7.00
ICICI Bank	412.15	-1.25
Indusind Bank	1375.95	-22.65
Bharti Infratel	251.95	-2.45
Infosys	827.70	-1.60
Indian OilCorp	128.55	-1.55
ITC	239.40	-0.50
JSW Steel	225.65	-0.55
Kotak Bank	1474.95	-9.30
L&T	1343.60	-19.85
M&M	536.95	-14.30
Maruti Suzuki	6412.75	-37.55
NTPC	123.25	-0.80
ONGC	130.70	1.85
PowerGrid Corp	202.15	-0.50
Reliance Ind	1210.75	-14.85
State Bank	284.70	-7.00
Sun Pharma	426.80	3.95
Tata Motors	128.60	-0.95
Tata Steel	361.10	-6.25
TCS	2150.00	8.05
Tech Mahindra	719.45	9.95
Titan	1148.55	25.15
UltraTech Cement	3992.85	-38.30
UPL	564.10	-14.05
Vedanta	148.65	-0.65
Wipro	247.10	1.75
YES Bank	67.05	-1.50
Zee Entertainment	344.95	-5.55

EXCHANGE RATES		
	TT BUY	TT SELL
US Dollar	71.39	71.71
Euro	78.79	79.14
British Pound	88.83	89.24
Japanese Yen (100)	66.26	66.56
Chinese Yuan	10.10	10.15
Swiss Franc	72.05	72.38
Singapore Dollar	51.95	52.19
Canadian Dollar	53.86	54.11
Malaysian Ringgit	17.14	17.21

BULLION RATES CHENNAI		
	September 16 rates in rupees with previous rates in parentheses	
Retail Silver (1g)	50.3	(50.9)
22 ct gold (1 g)	3620	(3612)

Fuel prices may rise by up to ₹5 a litre

Drone attack on Saudi Aramco's facility to impact prices; refining margins to come under pressure

SPECIAL CORRESPONDENT
MUMBAI
Prices of petroleum products like petrol and diesel are likely to go up by up to ₹5 a litre each over the course of the next few days as international crude oil prices shot up after the drone attack on Saudi Aramco's facility at Abqaiq. Benchmark Brent crude prices were up by over \$6 at \$67 a barrel on Monday, which is a jump of over 10%, and could rise further.

Oil marketing companies (OMCs) will have to increase the retail product prices in a fortnight. Besides, the sharp jump in global crude prices may also put pressure on refining margins amid slowing demand, increasing the OMCs' prospects of making losses. "We do not rule out the



Red zone: Oil marketing companies may have to increase retail product prices in a fortnight. ■ G.P. SAMPATH KUMAR

possibility of moderation in marketing margins on auto fuels – a \$10/per barrel rise in global crude and product prices may require OMCs to increase retail price of diesel and gasoline by ₹5-6/litre in the following fortnight," said Kotak Securities in a research note to its clients. Shares of Indian refiners closed in the red on the BSE during Monday's trade. Bharat Petroleum Corporation

Limited (BPCL) closed down 7% to ₹380.10, Hindustan Petroleum Corporation Limited (HPCL) lost 5.7% ending at ₹255.55, Chennai Petroleum Corporation Limited (CPCL) closed down 3% to ₹188.75, while Indian Oil Corporation Limited (IOCL) and Reliance Industries (RIL) lost 1.15% and 1.20% respectively.

Oil output drops
Following the drone attack on its oil processing facility at Abqaiq, Saudi Aramco has cut down its oil production by 5.7 million barrels per day (mbpd). This has reduced global oil supply by 6%, which is huge. However, this will not result in a physical shortage of oil for India. The real impact for India will be the rise in prices.

"The \$6-7 per barrel increase in oil prices has an immediate impact on India. Based on past experience, if the price of oil crosses \$70-75 per barrel, the government may start thinking of bringing back the administered pricing mechanism," Amit Bhandari, fellow for energy and environment at Gateway House, an Indian think tank on foreign policy, told *The Hindu*.
Meanwhile, an Air India official said a 10% rise in the cost of aviation turbine fuel adds ₹50 crore to its monthly fuel bill. He added that while there would be no immediate effect, if the situation persisted, all airlines would be forced to raise fares. (With inputs from Jagriti Chandra)



On slippery path: The benchmark Sensex shed 900 points during the pre-open session. ■ PAUL NORONHA

Stocks slide on crude oil concerns

BPCL worst-hit, sheds more than 7%

SPECIAL CORRESPONDENT
MUMBAI
A surge in global crude prices following drone attacks on oil facilities at Saudi Arabia made equity investors jittery on Monday with the benchmark Sensex shedding 900 points during the pre-open session.

While stocks across sectors lost ground, the worst hit were oil marketing majors as crude prices jumped almost 10% amid concerns relating to a fall in global supplies. The benchmark indices, however, recouped most of the losses and many mid-cap and small-cap stocks even gained ground.

The 30-share Sensex, which fell to 36,485 during the pre-open session, settled the day at 37,123.31, down 261.68 points, or 0.70%. The broader Nifty managed to close at 11,003.50, shedding 72.40 points, or 0.65%.

Geopolitical risks
"Geopolitical risks have come to fore once again," said Gaurav Dua, head, capital market strategy and investments, Sharekhan.

The drone strikes have added to trade war-related uncertainties

GAURAV DUA
head, capital market strategy and investments, Sharekhan

"Over the weekend, the drone strikes on Saudi's oil processing facilities have added to the trade war-related uncertainties and deteriorated market conditions globally. Moreover, Indian economy also gets impacted due to surge in crude oil prices," he added.

The BSE Oil & Gas index was the worst performer of the day, shedding 1.61%. BPCL was the worst-hit, losing over 7% while HPCL and IOC were down 5.70% and 1.15% respectively.

The effect of the surge in crude prices was visible on airline stocks with Inter-globe Aviation and SpiceJet losing in the range of 2-4% each. Jet Airways lost a marginal 0.27%. Among the Sensex pack, SBI, M&M and Yes Bank lost over 2% each while stocks like RIL, L&T, Indusind Bank, Tata Steel, HDFC and Asian Paints lost between 1-2% each.

Make in India, export from here, Prasad tells tech majors

Minister promises sops for electronics manufacturing

SPECIAL CORRESPONDENT
NEW DELHI
Stating that its investments in India till now were just a 'tip of the iceberg', Union Minister Ravi Shankar Prasad on Monday called upon tech giant Apple to create a 'robust' presence in India.

The Minister, who holds the portfolio of Electronics and IT, was speaking to reporters after a day-long conference with over 50 top executives from the electronics manufacturing sector.

"Apple has started making phones in India, including components... They have started iPhones and components for exports. But this is just the tip of the iceberg. I



Ravi Shankar Prasad

India through contract manufacturer Wistron. Promising all support from the government, including sops for making in India and exporting from here, Mr. Prasad pitched for making India a hub for electronics manufacturing. India has set a target of creating \$400 billion electronic manufacturing ecosystem by 2025.

"India will offer you human resource, investor-friendly policies, and incentives for making in India, and for exports," the Minister said. He added that the government would come out with key measures to incentivise exports from India in two to three months.

want a robust presence of Apple in India," Mr. Prasad said. He also called upon South Korean electronics giant Samsung to have a 'super robust' presence in India.

At present, two Apple phones – iPhone 6S and iPhone 7 – are assembled in

Digital certificate of origin system unveiled

Commerce Minister Piyush Goyal also launches steel import monitoring system

SPECIAL CORRESPONDENT
NEW DELHI
In continuation of Finance Minister Nirmala Sitharaman's announcements on Saturday to revive the export sector, Commerce Minister Piyush Goyal launched the common digital platform for the issuance of certificates of origin and a steel import monitoring system (SIMS).

Mr. Goyal also provided more details about the enhanced export credit insurance scheme for banks that lend working capital to exporters. Regarding the SIMS, Mr. Goyal sought to allay concerns that this would be a licensing system, adding it was merely a tool to capture information about steel imports.

"The new export credit insurance scheme will be called 'Nirvik,' Mr. Goyal told the media. "At the moment, the Export Credit Guarantee Corporation (ECGC) gives a cover of 60% of the



Piyush Goyal

loss to banks. The new scheme will give 90% coverage of the principal and interest of the loan for pre- and post-shipment credit, and half of this will be provided in 30 days."

He said claim inspection would be waived for up to ₹10 crore. For claims higher than this amount, inspection of bank documents and records by ECGC officials will be mandatory. The previous limit for document inspection was ₹1 crore.

Mr. Goyal added that the existing premium rate would

be lowered, and loans categorised into two broad categories of those below ₹80 crore and those above that amount. Loans above ₹80 crore will be further divided into those that are not for gold, jewellery or diamonds, and those that are.

"The benefit to banks from this increased cover is that this is in effect a credit enhancement scheme," Mr. Goyal said. "The rating for the bank loans to exporters becomes AA due to this enhanced insurance cover."

Mr. Goyal added the public sector banks had agreed to give the ECGC-covered loans at a rate that is a maximum of 2.2% higher than the prevailing repo rate, and this would be adjusted as the repo rate changes.

"As you know, for exports to countries with which India has free trade agreements (FTA), exporters have to show a certificate that the consignment originated in

India," Alok Chaturvedi, the Director General of Foreign Trade, added. "With the launch of the common digital platform for the issuance of certificates of origin, now, these certificates can be obtained online and all the issuing authorities will be on the same portal."

Mr. Chaturvedi said India was speaking to its trading partners and the countries it had FTAs with to ensure they accepted the digital certificates.

"We have received complaints from officials that collecting data on what grade of steel was being imported, how much was being imported, from where, and what the domestic market potential is quite difficult at the moment," Mr. Goyal said.

"I want to assure the export community that the SIMS is not a licensing mechanism, and that nobody will be stopped from importing."

SBI chief slams private bank for Altico crisis

PRESS TRUST OF INDIA
LEH
SBI chairman Rajnish Kumar has slammed a private sector lender for the crisis at Altico Capital, as its unilateral move to secure its own money can potentially cause troubles to the wider financial system.

The reality-focussed non-banking lender defaulted on a nearly ₹20 crore interest payment late last week on an external commercial borrowing loan. According to reports, a leading private sector bank moved in to secure its exposure by netting-off money from a fixed deposit maintained by Altico. If any bank makes a selfish move, it can have a negative impact on the rest of the system, Mr. Kumar told reporters here over the weekend.

Lenders led by KKR may take control of fraud-hit CG Power

KKR converts exposure in CG Power to a 10% stake

SPECIAL CORRESPONDENT
MUMBAI
Lenders led by private equity firm KKR are tightening their grip on fraud-hit CG Power and Industrial Solutions as KKR has converted its exposure in CG Power from trust to a direct stake of 10%.

KKR along with L&T Finance Holdings, owns about 21.63% stake in the company through Vistra ITCL India Limited, after they invoked a pledge of shares by the Avantha Group in March 2019.

"KKR has converted its exposure in CG Power from trust to a direct stake of 10% and L&T Finance Holdings is likely to do the same same," a source in the know of the development told *The Hin-*

du. KKR India Debt Opportunities Fund II and KKR India Financial Services bought over 6.26 crore shares, or about 10% stake, in CG Power from Vistra ITCL (India) Ltd. at an average price of ₹14.25 apiece, amounting to a total of ₹89.31 crore, as per the latest bulk deal data on the NSE.

Asked for comments, a KKR spokesperson in a statement said, "KKR India Financial Services Limited and KKR India Debt Opportunities Fund II have, in exercise of their rights in respect of credit facilities extended to Avantha Holdings Limited and its subsidiary Salient Financial Solutions Limited and through the enforcement of pledges created by

Avantha Holdings Limited, respectively acquired 50,736,588 and 11,938,021 equity shares of CG Power and Industrial Solutions Limited through a transaction on the stock exchange. This translates into a total percentage of 9.999992% – just under 10%."

Yes Bank holds 12.79% and Sunil Bharti Mittal 8.5% stake in the company through through Bharti (SBM) Holdings Private Limited.

"There are talks among the parties to bring the stakes of KKR, L&T Finance Holdings, Yes Bank and Bharti (SBM) Holdings Private Limited together to have majority holdings in CG Power," said another source.

Air India SPV raises ₹7,000 crore

Funds to partially relieve the government airline of its debt liabilities

SPECIAL CORRESPONDENT
NEW DELHI
Air India Assets Holding Limited (AIAHL), a special purpose vehicle created to partially relieve Air India of its debt liabilities, on Monday raised ₹7,000 crores to refinance its debt after a bidding process where its bond issue was fully subscribed.

The development means that AIAHL has been able to refinance nearly 25% of the ₹29,464 crore debt at a rate of 6.99%, which is lower than the interest rate Air India has been paying on its loans by 150 to 200 basis point, according to a senior Air India official.

AIAHL was set up by the government in February after a Cabinet decision and nearly half of the total ₹58,000 crore of debt of Air India was transferred to it. The bond issue is for a three-year tenure.

"This reflects the confi-



Strong footing: The issue was oversubscribed despite market volatility, says AIAHL director Vinod Hejmadi. ■ AFP

dence of the entire market in securities fully backed by Government of India. The positive response received from all categories of Investors will act as a stimulus to the disinvestment process of Air India Limited," Air India CMD Ashwani Lohani said in a press statement.

"The issue was oversubscribed by 20.83 times des-

pite the volatile market conditions today. It was the largest mobilisation of funds for yield-based bidding in the history of BSE's Electronic Bidding Platform," AIAHL director, Vinod Hejmadi said.

Among the entities that won the bids, the State Bank of India group had put in bids worth ₹3,640 crore, ICI-

CI Group ₹1,900 crore and Axis Bank ₹1,050 crore, according to sources.

Air India officials also say that soon they will issue bonds for ₹15,000 crore for a ten-year tenure where they expect interest from EPFOs and insurance companies.

This will leave it with a debt of ₹7,400 crore for which the government has already guaranteed non-convertible debentures.

GoM meet
The development comes at a time the Group of Ministers headed by Home Minister Amit Shah is expected to meet on Thursday to take a decision on the modalities of Air India's privatisation, including, the quantum of disinvestment, debt waiver as well as easing of FDI norms to attract foreign players. FDI for Air India is right now capped at 49% through approval route.

RCom arm files for Chapter 11

SPECIAL CORRESPONDENT
MUMBAI
Global Cloud Exchange (GCX), an arm of Anil Ambani-led Reliance Communications (RCom), has filed for bankruptcy protection in the U.S. after it failed to pay \$350 million on its 7% bonds that matured at the beginning of August.

A Reliance Group spokesperson confirmed that GCX along with other associates filed for Chapter 11 bankruptcy protection at the Delaware court.

GCX owns one of the world's largest private undersea cable systems.

Amazon India expects 'bigger and better' festive sales this year

With wider choices, hopes to bring 100 mn more on board

SPECIAL CORRESPONDENT
NEW DELHI
Not seeing any slowdown in consumer demand, Amazon India expects this year's festive sales to be "bigger and better" than last year on the back of increased number of sellers and products offered.

The e-commerce firm, which on Monday announced its festive sale 'Great Indian Festival' from September 29 to October 4, saw the number of sellers going up to 5 lakh from about 3.8 lakh a year ago, while selection has grown to 200 million products from 170 million last festive season.

"The Great Indian Festival is important for us to bring the next 100 million custom-

ers online, many of them from tier 3 or even tier 4 towns," Manish Tiwary, vice president - Category Management, Amazon India, said. "So far, we have covered first 100 million... so for the journey forward to reach the next 100 million customers in India we are getting a whole new selection, invest-



Manish Tiwary