MARKET WATCH

	17-09-2019	% CHANGE
Sensex	36,481	-1.73
US Dollar	71.79	-0.26
Gold	38,905	-0.38
Brent oil	64.66	-4.54

NIFTY 50

	PRICE	CHANGE
Adani Ports	365.30	-5.30
Asian Paints	1530.90	9.60
Axis Bank	640.45	-30.45
Bajaj Auto	2773.15	-101.30
Bajaj Finserv	7150.50	-129.75
Bajaj Finance	3368.40	-50.45
Bharti Airtel	339.85	-4.15
BPCL	368.75	-11.25
Britannia Ind	2692.45	-22.60
Cipla	460.65	-9.85
Coal India	197.60	-2.95
Dr Reddys Lab	2738.05	12.75
Eicher Motors	16284.95	-479.35
GAIL (India)	131.90	2.20
Grasim Ind	700.95	-15.75
HCL Tech	1055.85	-14.05
HDFC	1996.25	-50.50
HDFC Bank	2211.35	-32.80
Hero MotoCorp	2568.95	-169.70
Hindalco	197.95	-2.45
Hind Unilever	1831.20	14.90
Indiabulls HFL	429.15	-6.10
ICICI Bank	400.65	-11.50
IndusInd Bank	1332.60	-43.35
Bharti Infratel	250.20	-1.75
Infosys	831.25	3.55
Indian OilCorp	125.20	-3.35
ITC	237.20	-2.20
JSW Steel	216.20	-9.45
Kotak Bank	1448.30	-26.65
L&T	1313.70	-29.90
M&M	521.95	-15.00
Maruti Suzuki	6130.40	-282.35
NTPC	120.90	-2.35
ONGC	129.70	-1.00
PowerGrid Corp	200.45	-1.70
Reliance Ind	1197.45	-13.30
State Bank	273.95	-10.75
Sun Pharma	420.65	-6.15
Tata Motors	122.00	-6.60
Tata Steel	344.95	-16.15
TCS	2122.65	-27.35
Tech Mahindra	705.95	-13.50
Titan	1158.25	9.70
UltraTech Cement	3900.40	-92.45
UPL	563.30	-0.80
Vedanta	145.40	-3.25
Wipro	244.15	-2.95
YES Bank	65.10	-1.95
Zee Entertainment	337.35	-7.60

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 17

CURRENCY	TT BUY	TT SELL
US Dollar	71.58	71.90
Euro	78.93	79.28
British Pound	88.85	89.25
Japanese Yen (100)	66.19	66.49
Chinese Yuan	10.09	10.13
Swiss Franc	71.97	72.30
Singapore Dollar	52.01	52.26
Canadian Dollar	53.99	54.25
Malaysian Ringitt	17.11	17.21

Source:Indian Bank

BULLION RATES CHENNAI

September 17 rates in rupees with previous rates in parentheses

Retail Silver (1g)	50.4	(50.3)
22 ct gold (1 g)	3615	(3620)

SEBI bars Gautam Thapar from accessing capital market

Regulator orders forensic audit to check books of accounts of CG Power

SPECIAL CORRESPONDENT
MUMBAI

The Securities and Exchange Board of India (SEBI) has barred Gautam Thapar, chairman, CG Power & Industrial Solutions along with senior officials of the company from accessing the capital market for their alleged role in siphoning off money from the listed firm.

The capital markets regulator has also ordered a forensic audit to verify allegations of manipulation and misrepresentation in the books of accounts of the company.

Loss to shareholders

"Acts on the part of the noticees have resulted in the shareholders of CG Power losing the value of their shareholding which amounts to a 'fraud' on its public investors," SEBI whole time member G. Mahalingam said in a 32-page order. Apart from Mr. Thapar, the watchdog has barred past directors Madhav Acharya and B. Hariharan and chief financial officer V.R. Venkatesh.

Firm action: SEBI has also barred past directors Madhav Acharya and B. Hariharan and CFO V.R. Venkatesh. ▪ REUTERS

On August 20, the firm disclosed that it had found certain unauthorised transactions by the employees of the company and also a letter from a financing company regarding failure of interest payment.

Further, it said that the total liabilities of the company and the group "may have been potentially understated" by approximately ₹1,053.54 crore and ₹1,608.17 crore respectively, as on March 31, 2018, and by ₹601.83 crore and ₹401.83 crore, respectively as on April 1, 2017.

Meanwhile, the SEBI probe found irregularities in the manner of sale of certain real estate assets of the company.

"The transactions are prima facie designed to divert/siphon off money from the listed company, which rightfully belongs to its shareholders," the SEBI order said.

"While some information has emerged on the basis of a preliminary examination, a detailed forensic audit could bring out the complete picture and the extent of the misstatement/misappropriation," it added, while directing the BSE to appoint an independent auditor or audit firm.

The auditor's mandate would be to check if there were any instances of manipulation of the financials of the company or any kind of misrepresentation, wrongful diversion/siphoning of company funds.

Rupee weak for second day, closes at 71.79 a dollar

SPECIAL CORRESPONDENT
MUMBAI

After weakening close to 1% in the previous session, the rupee dropped another 0.27% on Tuesday as crude oil prices stayed elevated after the drone attacks on Saudi Arabia's oil facilities.

After opening at 71.83 a dollar as compared to previous close of 71.60, the rupee hit the day's low of 71.98 before closing at 71.79 a dollar.

Elevated crude oil prices will weaken the country's macroeconomic fundamentals like inflation and current account deficit as India imports over 80% of its requirements.

Oil price surge

"It remains to be seen if Monday's [oil] price surge sustains. If it does, it could complicate the economy's macroeconomic outlook, as sensitivity of external balances to oil prices is high," said Radhika Rao, economist, DBS Bank.

DBS's FX Strategist team maintains that emerging Asian currencies, most at the risk of higher oil prices, are from the countries with the biggest oil trade deficits.

These include the won, baht and rupee, while the ringgit will be the most resilient.

Crude oil benchmark, Brent Futures, surged by almost 20% to $71.95 per barrel (intra-day) on Monday, after twin drone attacks on Saturday wiped out more than half of Saudi Arabia's crude supply.

However, Brent Futures on Tuesday saw some moderation and was trading at $68.07 per barrel, down 1.38% over the previous close.

Calling India: The iPhone maker has sought incentives to boost smartphone exports from the country. ▪ REUTERS

Apple exports could touch $1 bn this year

Firm seeks sector-specific policy

YUTHIKA BHARGAVA
NEW DELHI

Technology giant Apple's exports via its OEM partners from India are likely to touch $1 billion in the current year amid the Centre's push to expand the manufacturing base and make the country an export hub.

"Apple started manufacturing in 2017 and within the last two years, they have gone from zero to $0.5 billion in exports. Their exports through partners are expected to touch $1 billion in 2019," an official source told *The Hindu*.

The U.S.- headquartered company currently manufactures two iPhone models in India – iPhone 6S and iPhone 7. Earlier, it was also producing iPhone SE. The company was also to begin manufacturing iPhone 8 and iPhone XR in the country before the end of 2019.

Exporting accessories

Apple, which undertakes manufacturing in India via contract manufacturers, has also started exporting accessories from the country, the official said. Apple did not respond to the story till the time of going to the press.

On Monday, after a meeting with over 50 CEOs from the electronics industry, Electronics and IT Minister Ravi Shankar Prasad told Apple to form a "robust" presence in India and that their investment till now in the country was just a "tip of the iceberg."

'Stable regime'

The official added that Apple had sought a "stable and predictable" regime before it looks at shifting or expanding its well-established manufacturing base from China to India.

"They have also clarified that they do not seek specific concession for manufacturing in India and exports, but have sought a sector-specific policy and incentives to boost smartphone exports and make India competitive with China and Vietnam."

According to an industry expert, India has a 12-18% disability in cost of manufacturing vis-a-vis China and Vietnam - the two largest smartphone exporters in the world – due to infrastructure, logistics, taxes, cost of land etc.

In addition, India's labour cost arbitrage doesn't help Apple much as it constitutes only 1% of the total iPhone manufacturing cost.

Lots of asset monetisation in coming months: Kant

Govt. to privatise roads, airports, power transmission and shipping terminals

SPECIAL CORRESPONDENT
MUMBAI

For India to become a $5 trillion economy, the wealth will have to be created by the private sector and hence the government will privatise a lot of its assets across sectors in the coming months, said Amitabh Kant, chief executive officer, Niti Aayog.

Amitabh Kant

"The government wants to be a facilitator and a catalyst, the wealth must be created by the private sector," Mr. Kant said while speaking at the Morningstar Investment Conference.

"And this would require us to do several things which are both cyclical and structural... And therefore in the months to come, we will do a lot of asset monetisation and asset recycling," he added.

The 1980 batch Indian Administrative Services (IAS) officer further said that the government would privatise assets like roads, airports, power transmission and shipping terminals.

It is necessary to do that so that the private sector can come in and along with that credit flow can start, he said. On a different note, he said that structural reforms for the agricultural sector would soon be announced as the Committee of Chief Ministers headed by Devendra Fadnavis to suggest such reforms is on the verge of finalising its report.

"I'm sure that this would lead to some major structural reforms in the agriculture sector as well," Mr. Kant said, adding that agriculture, along with gender parity and exports, were the key elements for India to grow significantly over a long period of time.

"India has a very vibrant private sector and a government which has the political will and the determination to take India to a $5 trillion economy. No doubt that will be achieved by 2024," he concluded.

Ramamoorthy is Cognizant India CMD

He will build management and operating committees

SPECIAL CORRESPONDENT
CHENNAI

Nasdaq listed IT firm Cognizant has elevated Ramkumar Ramamoorthy as chairman and managing director of Cognizant India, and named him head of India operations. He will be reporting directly to the company's executive committee.

Cognizant CEO Brian Humphries in an email to Cognizant employees on September 17, said, "In the weeks ahead, [Mr.] Ramkumar will be establishing both a management committee and an operating committee for India.

"These committees will help us further strengthen our operations in the country, proactively advance our agenda as we engage with the media and government, drive greater diversity and inclusion throughout our organisation, and extend our corporate citizenship efforts and our reputation as an employer of choice as we work to accelerate Cognizant's top-line growth."

Ramkumar Ramamoorthy

Mr. Ramamoorthy told *The Hindu* that his immediate priorities will be to build a management committee and an operating committee in India to further strengthen the firm's operations across 13 cities in India. "Secondly, given the digital disruptions happening across industries, we want to sustain our position as an employer of choice in campuses and the lateral market, and extend our recruiting engine beyond traditional engineering and management disciplines to data science, artificial intelligence (AI), cybersecurity, IoT as well as human sciences," he added.

In the last 18 months, Cognizant has upskilled and reskilled over 1,40,000 employees globally.

Shift in hiring profile

In terms of hiring, Mr. Ramamoorthy said, "We will see a shift in the profile of hiring. From hiring for generic technology skills, we are already seeing hiring for niche skills, including data science, artificial intelligence, IoT, digital strategy and design, DevOps and agile, among others."

In the past five years (calendar years 2014 to 2018), Cognizant saw a net headcount addition of over 66,000 professionals in India, and in the first two quarters of this year (January to June 2019), Cognizant saw a net headcount addition of over 7,000 professionals.

During his 21 years with Cognizant, Mr. Ramamoorthy has helped architect and shape Cognizant's leadership position and brand.

He is a member of the company's global Executive Leadership Team (ELT) responsible for driving the company's strategy and operations and has held various senior positions in the company, including executive director, India, senior vice president (marketing and communications) and chief knowledge officer.

He has incubated and nurtured several portfolios at Cognizant.

Tata Power arm to exit JV

Stake sale in South Africa's Cennergi to fetch $106 million

SPECIAL CORRESPONDENT
MUMBAI

Tata Power's wholly owned subsidiary Khopoli Investments Ltd. has executed a share purchase agreement with Exxaro Resources Ltd. for the divestment of the company's entire 50% stake in Cennergi, a South African joint venture, for$106 million subject to normal working capital and other adjustments.

"The agreement will be subject to, amongst others, normal regulatory approvals customary for this type of transaction. Cennergi (Pty) Ltd. is a 50:50 joint venture between Exxaro Resources Ltd. and Khopoli Investments Ltd.," said Tata Power in a statement.

Exxaro is a leading South African coal producer and under the agreement, Exxaro will acquire the entire 50% shareholding of Khopoli Investments Ltd.

Praveer Sinha

The agreement is likely to be completed by Q3FY20 and post this transaction, Exxaro would have 100% ownership of Cennergi.

Monetising asset

"The decision to monetise this South African asset is in alignment with our stated strategy to deleverage the balance sheet by divesting sub-optimal size international assets," said Praveer Sinha, CEO and MD, Tata Power.

"The proceeds from such sale would be re-invested in emerging areas where there is a huge growth opportunity. The company will focus on renewable power, power distribution and service-led businesses in India which will bring in greater value and help us align with the emerging consumer needs," he added.

Cennergi owns two wind farms in South Africa – Amakhala Emoyeni (with a generation capacity of 134.4 MW and 95% shareholding) and Tsitsikamma Community Wind Farm (with a generation capacity of 95.3 MW and 75% shareholding). Each project has a 20-year power purchase agreement (PPA) with the State power utility Eskom. Tata Power shares on BSE closed down 0.62% at ₹63.95 in a weak Mumbai market on Tuesday.

Oil companies hike petrol, diesel prices

SPECIAL CORRESPONDENT
MUMBAI

State-owned oil marketing companies (OMCs) have increased the price of petrol by up to 14 paisa per litre and price of diesel by up to 16 paisa per litre with effect from Tuesday morning in the four metros, according to data from Indian Oil Corporation Limited (IOCL).

The prices may go up to ₹5 per litre each for petrol and diesel in the coming fortnight if global crude oil prices stay at the current levels. The price of petrol has been increased by 14 paisa per litre in New Delhi, Mumbai and Chennai, and by 13 paisa per litre in Kolkata.

Diesel price has been increased by 15 paisa per litre in New Delhi and Kolkata and 16 paisa per litre in Chennai and Mumbai.

Export promotion councils chalk out strategy to meet targets

Move to achieve $1 trillion in 5 years envisaged by govt.

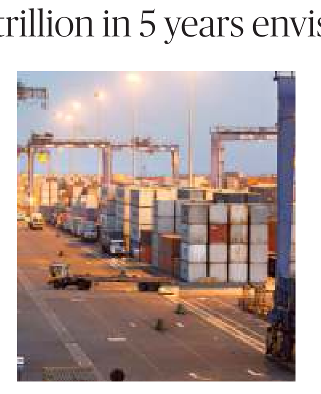
SPECIAL CORRESPONDENT
MUMBAI

In line with the Union Commerce Ministry's target to triple India's exports from $331 billion to $1 trillion in five years, export promotion councils have chalked out plans to achieve the same.

"This means almost doubling exports of the sector in the next five years," said R. Veeramani, president, Capexil.

Capexil promotes the shipments of chemical and alliedproducts that contribute more than 7% of India's total merchandise exports.

"The export target fixed for Capexil products is $25.57 billion for the year 2019-20, which marks a substantial growth compared to $ 22.24 billion in 2017-18," he said.



He said the exports of minerals and ore, which grew 9.39% and non-mineral products, which grew 22.42% compared with 2017-18, were set to grow further.

Chemexcil, the export promotion council for basic chemicals, dyes, dye intermediates, agrochemicals and cosmetics, is wooing overseas buyers to boost exports.

Ajay K. Kadakia, chairman, Chemexcil said the focus for this year is to grow exports in the fields of speciality chemicals, polymers and agrochemicals.

Ravish Kamath, chairman, Plexconcil, which promoters plastics' exports, said, "Globally plastics is a $1 trillion economy and this demonstrates the vast potential that the segment holds for our fraternity in the areas of automotive, construction, electronics, healthcare, textiles and FMCG." He said India's plastics exports in 2018-19 were worth $10.89 billion against $8.85 billion in 2017-18, up 24% and this year, it is expected to grow further as efforts were on to boost exports to more than 210 countries.

Coffee Day board clears IT park sale to Blackstone

130-acre park is valued at ₹2,700 crore

SPECIAL CORRESPONDENT
BENGALURU

Coffee Day Enterprises has signed definitive agreements with the New York-based private equity player Blackstone and domestic realty firm Salarpuria Sattva Group, for a sale of its 130-acre Global Village Tech Park on Mysore Road, in the outskirts of the city.

The company board has approved this sale as part of efforts to raise funds to clear off its debt pile.

The transaction, at an enterprise value of ₹2,700 crore, was subject to certain closing adjustments, the company said in a statement.

"With reference to abovementioned subject and in continuation to our disclosure dated August 14, 2019, we wish to inform that the board has approved and the company has executed the definitive agreements with entities belonging to Blackstone Group and the Salarpuria Sattva Group for investment in GV Techparks Private Limited, a wholly-owned subsidiary of Tanglin Development Limited," it said in a stock exchange filing.

"This transaction will substantially bring down the debt level of the group, which was earlier disclosed on August 17, 2019 as ₹4,970 crore," it said.

The closing of the transaction was subject to receipt of regulatory approvals.

Coffee Day Group has been liquidating and raising funds in the last over a month after the death of its founder chairman V.G Siddhartha.

IT's time to focus on new markets around globe: ESC

Japan yet to be understood, explored, says council

SPECIAL CORRESPONDENT
BENGALURU

It is time India developed new IT markets around the globe in addition to expanding its existing markets, suggested Electronics and Computer Software Export Promotion Council (ESC), a body supported by the Union Ministry of Commerce and Industries.

Currently, the U.S., U.K. and Europe together account for more than 86% of the country's IT exports. "There are several new and emerging IT markets that can be explored by Indian technology providers.

"Latin America as a region, in addition to Asean countries, Africa, CIS region and the Middle East are warming up towards Indian providers," said ESC executive director D.K. Sareen.

Currently, the U.S., U.K. and Europe together account for over 86% of IT exports

As per ESC statistics, LatAm contributed IT exports worth $840 million in 2018 against $671 million in the previous year.

Africa contributed $1.2 billion in 2018 ($1.07 billion), Asean countries brought in $6 billion ($5.6 billion), the CIS block, mostly comprising Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, contributed $600 million ($582 million) and the Middle East's share was a sizeable $2.3 billion in 2018 against $2 billion in the previous year.

"Japan is another geography where Indian players are yet to make any significant dent. India's current IT revenue exposure to Japan is some 4% as of now.

Huge market

"But it is a huge market, yet to be understood and explored as culture and language have always come as a barrier," said Mr. Sareen.

ESC's annual tech exposition, Indiasoft 2020, scheduled to be held between March 3 and 4, 2020 in Hyderabad will feature an exclusive exposition for companies that focus on internet of things (IoTs).