MARKET WATCH

	26-09-2019	% CHANGE
Sensex	38,990	1.03
US Dollar	70.88	0.22
Gold	38,685	-1.26
Brent oil	61.69	-0.06

NIFTY 50

	PRICE	CHANGE
Adani Ports	419.15	4.35
Asian Paints	1770.95	19.15
Axis Bank	699.90	4.95
Bajaj Auto	2970.30	29.30
Bajaj Finserv	8464.60	209.00
Bajaj Finance	4000.80	69.90
Bharti Airtel	344.05	2.40
BPCL	480.05	14.85
Britannia Ind	3092.80	56.80
Cipla	438.45	3.85
Coal India	203.30	10.70
Dr Reddys Lab	2774.85	1.50
Eicher Motors	17911.55	311.45
GAIL (India)	137.10	0.65
Grasim Ind	743.80	19.65
HCL Tech	1045.15	-8.70
HDFC	2063.20	-6.75
HDFC Bank	1242.50	2.80
Hero MotoCorp	2760.10	55.85
Hindalco	195.95	6.05
Hind Unilever	2034.40	-17.10
Indiabulls HFL	413.75	-10.15
ICICI Bank	451.95	17.75
IndusInd Bank	1548.00	44.10
Bharti Infratel	258.55	1.20
Infosys	782.55	-10.10
Indian OilCorp	144.55	3.85
ITC	250.40	2.85
JSW Steel	235.45	1.05
Kotak Bank	1626.85	25.25
L&T	1489.85	39.75
M&M	566.95	32.25
Maruti Suzuki	6857.45	218.95
NTPC	116.55	-0.35
ONGC	137.05	5.60
PowerGrid Corp	199.25	0.50
Reliance Ind	1296.80	17.25
State Bank	281.85	1.60
Sun Pharma	411.95	5.20
Tata Motors	124.50	1.45
Tata Steel	375.75	13.70
TCS	2087.60	-0.85
Tech Mahindra	713.70	7.80
Titan	1288.30	19.40
UltraTech Cement	4395.60	117.75
UPL	583.60	6.85
Vedanta	166.10	9.90
Wipro	237.10	-1.70
YES Bank	51.05	-2.65
Zee Entertainment	286.70	13.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 26

CURRENCY	TT BUY	TT SELL
US Dollar	70.68	71.00
Euro	77.28	77.63
British Pound	87.24	87.64
Japanese Yen (100)	65.66	65.96
Chinese Yuan	9.91	9.96
Swiss Franc	71.10	71.43
Singapore Dollar	51.18	51.41
Canadian Dollar	53.32	53.59
Malaysian Ringitt	16.84	16.94

Source:Indian Bank

BULLION RATES CHENNAI

September 26 rates in rupees with previous rates in parentheses

Retail Silver (1g)	50.5	(52)
22 ct gold (1 g)	3596	(3614)

Growth to pick up in second half: FM

Private sector lenders see strong demand in rural India, says Finance Minister Nirmala Sitharaman

SPECIAL CORRESPONDENT
NEW DELHI

India's economic growth is likely to pick up in the October-March period as consumer demand is expected to improve, Finance Minister Nirmala Sitharaman said on Thursday.

India's economic growth in April-June fell to a six-year low of 5%.

Ms. Sitharaman added that the private sector banks had assured her that there was no liquidity crunch and there was strong demand in rural areas.

Addressing the media following a meeting with the heads of the private sector banks, non-banking financial institutions and microfinance institutions, Ms. Sitharaman said many private banks had also agreed to take part in the government's outreach effort to increase credit offtake in rural India.

Clearing the air: Slump in demand for commercial vehicles is a cyclical issue, says Nirmala Sitharaman. • PTI

"After my meeting with the private sector bank heads, I can say it was like a tonic," Ms. Sitharaman said.

"Not a single bank said that there was a liquidity crunch, and they all said that demand growth was strong in the deep rural areas."

"The Finance Minister gave us two hours of patient hearing, and we all conveyed to her that there was no liquidity shortage," said V. Vaidyanathan, MD and CEO, IDFC First Bank. "Many said that there was strong growth in demand, especially at the lower end of the spectrum, and it was growing in the range of 18-25%."

The Finance Minister also said that the bankers told her that they felt the slump in demand for commercial vehicles was a cyclical issue, but this was not the case for passenger vehicles.

"They said that for commercial vehicles, it was a cyclical phenomenon and that it would be resolved in one or two quarters," Ms. Sitharaman said.

"For passenger vehicles, they said it was a matter of sentiment," she added.

Affordable housing

According to the Minister, some banks had also asked if the credit limit for affordable housing could be raised to ₹50 lakh from the current ₹45 lakh.

"Lenders flagged the need for self-declaration of their present address with respect to lenders who are already e-KYC authenticated to enable hassle-free lending and ease in the co-origination of loans by banks and NBFCs," a source who attended the meeting said.

"The Minister said instructions to address the issue would be given by October 1," the source added.

(With Reuters inputs)

SEBI hauls up MFs over standstill pacts

Rules bar such agreements, says Tyagi

SPECIAL CORRESPONDENT
MUMBAI

Ajay Tyagi

The Securities and Exchange Board of India (SEBI) has pulled up mutual funds for entering into standstill agreements with promoters and has clarified that regulations do not have provisions for such arrangement between corporates and asset management companies (AMCs).

"It is not there in any of the regulations. We have made our position clear. Entities have to follow the regulations that are there. There is no confusion in that," SEBI chairman Ajay Tyagi said at a capital market conference organised by industry body FICCI.

The SEBI chief was replying to a specific query on how some fund houses were entering into such standstill agreements.

Deadline with Essel

This assumes significance as the SEBI statement comes only a day after certain fund houses extended the deadline of such agreements with Essel Group, which had earlier got time till September to meet its repayment obligations.

While such standstill agreements have come under criticism by a section of market participants, they have found favour from some fund managers who feel that they ensure that the investments do not turn junk.

"There is only a liquidity issue as the company is fundamentally strong and has assets that can be monetised. Panic sale will only put further pressure on the stock and hence giving the company more time is a prudent call," said the head of a domestic fund house that has an exposure towards Essel Group.

On a different note, Mr. Tyagi said that the regulator was examining the order by the Securities Appellate Tribunal (SAT) in the Price Waterhouse (PW) matter, wherein the tribunal said that the capital markets watchdog has no jurisdiction over the audit firm and hence cannot bar it from the capital markets.

Mr. Tyagi also hinted that following the acquisition of IDBI Bank, Life Insurance Corporation of India (LIC) will have to dilute its stake in the National Stock Exchange (NSE).

"Whatever excess shareholding they have, they will have to divest," he said, adding that there was no deadline by which he expects the divestment.

As per SEBI norms, certain categories of investors, including insurance companies, can hold up to 15% in a stock exchange. However, post its acquisition of IDBI Bank, the insurance behemoth will be classified as a deemed trading member and hence cannot hold more than 5%.

Currently, LIC and IDBI Bank collectively hold nearly 14% stake in NSE.

Axis Bank raises ₹12,500 crore to boost growth

'Largest ever QIP by private issuer'

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender Axis Bank has raised ₹12,500 crore capital through qualified institutional placement (QIP) at ₹629 per share, the proceeds of which will be used to fund growth.

Terming the transaction the largest ever QIP by a private sector issuer in India, Axis Bank said it was able to raise the funds despite a challenging macroeconomic and market environment.

"The placement has witnessed strong reception from the global and domestic investor community. The deal was oversubscribed with the aggregate final transaction size being ₹12,500 crore," Axis Bank said in a statement.

The bank said the funds were raised to enhance its capital adequacy, in accordance with the regulatory requirements, for its growth strategy and for general corporate purposes.

The QIP issuance price of ₹629 per share is at a discount of 4.91% to the floor price of ₹661.50 per equity share, determined as per the SEBI formula.

"The reception for the QIP is an endorsement of Axis Bank and its strong fundamentals. We are excited about the opportunities that would be created through this capital raise," Amitabh Chaudhry, MD & CEO, Axis Bank said.

Call money rates should be close to policy rate, says liquidity panel

'Current liquidity management framework must continue'

SPECIAL CORRESPONDENT
MUMBAI

An internal working group, formed by the Reserve Bank of India (RBI) to review the current liquidity management framework, has suggested that the framework should be guided by the objective of maintaining the target rate – that is, the rate in the inter-bank market for reserves – close to the policy rate.

The report said the the target rate is usually the rate at which reserves are borrowed or lent among banks, that is, the call money market rate in India.

"Towards this end, the framework should enable the central bank to be equipped with the required tools to inject and absorb liquidity at either fixed or variable rates, on an overnight basis as well as for longer tenors," the report said.

The report suggested that the current liquidity management framework should largely continue in its present form – a corridor system with the call money rate as the target rate.

Suggesting that the liquidity framework should be flexible, the report said while the corridor system would normally require the system liquidity to be in a small deficit, if financial conditions warrant a situation of liquidity surplus, the framework should be adaptable.

"The current provision of assured liquidity – up to 1% of NDTL – is no longer necessary since the proposed liquidity framework would entirely meet the system's liquidity needs," it said.

In case build-up of a large liquidity deficit or surplus is expected to persist, it should be offset through appropriate durable liquidity operations, the report said.

Equities gain on F&O expiry, global cues

SPECIAL CORRESPONDENT
MUMBAI

Indian equity benchmarks gained 1% each on Thursday amid expiry of the September derivatives contracts and a strong trend in the global markets.

The Sensex gained 396.22 points or 1.03% to close at 38,989.74, as heavyweight constituents – ICICI Bank, ONGC, Coal India, M&M and Vedanta – all gained over 4% each.

The Nifty settled the day at 11,571.20, up 131 points or 1.15%, with 41 of its constituents gaining ground.

Interestingly, foreign portfolio investors were net buyers at nearly ₹740 crore on Thursday, while their domestic counterparts bought shares worth ₹339 crore.

The investor sentiment received a boost due to the strong global trend on account of U.S. President Donald Trump saying that the U.S.-China trade war might be resolved sooner than expected.

PMC Bank depositors can withdraw ₹10,000, says RBI

60% of depositors will be able to withdraw full amount

SPECIAL CORRESPONDENT
MUMBAI

In a partial relief to the depositors of troubled cooperative lender, Punjab and Maharashtra Cooperative Bank, the Reserve Bank of India (RBI) has allowed withdrawal of deposits of ₹10,000 compared with the ₹1,000 mandated earlier.

With the relaxation, more than 60% of the depositors of the bank will be able to withdraw their entire account balance, the central bank said.

"... it has been decided to allow the depositors to withdraw a sum not exceeding ₹10,000 (including ₹1,000 wherever already withdrawn) of the total balance..." the RBI said.

On Tuesday, the banking regulator imposed various restrictions on the city-based cooperative bank to 'protect depositors' interest.'

RBI says withdrawal limits have been increased in a bid to reduce hardship of depositors. • ARUNANGSU ROY CHOWDHURY

"The above relaxation [increasing the deposit withdrawal limit] has been granted with a view to reducing the hardship of the depositors. The Reserve Bank is closely monitoring the position and shall continue to take further steps as are necessary to safeguard the interest of the depositors of the bank," the RBI said.

On Thursday, the central bank said the actions were taken in view of 'major financial irregularities.'

"The directions were necessitated on account of major financial irregularities, failure of internal control and systems of the bank and wrong/under-reporting of its exposures under various off-site surveillance reports to RBI that came to the Reserve Bank's notice recently," the banking regulator said.

Promoters sell 1.8% more stake in Yes Bank

SPECIAL CORRESPONDENT
MUMBAI

Yes Capital (India) Private Ltd. (YCPL), which is part of the promoter Group of Yes Bank, has sold 1.8% shareholding in the bank.

The proceeds will be utilised to prepay the entire outstanding non-convertible debentures (NCDs) of YCPL subscribed by various schemes of Franklin Templeton Asset Management, YCPL said. The NCDs are due for maturity in October 2020.

As at June 30, YCPL had 3.26% stake in Yes Bank. YCPL, in September 2017, placed rated, zero coupon NCDs worth ₹630 crore with Franklin Templeton.

"These funds were utilised by YCPL towards growth capital for new-age start-up ventures," it said.

With this stake sale, the reduction in total promoter group ownership in Yes Bank is now 13.4%, which is in full compliance with the RBI's regulatory level of 15%.

GSK recalls Ranitidine after cancer causing substance detected

Precautionary action pending outcome of ongoing tests

SPECIAL CORRESPONDENT
MUMBAI

GlaxoSmithKline Pharmaceuticals Ltd. (GSK) on Thursday said it had voluntarily recalled Ranitidine hydrochloride tablets produced in India following alleged detection of genotoxic nitrosamine NDMA by global and Indian regulatory authorities. It is a global recall including in India.

"GSK has been contacted by regulatory authorities regarding the detection of genotoxic nitrosamine NDMA in ranitidine products. Based on the information received and correspondence with regulatory authorities, GSK made the decision to suspend the release, distribution and supply of all dose forms of ranitidine hydrochloride products to all markets, including India," GSK said in a statement.

"The recall is a precautionary action pending the outcome of ongoing tests and investigations," it said.

• GETTYIMAGES/ISTOCK

The raw material used in the tablets were supplied by Saraca Laboratories Ltd. Thus, the European Directorate for the Quality of Medicines (EDQM) has suspended its certificate of suitability for ranitidine hydrochloride issued to Saraca with immediate effect.

GSK manufactures Ranitidine Hydrochloride IP Tablets 150 mg and 300 mg (Zinetac) using API from Saraca and SMS Lifesciences India Ltd., for supply to Indian market.

"As a precautionary action, GSK has made the decision to initiate a voluntary recall [pharmacy/retail level recall] of Zinetac Tablets 150 mg and 300 mg products manufactured in India using API sourced from Saraca," GSK said. The product manufactured using API from SMS will not be recalled. However, all such products will remain on hold while the test results are awaited.

'Patient safety'

"GSK is continuing with investigations into the potential source of the NDMA. These investigations include continued engagement with our API suppliers. Patient safety remains our utmost priority and we are taking this issue very seriously," it added. The market for Ranitidine anti-acidity product is worth ₹700 crore, including ₹200 crore of GSK. It is learnt that other manufacturers are still selling the tablets under different brands.

Indian Oil Corp. in talks with Hindalco to source aluminium for EV battery unit

Refiner eyeing alternative to lithium-ion batteries; plant likely in Chennai

PIYUSH PANDEY
MUMBAI

Indian Oil Corporation Limited (IOCL) is in talks with Hindalco Industries Limited to source aluminium for its proposed one GW (gigawatt) aluminium air battery facility as the State-owned entity looks for an alternative to lithium-ion batteries.

This move is in tune with the government's strategy to facilitate the adoption of electric vehicles (EVs) in India to cut the fuel import bill.

Confirming the development, a senior official of Hindalco Industries told *The Hindu*, "They have approached us. We are in talks with them. It's at an initial stage. They are developing it in joint venture with an Israel firm."

S.S.V. Ramakumar

Last year, IOCL had signed an initial pact with Israel's Phinergy Ltd. for developing ultra lightweight metal-air batteries that can be used in EVs. Aluminium air battery is said to be much cheaper, lighter and available in abundance compared with the lithium-ion batteries and ideal for EVs. Besides, aluminium air battery for an EV has a long-lasting regenerative cathode with a very high 'energy density' that can be stored and provided for the car.

The aluminium-air battery plant is likely to come up near Chennai, a hub for automobile manufacturing.

The plant is likely to be set up through a special purpose vehicle formed between IOCL and Phinergy Ltd. Confirming the development, Gurmeet Singh, director, marketing, IOCL told *The Hindu*, "The potential sites for setting up the facilities could be in metros like Chennai, which has large car manufacturing facilities around."

When asked for comments, IOCL's director for R&D, S.S.V. Ramakumar said, "We cannot talk about our commercial strategy, but we are in an advanced stage."

Economic Offences Wing files FIR against Lakshmi Vilas Bank

SPECIAL CORRESPONDENT
CHENNAI

Private sector lender (LVB) Lakshmi Vilas Bank has informed the stock exchanges that the Economic Offences Wing, New Delhi, had filed an FIR under Indian Penal Code, 1860 (complaint for offences of cheating, criminal breach of trust by banker, criminal misappropriation and criminal conspiracy) against the directors of the board of Lakshmi Vilas Bank, Connaught Place, New Delhi, among others.

The first information report was registered based on a complaint filed by Religare Finvest Ltd. (RFL) pertaining to adjustment of their deposits to the dues of RHC Holding Pvt. Ltd. and Ranchem Pvt. Ltd., the lender said.

The bank further said that it was considering appropriate legal measures to counter the same.