MARKET WATCH

	18-11-2019	% CHANGE
Sensex	40,284	-0.18
US Dollar	71.84	-0.08
Gold	38,775	-0.21
Brent oil	62.66	-0.12

NIFTY 50		
	PRICE	CHANG
Adani Ports	365.65.	0.6
Asian Paints	1739.00	21.7
Axis Bank	722.95.	6.0
Bajaj Auto	3156.90	58.4
Bajaj Finserv		
Baiai Finance		
Bharti Airtel		
BPCL		
Britannia Ind		
Cipla		
Coal India		
Dr Reddys Lab		
Eicher Motors		
GAIL (India)		
Grasim Ind		
HCL Tech		
HDFC		
HDFC Bank		
Hero MotoCorp		
Hindalco		
Hind Unilever		
ICICI Bank		
IndusInd Bank	1374.40	15.4
Bharti Infratel	226.80	0.3
Infosys	705.20.	1.3
Indian OilCorp	132.55.	0.8
ITC	250.75.	0.1
JSW Steel	249.60	4.8
Kotak Bank	1627.20	4.4
L&T	1364.50	13.1
M&M	573.70	-9.3
Maruti Suzuki		
Nestle India Ltd.		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind		
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel TCS	2152.00	21.0
Tech Mahindra		
Titan		
UltraTech Cement.		
UPL		
Vedanta		
Wipro		
		2 0
YES BankZee Entertainment		

EXCHANGE KA	IE2		
Indicative direct rates in rupees a unit except yen at 4 p.m. on November 18			
CURRENCY	TT BUY	TT SELL	
US Dollar	71.64	71.96	
Euro	79.22	79.57	
British Pound	92.82	93.23	
Japanese Yen (100)	65.86.	66.16	
Chinese Yuan	10.19.	10.24	
Swiss Franc	72.39	72.72	
Singapore Dollar	52.63	52.86	
Canadian Dollar	54.14.	54.39	
Malaysian Ringitt	17.23.	17.32	
Source:Indian Bank			

BULLION RATES CHENNAI
November 18 rates in rupees with pre-

Retail Silver (1g).

Vodafone Idea, Airtel to hike tariffs

No word on quantum of increase in rates from Dec., move follows financial impact of AGR ruling

SPECIAL CORRESPONDENT

Reeling under the impact of the Supreme Court's ruling on adjusted gross revenue (AGR), Vodafone Idea and Bharti Airtel on Monday announced that they will be increasing tariffs from December, although both telcos did not specify the quantum.

Vodafone Idea Limited (VIL), India's second largest telco by number of subscribers, has decided to increase the tariff from December 1. 2019, due to the acute financial stress in the telecom sec-

"To ensure that its customers continue to enjoy world class digital experiences, Vodafone Idea will suitably increase the prices of its tariffs effective December 1, 2019," Vodafone Idea said in a statement without elaborating on the quantum of increase.

However, the telco reiterated its commitment to play its due role in realising the vision of Digital India by conti-

Reliance Jio is likely to buy

out bankrupt telco Reliance

under the Insolvency and

Bankruptcy Code, with Bhar-

ti Airtel withdrawing its bids.

ni's offer to buy RCom will be

at a steep discount com-

pared to the ₹25,000-crore

deal between the Ambani

brothers announced in De-

cember 2017, sources in the

know of the development

tive said, "Earlier, the deal

A senior Reliance Jio exeu-

This time, Mukesh Amba-

(RCom),

PIYUSH PANDEY



Distress call: The telecom industry, under severe financial stress, has been demanding a relief package. • P.V. SIVAKUMAR

nuing to provide seamless mobile services to customers across India despite posting a loss of ₹50,921 crore for the second quarter, the highest in India Inc.

"The acute financial stress in the telecom sector has been acknowledged by all stakeholders and a high level Committee of Secretaries (CoS) headed by the Cabinet Secretary is looking into providing appropriate relief," the statement said, adding that mobile data charges in

was for buying certain assets

of RCom like spectrum, tow-

ers, fiber assets and allied in-

frastructure. But this time,

the bids are for RCom under

the IBC process, so the valua-

Jio, RCom's Committee of

Creditors (CoC) has extend-

ed the deadline and has now

decided to open the bid on

A consortium of Bharti

Airtel, its towers arm Bharti

Infratel, and private equity

firm Varde Partners, which

had submitted bid to buy

spectrum and tower assets,

On request by Reliance

tions will change."

November 25.

India were by far the cheapest in the world even as the demand for mobile data services continued to grow Vodafone Idea shares on

the BSE gained 21.47% at ₹4.47 on Monday, as investors anticipate government relief for the sector. "Building on its largest

spectrum footprint and by accelerating its network integration, VIL is speedily expanding both its coverage and capacity and is well on

Valuation will differ from that of the 2017 deal, as bids this time are under IBC, says Jio executive

has sought to withdraw it.

"We hereby formally with-

draw our resolution plans

while reserving all rights, in-

cluding the right to submit

our resolution plan afresh

within the new deadline

communicated now," said

track to offer 4G services to 1 billion Indian citizens by March 2020," the statement said adding that the company would continue to actively invest in making its netfuture-fit embedding new age technologies and launching new products/services to cater to the evolving needs of its over 300 million customers.

Bharti Airtel's tariff hike announcement comes close on the heels of the company posting a quarterly net loss of ₹22,830 crore for the July-September period

The telecom sector is highly capital intensive with fast changing technology cycles that require continuing investments. It is, therefore, extremely important that the industry remains viable to support the vision of Digital India," the company said in a

It added that Airtel would 'appropriately increase' price offerings in the month beginning December.

Currently, a Committee of

Harjeet Kohli, authorised sig-

natory for Bharti Airtel, in a

letter to resolution profes-

sional Anish Niranjan Nana-

Investment advisor S.P.

Tulsian said, "Mukesh Amba-

ni will be the biggest benefi-

ciary as he will pick up RCom

assets at steep discount com-

pared to what he promised

to pay his brother Anil, two

years ago. Bharti Airtel's

cash flow won't permit it to

bid given that it has huge lia-

bility due to Supreme

4% to close at ₹401.95 in a

Bharti Airtel shares rose

Secretaries headed by the Cabinet Secretary is examining the financial stress in the sector, and is likely to soon recommend measures to mitigate it.

"While continuing to provide affordable tariffs to customers, it would balance the needs of the company to remain viable and thereby continue to invest in the much needed digital infrastructure and maintain the quality standards required by our customers," the company

'Prices unsustainable'

Bharti Airtel has for long been pitching for an increase in telecom tariffs stating that the current prices were "unsustainable.

"We understand that Telecom Regulatory Authority of India is likely to initiate a consultation for bringing rationality in pricing in the Indian mobile sector which has been operating at prices that have been eroding the viability of the sector," it added.

weak Mumbai market on

Monday, after the company

withdrew its bids, while

RCom shares fell 3.4% to 57

paisa on Monday after its

chairman Anil Ambani re-

signed on Friday. A Bharti

Airtel spokesperson declined

sheet is already stretched

and they may not want

another hole on their ba-

lance sheet by acquiring

RCom. Reliance Jio is the on-

ly profitable telco left and

may end up buying RCom,"

said Sanjiv Bhasin, executive

V-P, IIFL Securities.

"Bharti Airtel's balance

to comment.

Jio may buy RCom assets 'at discount' as Airtel backs out

tional Company Law Tribu-



Changes proposed to 46 provisions

SPECIAL CORRESPONDENT NEW DELHI

government-appointed high-level panel has recommended amendments to 46 provisions under the company law to reduce or remove criminality and declog the criminal justice systhe announced on Monday.

The government had set up the Company Law Committee under the chairmanship of Corporate Affairs Secretary Injeti Srinivas to further decriminalise the provisions of the Companies Act, 2013, based on the gravity of the offences and to take other measures to "provide further ease of living for corporates in the country". The government had earlier, through the Companies (Amendment)

Act 2019, decriminalised 16

minor procedural or techni-

cal lapses and had categor-

ised them as 'civil wrongs'. "In Chapter I of the report, the committee has proposed amendments in 46 penal provisions, so as to either remove criminality, or to restrict the punishment to only fine, or to allow rectification of defaults through alternative methods, which would lead to further de-clogging of the criminal justice system in the country," the government said in a release.

Among these are, re-categorising 23 offences out of the 66 remaining compoundable offences under the Act. These 23 offences will now be dealt with in the inhouse adjudication framework and subject to only a penalty. Of these 23, there are two Category A offences, which pertain to non-compliance of the orders of the Central Government, NaThe committee was set up to further decriminalise the provisions of the Companies Act,

nal, or Registrar of Companies. For both offences, a fine of ₹20,000 will be levied, up to ₹3 lakh.

There are three Category B offences, which have to do with default in respect of maintenance of certain records in the registered office of the company. Here, the penalty has been recommended to be in the range of ₹50,000 to a maximum of ₹5 lakh.

Three Category C offences, which are defaults on account of non-disclosures of interest of persons to the company, which vitiates the records of the company, have also seen penalties reduced. The other offences for which the committee has recommended reduced penalties include two Category E offences (technical defaults relating to intimation of certain information by filing forms with the Registrar of Companies or in sending of notices to the stakeholders), and 11 Category F offences (defaults involving substantial violations which may affect the going concern nature of the company, or are contrary to the larger public interest).

The quantum of penalties overall recommended by the committee is also lower than their current levels.

The Committee also recommended the omission of seven compoundable offences, limiting the punishment for 11 compoundable offences to only a fine, and also recommended that five offences be dealt with under alternative frameworks.

$_{\perp}$ 'Indian pharma can gain from U.S.-China trade war'

SPECIAL CORRESPONDENT

Committee on Pharmaceuticals and Dr. Reddy's Laboratories co-chairman and managing director G.V.Prasad on Monday said the U.S.-China trade war was an opportunity opening up for the pharma industry of India.

The trade war was making companies in the West take a re-look at the tariff structure as well as worried about security of supply from China. Other factors emerging as a window of opportunity were, China's stress on shutting high polluting industries and move away from low-end, low-value add products to more innovation. Moreover, China is a big market for Indian pharma.

"China was giving competition in starting materials [but] they have vacated that space," Mr. Prasad said at a Health and Pharma Conclave of CII and the Institute of Management Technology here and in an interaction with the media on the sidelines.

Highlighting the need for Indian pharma firms to give shape to their backward and forward integration projects, he said "larger companies are looking at India more for product sourcing and services."

On the regulatory concerns for the Indian pharma industry, in the wake of the increased scrutiny by the US Food and Drug Administration, he said "lot of companies have approvals stalled because of warning letters [from the USFDA]. That has affected new product introduction and growth." The companies, however, needed to "up their game, systems, integrity of data...," he said, even while citing the regulatory actions as a reason for slowdown.

Hoping for regulatory stability in India: Bezos

'Amazon doing extremely well in India'

PRESS TRUST OF INDIA

E-commerce giant Amazon is doing "extremely well" in India, its founder and CEO Jeff Bezos has said while expressing hope for regulatory stability in the country.

Bezos' remarks came in response to a question on Amazon's concerns over some Indian policies with regard to digitisation.

"Regulatory stability is the thing that we would always hope for India. Whatever the regulations are ... they are stable in time and that's one of the things we're hoping will now be true. We'll see," Mr. Bezos, 55, told reporters on the sidelines of his induction into the National Portrait Gallery here on Sunday.

He said Amazon was doing very well in India. "Our



Jeff Bezos

business in India is doing extremely well. It's growing very rapidly," Bezos said.

He said the head of his India operations, Amit Agarwal, with whom he had worked for 20 years, was an extraordinary leader and was doing really well.

Amazon is pumping in over ₹4,400 crore (more than \$600 million) in its various units in India.

SC stays SAT's order holding that SEBI lacks power to bar auditors

Court's order.'

SEBI challenged SAT's ruling quashing ban on PwC in Satyam

PRESS TRUST OF INDIA

The Supreme Court on Monday stayed an order of the Securities Appellate Tribunal (SAT) which had held that markets' watchdog Securities and Exchange Board of India (SEBI) does not have the power to bar auditors.

A Bench comprising Justices Arun Mishra and Indira Banerjee also issued notice on the appeal filed by the SE-BI against the SAT's September 9 order.

The SAT, in its order, which set aside the ban on audit firm Price Waterhouse (PwC), had noted that the SEBI does not have the power to bar auditors.

Earlier, the SEBI had challenged SAT's decision to quash a two-year ban that was imposed on PwC in con-



nection with the ₹7,800 crore Satyam fraud.

On January 10, 2018, the watchdog slapped a twovear ban on Price Waterhouse (PwC), an arm of PricewaterhouseCoopers India, from auditing any listed company in connection with

the PwC's role in the scam. The tribunal had quashed the order but partly allowed disgorgement of the ₹13 crore fee from the auditors concerned.

Satyam case

The fraud at erstwhile Satyam Computer Services came to light on January 8, 2009 wherein the company's founder Ramalinga Raju publicly admitted to cooking the books to the tune of ₹5,004 crore over a period of time.

A SEBI probe had found that the scam was much larger at ₹7.800 crore.

Setting aside the ban, the tribunal had said that only the Institute of Chartered Accountants of India (ICAI) could take any action against auditors and that frauds cannot be proved on the basis of negligence in auditing.

'RBI surplus transfer will + be as per panel norms'

Policy as per Section 47 of RBI Act

PRESS TRUST OF INDIA

Finance Minister Nirmala Sitharaman on Monday said transfer of surplus reserves from the Reserve Bank of India (RBI) to the government in future would depend on net income and other financial parameters of the central bank besides the recommendations of the expert committee on excess capital.

The surplus distribution policy of the RBI is determined in accordance with Section 47 of the RBI Act, 1934, Ms. Sitharaman said in a written reply to the Lok Sabha.

"The quantum of surplus transfer to the government in the coming years would depend on RBI's net income, 'required realised equity' as a per cent of RBI's

balance sheet and 'available realised equity' as a per cent of RBI's balance sheet in the coming years, and shall be governed by the legal provisions of the RBI Act, 1934 read with the recommendations of the committee as accepted by RBI," Ms. Sitharaman said.

The Minister was replying to a question asked by Gopal Chinnaya Shetty if the issue of surplus reserves of RBI was resolved as per the suggestions of the Jalan committee and whether in future the government was likely to get additional dividend from RBI as per the recommendations of the said

committee. The Bimal Jalan expert committee had submitted its report to the Reserve Bank of India on August 14,

Bank deposits finding way to equity markets, says SBI report

'Retail investors' participation in equities on rise since April'

SPECIAL CORRESPONDENT

With interest rate on fixed deposits fallen significantly over the past many months, bank deposits may be finding their way to the equity markets, a research report from State Bank of India said.

"We believe, in the Indian context, there could have been the flight of bank deposits to the equity markets as evident from increasing participation of retail investors from April 2019, albeit with some volatility," the report authored by Soumya Kanti Ghosh, Group chief economic adviser, SBI, observed.

Interest rates have fallen sharply since the beginning of the year, with the Reserve Bank of India (RBI) lowering the repo rate by135 bps bet-

ween February and October to boost the slowing economy. In response, banks have reduced both the term deposit rates and the lending rates. "As we are transcending to a lower interest rate regime, we are clearly witnessing relatively lower pace of increase in time deposits compared to participation of individuals (retail and HNI) in the NSE cash market," the

report said. The other trend the report highlights is that Indian banks are pushing the quarterly results to earlier dates, which could be seen as improvement in the asset quality cycle.

The report said when the asset quality review was initiated by the RBI in 2015, the dates of bank results went well beyond their usual timing. It used to be till April 30 for Q4 and October 31 for Q2. "However, recently, macro-stress tests for credit risk

of the RBI indicate that under the baseline scenario, SCBs' gross non-performing asset (GNPA) ratio may decline from 9.3% in March 2019 to 9.0% in March 2020. Simultaneously, bank results are now being pushed to be declared more within the first month of the preceding quarter that went by," it said. The report estimates,

with the available results of public sector banks for Q2 FY20, the GNPA ratio is around 11.7%, lower than the overall PSB March 2019 ratio of 12.6%. "Thus, pushing forward of the result date could clearly act as an indicator of banking sector asset quality," the report said.

Sundaram **BNP Paribas** HF renamed

SPECIAL CORRESPONDENT

The name of Sundaram BNP Paribas Home Finance Ltd. has been changed to Sundaram Home Finance Ltd. with effect from Monday, following the receipt of all regulatory approvals relating to the acquisition of BNP Paribas Personal Finance S.A. France

In June 2019, Sundaram Finance Ltd. (SFL) and BNP Paribas Personal Finance had reached an agreement, whereby BNP Paribas Personal Finance had agreed to sell its entire 49.9% equity stake in Sundaram BNP Paribas Home Finance Ltd. to SFL.

The transaction was completed on September 30 after regulatory approvals. The name change is a consequence to this, the company said.

'India needs to do a lot on patents'

One patent is filed for a population of 6 lakh: Nivruti Rai

MINI TEJASWI

Being the torchbearer of Indian IT, Karnataka's contribution will be extremely crucial for the country to reach its ambitious mandate of becoming a \$1-trillion digital economy by 2025, according to industry leaders.

The State government said it had a commitment to grow its technology business to \$150 billion in the next five years from the current \$50

However, large technology firms, start-ups, R&D outfits, accelerators, incubators and educators participating at the State's annual IT show, Bengaluru Tech Summit, here on Monday, unanimously said the technology sector in the State required a revamp for it to get back to quick growth and contribute meaningfully to the coun-\$1-trillion digital



Nivruti Rai

Speaking on the occasion, Nivruti Rai, country head, Intel India, said, at present, the focus areas for R&D in India were electrical engineering, chemistry, mechanical engineering and healthcare.

However, in the patent front, the country has to do a lot more. Giving out data, she said, in 2008, India had filed 750 global patents, when China had 6,000, and the U.S. had 53,000 patents. In the next 10 years, that's in 2018, the U.S. had only 56,000 patents, but China had 60,000 patents and India just 2,100 patents. That means, for every 6,000 people, the U.S. has a patent, for every 25,000 people, China files a patent and in India one patent is filed for a population of 6,00,000 people.

"This is no sad story, but it is a huge, 600 times bigger opportunity out here for India, its entrepreneurs, startups, innovators and R&D outfits," insisted Ms. Rai.

Participating in a session on Bengaluru's Role in Achieving \$1-trillion Digital Economy, Biocon CMD Kiran Mazumdar-Shaw said: "To achieve something big, one need to be a risk-taker and a change-maker. We need to have a clear strategy and roadmap to make it happen. We also need to have regulations and policies to build an economy around data."

