

MARKET WATCH

	29-11-2019	% CHANGE
Sensex	40,794	-0.82
US Dollar	71.74	-0.17
Gold	38,695	0.37
Brent oil	62.57	-1.34

NIFTY 50

	PRICE	CHANGE
Adani Ports	382.05	9.45
Asian Paints	1706.15	-8.45
Axis Bank	739.05	-11.55
Bajaj Auto	3176.00	-20.40
Bajaj Finserv	9110.25	-129.85
Bajaj Finance	4074.20	-27.85
Bharti Airtel	442.45	5.80
BPCL	511.55	1.55
Britannia Ind	3057.70	-40.55
Cipla	466.70	-1.65
Coal India	205.25	-0.60
Dr Reddys Lab	2913.85	-62.90
Eicher Motors	22881.40	-210.20
GAIL (India)	126.05	0.25
Gasfin Ind	787.05	-13.10
HCL Tech	1127.65	-5.00
HDFC	2297.25	-12.50
HDFC Bank	1274.95	9.65
Hero MotoCorp	2433.55	-32.75
Hindalco	200.15	-31.85
Hind Unilever	2035.30	-51.85
ICIIC Bank	512.60	-6.55
IndusInd Bank	1569.10	0.85
Bharti Infratel	276.30	19.70
Infosys	696.35	-5.50
Indian Oil Corp	131.40	-1.15
ITC	246.40	-0.30
JSW Steel	261.55	-2.40
Kotak Bank	1615.20	0.20
L&T	1330.55	-19.35
M&M	530.55	-11.40
Maruti Suzuki	7245.85	-15.40
Nestle India Ltd.	14453.95	-205.60
NTPC	116.35	0.80
ONGC	131.75	-1.40
PowerGrid Corp	193.30	-2.85
Reliance Ind	1551.15	-29.15
State Bank	341.85	-7.45
Sun Pharma	449.85	-7.50
Tata Motors	161.50	-3.30
Tata Steel	427.50	-4.60
TCS	2053.25	-24.10
Tech Mahindra	761.45	-4.80
Titan	1159.70	-9.80
UltraTech Cement	4259.10	-35.60
UPL	573.25	-6.65
Vedanta	144.60	-2.80
Wipro	237.70	-2.10
YES Bank	68.30	-1.75
Zee Entertainment	293.05	-17.95

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on November 29

CURRENCY	TT BUY	TT SELL
US Dollar	71.54	71.86
Euro	78.66	79.02
British Pound	92.31	92.73
Japanese Yen (100)	65.30	65.60
Chinese Yuan	10.18	10.24
Swiss Franc	71.53	71.85
Singapore Dollar	52.35	52.58
Canadian Dollar	53.82	54.06
Malaysian Ringgit	17.12	17.21

Source: Indian Bank

BULLION RATES CHENNAI

November 29 rates in rupees with previous rates in parentheses

Retail Silver (1g)	47.9	(47.9)
22 ct gold (1g)	3626	(3614)

# 'Recognise real fiscal deficit, put cash in people's hands'

Non-government sector in a tailspin, govt. needs to realise problem is on demand side and conduct expenditures to prop it up, say economists

**TCA SHARAD RAGHAVAN**  
NEW DELHI

The government needs to acknowledge its true fiscal deficit so that it can increase its expenditure and put money in people's hands in order to stimulate demand and investments in the economy, economists said in reaction to the 25-quarter low GDP growth figure.

The government on Friday announced that GDP growth for the second quarter of the 2019-20 financial year was at a dismal 4.5%.

"There is scope for lower growth than even this," Pranab Sen, former Chief Statistician of India told *The Hindu*. "At the end of the day, the non-government sector is in a tailspin. It's not going to correct by itself. The government has to step in.

They need to recognise that there is a real, genuine problem on the demand side, and there is a problem with people's incomes, and they need to conduct expenditures that will prop this up."

One major structural problem that the government has created for itself, Dr. Pranab Sen said, is the non-recognition of the true fiscal deficit, which has tied up expenditure, which could otherwise have been released.

"This was pointed out by the CAG for 2017-18 and it has only become worse subsequently," he said. "The first step is to recognise this problem so that you can start paying your bills and making the expenditures that you have committed to make. The moment you recognise the fiscal deficit, you can tell

## A steep decline

The manufacturing sector contracted 1% in Q2 of the current fiscal, compared with a robust growth of 6.9% a year earlier. The sector contracted 0.2% in the first half of this fiscal compared with a 9.4% growth in H1 of last year

Sector	Q2 FY20	Q1 FY20	Q4 FY19	Q3 FY19
Agriculture, Forestry, Fishing	2.1	2	2.9	2.7
Manufacturing	(1.0)	0.6	6.9	6.7
Electricity, gas & other utilities	3.6	8.6	7	8.2
Construction	3.3	5.7	8.7	9.6
Trade, hotels, transport, etc	4.8	7.1	6.9	6.9
Financial, real estate, etc	5.8	5.9	7.4	7.3

(ALL FIGURES IN %)



SOURCE: MOSPI DATA

the RBI that it must start buying bonds, so that this will open up space for the government to issue new bonds. But if you say that you are going to issue bonds as per a 3.3% fiscal deficit, it's not going to cut it."

"The role of putting cash into the economy is relevant,

but relevant only for the unorganised sector," said Abhijit Sen, former member of the Planning Commission. "For them, it is quite important because they are a cash economy. They are currently feeling all the problems of a cash economy without cash."

growth impetus is concerned, even there, getting the unorganised sector going is important because in the past Indian slowdowns, what has led us out of it has been the unorganised sector," Dr. Abhijit Sen added.

When the big companies are doing badly, he said, it

## SEBI asked to review ban on Karvy using client PoAs

SAT order an interim relief for brokerage

**PRESS TRUST OF INDIA**  
MUMBAI

The Securities Appellate Tribunal (SAT) on Friday directed SEBI to reconsider its order restraining Karvy Stock Broking from using its clients' power of attorneys (PoAs).

The regulator's decision to debar the brokerage from using PoAs was part of an ex-parte order issued last Friday barring the brokerage from taking new broking clients as it has misused the clients' securities for its own benefits.

Karvy had moved SAT on Thursday challenging the curbs using the PoAs, and Friday's order by the two-member SAT bench comes as an interim relief for the



crippled brokerage.

SAT also directed SEBI to consider Karvy's request made in three letters to the regulator since the order was passed, and gave SEBI time till December 2 on the same. At the hearing, Karvy said not being able to use the PoAs was creating problems in settling trades with the clearing house.

## Reserve Bank files insolvency plea against Dewan Housing

First instance of IBC applied against a financial services firm

**SPECIAL CORRESPONDENT**  
MUMBAI

The Reserve Bank of India (RBI) has filed an insolvency resolution process against Dewan Housing Finance Corporation Limited under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019," the RBI said.

According to the rules, an interim moratorium will start from the date of filing of the application till its ad-

mission or rejection.

Earlier, RBI had superseded the board of DHFL and said bankruptcy proceedings would be initiated against the company. R. Subramaniakumar, former MD and CEO of Indian Overseas Bank, was appointed as the administrator and a three-member committee was formed to assist him.

The mortgage lender, which has been facing a cash crunch over the past one year after banks choked lending, has an overall debt of more than ₹80,000 crore. Banks have an exposure of close to ₹40,000 crore to the company.

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## Core sector contracts

Coal and electricity drag index

**SPECIAL CORRESPONDENT**  
NEW DELHI

Activity in the core sectors of the economy contracted for the second consecutive month, by 5.8% in October, in large part due to contractions in the electricity and coal sectors, official data released on Friday show.

The Index of Eight Core Industries contracted in October compared with a contraction of 5.1% in September. Within the index, the coal sector contracted for the fourth consecutive month, by 17.6%, compared with a contraction of 20.5% in September.

The electricity sector contracted for the third consecutive month, by 12.4% in October, compared with a contraction of 2.6% in the previous month. The crude oil sector also continued its

streak of contraction, with activity in the sector contracting 5.1% in October compared with a contraction of 5.4% in the previous month. The natural gas sector contracted for the seventh consecutive month, by 5.7% in October compared with a contraction of 4.9% in the previous month.

The refinery products sector was one of the two sectors that witnessed growth in October, with its growth accelerating to 0.4% from a contraction of 6.6% in the previous month. The fertilizers sector also saw accelerating growth coming in at 11.8% in October, compared with 5.4% in the previous month.

The steel sector contracted 1.6% in October compared with a contraction of 1.5% in September.

## Mahindra Roxor violates FCA's trade dress: U.S. judge

It, however, does not violate any of FCA's trademarks

**SPECIAL CORRESPONDENT**  
MUMBAI

A U.S. judge has ruled that the design of Mahindra & Mahindra's (M&M) Roxor vehicle violated Fiat Chrysler's (FCA) trade dress.

The ruling follows a complaint filed by FCA before the U.S. International Trade Commission (ITC) against M&M and Roxor.

The Administrative Law Judge found that while Roxor's design did not violate any of FCA's registered trademarks, it violated FCA's trade dress. The judge has recommended an exclusion order prohibiting the import of Roxor parts and a cease-and-desist order, prohibiting the sale of any already-imported Roxor parts.

"The Initial Determination made by the Administrative Law Judge of the ITC



is a non-binding recommendation to the ITC and the company [M&M] has asked the same to be reviewed," M&M said in a regulatory filing with the BSE.

"The ITC will consider the Initial Determination and review applications filed by the parties and make a Final Determination," it added.

Meanwhile, the FCA has filed a counterclaim in the proceeding filed by M&M before the Eastern District

Court of Michigan, seeking a permanent injunction on the manufacture or sale of Roxor as well as disgorgement of any profit made by M&M from the sales of Roxor.

"If FCA succeeds in getting a permanent injunction, then Mahindra Automotive North America (MANA), a subsidiary of the company, will no longer be able to sell Roxors in the U.S.. The company believes that no claim for disgorgement of profits arise," M&M said.

Stating that FCA's complaint is without merit, M&M said in response that it has filed a public interest statement with the ITC and expressed its position on this matter and explained how it is in the public interest for the ITC to rule against Fiat and in its [M&M] favour.

## Fiscal deficit hits 102% of estimate

**PRESS TRUST OF INDIA**  
NEW DELHI

The country's fiscal deficit hit 102.4% of the 2019-20 Budget Estimate at ₹7.2 lakh crore at the end of October, government data showed on Friday.

The fiscal deficit, or the gap between expenditure and revenue, was at ₹7,20,445 crore as on October 31, 2019, according to the data released by the Controller General of Accounts. The deficit was at 103.9% of 2018-19 Budget Estimate (BE) in the corresponding month a year ago.

The Centre has estimated the fiscal deficit for the current financial year at ₹7.03 lakh crore, aiming to restrict the deficit to 3.3% of the GDP. In September, the government decided to lower tax rate for corporates, a move that will have a ₹1.45 lakh crore impact on revenue mobilisation.

## Ex-RBI chief Rangarajan favours cash recap of banks

Cash will have more profound effect than issue of bonds, he says

**SPECIAL CORRESPONDENT**  
HYDERABAD

Former Governor of Reserve Bank of India (RBI) C. Rangarajan on Friday said it was time to consider a switch over from bonds to cash for recapitalisation of banks.

"One of the answers to the problems faced by the banking system is to ensure recapitalisation is done properly. The mode of recapitalisation now is through issue of bonds. Infusion of funds into the banks will have a much more profound effect than issuing the bonds," he said at a seminar on NPAs and resolution organised by ICAFI Foundation for Higher Education here.

His suggestion comes in the backdrop of ₹2 lakh crore worth of recapitalisation of banks over the past three years and the govern-



C. Rangarajan

ment announcing plans for a ₹70,000 crore capital infusion for public sector banks a few months ago.

"What the banks really gain [from bonds] is the interest income. I plead guilty to the charge as we initiated this in early 1990s," he said, adding that those were, however, different times.

Besides the mode of recapitalisation, other mea-

## Yes Bank gets \$2 bn funding proposals

**SPECIAL CORRESPONDENT**  
MUMBAI

Private sector lender Yes Bank has received \$2 billion worth of investment proposals from institutional investors and family offices.

"The board of directors, at its meeting today, has taken note that the following investors have individually expressed their agreement/willingness to subscribe to equity shares of the bank for an aggregate amount of \$2 billion which shall be undertaken on a preferential allotment basis," the lender said in a communication to the exchanges.

The investors include Erwin Singh Braich (\$1.2 billion), Citix Holdings (\$500 million), \$120 million from an unnamed U.S.-based fund house and Rekha Jhunjhunwala (\$25 million), Yes Bank said in the communication.

## Skoda Auto to unveil mid-sized SUV, 3 sedans

Eyes 1 lakh units in annual sales by 2025

**SPECIAL CORRESPONDENT**  
HYDERABAD

Skoda Auto India is betting on sport utility vehicles (SUV) to achieve an annual sales volume of one lakh units in the next five years from the 16,000 units it expects to clock this year.

In 2018, Skoda India had sold 17,244 units.

"There is still space in the segment. We are confident we will grow," said Zac Hollis, director - sales, service, and marketing, Skoda Auto India, adding a mid-sized SUV in the sub-₹20 lakh segment will be one of the four new products from the Skoda stable by 2021.

"People are looking for more robustness, feeling of safety [that] a mid-sized SUV gives them over a tradi-



Zac Hollis

tional hatchback in India. Hyundai, Kia, MG have been very successful in the mid-sized segment. We will join them in early 2021," he said.

Besides the mid-sized SUV, Skoda is also planning to launch three sedans. Noting the company was investing ₹8,000 crore in India, he said the plant in Pune was being expanded.

## Ultratech, Nirma Group are top contenders for Emami Cement

Ambuja, Dalmia, Shree also in race; valuation may come to about ₹5,000 crore

**PIYUSH PANDEY**  
MUMBAI

Ultratech Cement and Nirma Group are said to be the top contenders for Emami Cement Group's cement division, said sources in the know of the development.

The other bidders who had expressed interest included Ambuja Cements, Germany's HeidelbergCement, Dalmia Cement, Shree Cement.

Some of the leading private equity majors like Blackstone, KKR and TPG Capital are also said to be interested in partnering the above corporates to put in a joint bid.

"UltraTech Cement is the top contender for Emami Cement but Nirma may also emerge as the dark horse,



Emami Group has reportedly sought a valuation of about ₹7,000 crore for its cement assets. ■ REUTERS

like it acquired Lafarge India, outbidding others," a banker told *The Hindu*.

Emami Group has roped in Arpwood Capital Ltd. and Credit Suisse Group to manage the sale of its cement unit for which it is seeking a val-

uation of about ₹7,000 crore. "There is a mismatch between the expectations of the seller and buyers as the sellers are also including the mining leases in Chhattisgarh, Rajasthan and Andhra Pradesh as part of the valua-

tion," said the source, adding the deal will be done at valuation of about ₹5,000 crore and is likely to be announced by December.

Emami Cement currently operates three manufacturing facilities at Risdia in Madhya Pradesh, Panagrah in West Bengal and Bhabua in Bihar, with a total capacity of about six million tonnes per annum (MTPA). The company is in the process of setting up a cement grinding plant at Kalanganagar, Odisha.

JSW Cement has not put in any bid for the Emami unit. Parth Jindal, MD, JSW Cement, told *The Hindu*, "We are not interested in Emami Cement as we are looking to grow organically to reach target capacity of 20 MTPA."

## Zurich Airport wins bid to develop Jewar airport

Swiss company outbids Adani, DIAL

**SPECIAL CORRESPONDENT**  
GHAZIABAD

Zurich Airport International AG has been selected as the concessionaire for developing the Noida International Airport at Jewar in Gautam Buddh Nagar, on Friday.

It outbid Adani Enterprises Limited and the Delhi International Airport Limited (DIAL) to build Delhi's second international airport.

According to Shailendra Bhatia, nodal officer, Noida International Airport Limited, Zurich Airport International AG offered the maximum premium of ₹400.97 per passenger. The Adani Group offered ₹360 while the DIAL came up with a figure of ₹351. Anchorage Infrastructure Investment Holdings Limited, the

fourth company in the fray, offered ₹205.

A Swiss company, the Zurich Airport International AG was founded in 2000.

"The financial bid of Zurich Airport International AG will be put up before the project monitoring and implementation committee (PMIC) on December 2," said Mr. Bhatia. PMIC will send the bid to the State cabinet and if all goes well, the work is expected to start early next year.

It has been 18 years since the then Uttar Pradesh Chief Minister Rajnath Singh proposed a greenfield Taj International Airport in Jewar. Initially proposed as a four-runway airport, four more runways were added to the project later.