

MARKET WATCH

	05-11-2019	% CHANGE
Sensex	40,248	-0.13
US Dollar	70.69	0.11
Gold	39,213	-0.26
Brent oil	62.76	0.18

NIFTY 50

	PRICE	CHANGE
Adani Ports	390.00	-1.00
Asian Paints	1793.85	7.95
Axis Bank	738.05	-4.55
Bajaj Auto	3246.30	34.25
Bajaj Finserv	8845.75	139.15
Bajaj Finance	4227.80	114.80
Bharti Airtel	383.95	5.95
BPCIL	517.50	-4.70
Britannia Ind	3231.75	-8.10
Cipla	467.85	-0.45
Coal India	211.15	-3.85
Dr Reddys Lab	2815.70	17.90
Eicher Motors	21287.15	-453.55
GAIL (India)	137.40	0.35
Grasim Ind	768.60	-15.20
HCL Tech	1158.70	2.80
HDFC	2181.30	0.00
HDFC Bank	1239.50	2.65
Hero MotoCorp	2665.00	21.50
Hindalco	198.60	0.65
Hind Unilever	2172.15	14.00
ICICI Bank	468.35	-2.15
IndusInd Bank	1320.10	-32.20
Bharti Infratel	222.15	7.30
Infosys	696.10	-12.90
Indian OilCorp	137.00	-1.70
ITC	262.90	2.15
JSW Steel	246.05	-4.15
Kotak Bank	1553.90	-17.15
L&T	1439.80	-12.40
M&M	580.15	-6.25
Maruti Suzuki	7389.00	-35.00
Nestle India Ltd.	14650.20	-163.15
NTPC	120.60	0.05
ONGC	146.35	-1.05
PowerGrid Corp	195.40	0.65
Reliance Ind	1447.30	-10.35
State Bank	319.20	4.90
Sun Pharma	429.90	-8.05
Tata Motors	172.00	-0.20
Tata Steel	403.95	-5.20
TCS	2201.85	7.90
Tech Mahindra	773.25	3.75
Titan	1283.80	-15.00
UltraTech Cement	4147.40	-91.30
UPL	605.65	11.40
Vedanta	157.50	-0.10
Wipro	258.50	1.90
YES Bank	68.30	2.15
Zee Entertainment	286.15	-9.95

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on November 05

CURRENCY	TT BUY	TT SELL
US Dollar	70.49	70.81
Euro	78.28	78.64
British Pound	90.88	91.30
Japanese Yen (100)	64.76	65.05
Chinese Yuan	10.07	10.12
Swiss Franc	71.08	71.41
Singapore Dollar	51.92	52.16
Canadian Dollar	53.66	53.91
Malaysian Ringgit	17.06	17.15

Source: Indian Bank

Govt., RBI working on realty reforms: FM

'Sector being given much importance due to its spillover effect; alternative funds keen to work with it'

SPECIAL CORRESPONDENT
MUMBAI

The government is working with the Reserve Bank of India (RBI) to look at possible amendments in the laws to help the real estate sector.

Finance Minister Nirmala Sitharaman, while addressing a capital market event on Tuesday, said that the government had not yet fully addressed the issues faced by the real estate sector, but would soon address the 'sluggishness' that is being faced by the sector.

"Government of India is very keen and is working very clearly together with RBI to see how best we can, where necessary, tweak the existing blocks to help the people who are affected in this sector, which I have not really completely addressed till now," she said, addressing market participants at the National Stock Exchange (NSE).

The real estate sector requires a lot more attention because the sluggishness which prevails there has got to be addressed, she added while highlighting the fact that the government had



Finance Minister Nirmala Sitharaman and Ajay Tyagi, Chairman, SEBI, ring the closing bell at an NSE event on Tuesday. Vikram Limaye, MD & CEO, NSE, looks on. ■ PAUL NORONHA

been announcing various interventions since August to revive the economy in terms of consumption and demand. Interestingly, the Finance Minister further said that many funds had approached the government and were keen to work in the sector, provided proper support mechanisms were put in place.

"There are alternative funds, which are now approaching us saying we would like to do something with you all. So long as there is some support mechanism available for reviving the real estate sector," she said.

Ms. Sitharaman further said that the government was giving a lot of importance to the real estate sector

because it had a spill over effect on many other sectors, including core industries, and also on the vast number of middle class home buyers.

'Deepening debt market'

On a different note, she said that her Ministry was working on deepening the debt market and that stock exchanges can play an active

role in attracting more retail investors in the segment as currently corporates are dependent only on banks for debt and banks alone cannot service the entire requirement.

Ajay Tyagi, Chairman, Securities and Exchange Board of India (SEBI), who was also present on the occasion, said that the development of the bond market required much more attention and a unified approach by all regulators.

"The present NPA position of banks adds urgency to such a development with a view to providing alternative route for raising debt by entrepreneurs. A deep and well-functioning bond market would further add heft to the capital market in India," Mr. Tyagi said.

The SEBI chairman, however, added a word of caution for stock exchanges and said that while exchanges are for-profit commercial entities, they needed to devote sufficient resources for regulatory functions and should abstain from misusing their oligopolistic position by having exorbitant and unreasonable fee structure.

Exporters, industry laud India's decision to pull out of RCEP

'Reflects majority of stakeholders' views'

SPECIAL CORRESPONDENT
NEW DELHI

The industry has lauded India's decision not to join the Regional Comprehensive Economic Partnership (RCEP) and has said their concerns over a surge in imports from China have been soothed.

"The government has had extensive consultations with the wide-spectrum of stakeholders," Vikram Kirloskar, president, Confederation of Indian Industry said. "The objective was to get the first-hand inputs from industry stakeholders and based on that India articulated its position in the last round of negotiations and Ministerial meetings thereafter."

"Unfortunately, that didn't find favour with majority of RCEP members," Mr. Kirloskar added. "The decision taken by India at Bangkok to pull out from RCEP reflects the views of majority of Indian stakeholders."

Indian industry's reservations against joining RCEP has come from a number of sectors, including agriculture, dairy, steel, rubber, and textiles, and all of these apprehensions were communicated to the government over a series of consultative meetings the Commerce Minister held in New Delhi and Mumbai.

"In recent months, serious apprehensions and reservations on RCEP have been expressed by a large number of sectors including steel, plastics, copper, aluminium, machine tools, paper, automobiles, chemicals, petro-chemicals and others," Federation of Indian Chambers of Com-



Vikram Kirloskar

merce and Industry (FICCI) president Sandip Somany said. "Further, there were not enough positive developments in the area of trade in services, including easier mobility for our professionals and service-providers."

Exporter bodies too have lauded the decision to stay out of RCEP. "We welcome the decision in opting out of RCEP," Engineering Export Promotion Council of India chairman Ravi Sehgal said. "Our MSME unit members were concerned about the possible opening up to Chinese imports; and hence it is a wise decision and will provide certainty to the MSME sector."

"Vibrant manufacturing holds the key to exports," Federation of Indian Export Organisations president Sharad Kumar Saraf said. "Duty-free imports from China, which has economy of scale, and sitting on huge inventory and capacity could have jolted the manufacturing beyond recovery and thus crippling exports."

However, Mr. Saraf called on the government to make manufacturing competitive by reducing the cost of credit, bringing down logistics costs and addressing the inverted duty structure.

HDFC Bank may induct two senior officials into board

Move seen as part of succession planning for MD Aditya Puri, who is set to complete term in Oct. 2020

MANOJIT SAHA
MUMBAI

Private sector lender HDFC Bank is likely to induct two members from the senior management team into its board.

The move is seen as a part of succession planning for its managing director Aditya Puri who will hang up his boots next year after spending over two decades at the helm.

According to sources,

Sashidhar Jagdishan, chief financial officer (CFO) and Ashish Parthasarthy, treasurer, are likely to be inducted into the board.

CFO Parthasarthy and treasurer Jagdishan may be inducted into the board

Board strength At present, there are 10 members in the board. Apart from Mr. Puri, Kaizad Bharucha, who looks after wholesale banking and is a part of the senior management team, is also on the board.

Mr. Jagdishan has been

with the bank since 1996 and has played an integral role in shaping the bank into one of country's leading financial institutions.

Mr. Parthasarthy has over 18 years of experience in interest rate and currency

markets. Mr. Puri has been the managing director of the lender since the bank's inception in 1994. He will complete his present term in October 2020 when he attains the age of 70.

RBI rules

According to Reserve Bank of India rules, the retirement age for private sector bank chief executive officer is 70.

The bank will also look for

external candidates as well to succeed Mr. Puri.

The bank had earlier said that the nomination and remuneration committee of the board will constitute a search committee to undertake a global search of both internal and external candidates.

An e-mail seeking response from HDFC Bank on the issue remained unanswered till the time of going to the press.

RBI slaps ₹5 cr. penalty on Mehsana Bank

PRESS TRUST OF INDIA
MUMBAI

The RBI on Tuesday said it had imposed a penalty of ₹5 crore on The Mehsana Urban Co-operative Bank, Gujarat, for contravention of norms on 'loans and advances to directors, relatives and firms/concerns in which they are interested'

The penalty was imposed through an order dated November 4, it said.

After statutory inspection of the bank regarding its financial position as on March 31, 2018, the central bank said the penalty was imposed "for contravention of the directions issued by RBI on 'Loans and Advances to Directors, Relatives and Firms/Concerns in which they are Interested', and non-compliance with the Master Directions on Know Your Customer (KYC)."

After the inspection, a notice was issued to the co-operative bank.

Arun Alagappan elevated as Chola Investment MD

His five-year tenure will take effect from November 15

SPECIAL CORRESPONDENT
CHENNAI

Arun Alagappan, the executive director of Cholamandalam Investment and Finance Co. Ltd. (CIFCL), has been elevated and appointed as the MD, the company said in a regulatory filing.

The board of CIFCL approved the appointment for a period of five years with effect from November 15, 2019.

Mr. Alagappan started his career with GE Capital Services India and after a two-year stint there, joined the Murugappa Group in 1999.

He had served in the various businesses of the Murugappa Group - Parryware, part of EID Parry India Ltd., Tube Products of India and TI Cycles. He was made CIFCL executive director on August 19, 2017.

During his tenure, CIFCL's assets under management (AUM) grew from ₹37,450



Arun Alagappan

crore to more than ₹64,000 crore while profit before tax grew rose to ₹1,006 crore (₹634 crore).

On Tuesday, CIFCL said it had posted a marginal increase in its standalone net profit for the second quarter ended September 2019 to ₹306.97 crore against ₹304.68 crore registered during the corresponding year-ago period as it had exercised the option of changing the tax rates.

"In the second quarter, we were able to register a

growth of 7% in our disbursements over the corresponding year-ago period, in spite of the severe slowdown in the market," said Mr. Alagappan.

"The growth in AUM was over 20%. In vehicle finance, since there was slowdown in commercial vehicle space, we increased our focus on the refinancing and passenger vehicle segments to sustain our growth momentum," he said.

Asserting the volumes were set to improve over the next few months due to the recent government announcements as well as a slew of festive season offers, he said they were positive on the business outlook for the rest of the year.

During Q2 of FY20, CIFCL's disbursement grew from ₹6,899 crore to ₹7,381 crore while AUM rose from ₹52,486 crore to ₹64,394 crore.

Apollo Tyres profit skids 32% as sales drop

SPECIAL CORRESPONDENT
CHENNAI

Apollo Tyres Ltd. has posted a 32.06% drop in its standalone net profit for the second quarter ended September 2019 to ₹99.62 crore on lower sales volume.

During the period under review, the company reported a total sales of ₹2,715 crore against ₹3,044 crore registered during the year-earlier period.

"Amidst challenging market conditions, we did see positive volume growth in the replacement market, both in passenger vehicle and commercial vehicle tyre segments in India.

"European operations have also reported positive volume growth, on the back of exemplary test results for winter and all-season tyres by leading auto magazines, for both Apollo and Vredestein brands," said Onkar S. Kanwar, CMD, Apollo Tyres.

Cotton Corporation starts procuring at MSP

Farmers to get ₹5,450-₹5,550 a quintal

M. SOUNDARIYA PREETHA
COIMBATORE

The Cotton Corporation of India (CCI) has started procuring cotton at minimum support price (MSP) in Punjab, Rajasthan, Haryana and Gujarat.

In Punjab and Haryana, the arrivals have started early this season (October 2019 to September 2020).

The CCI had always been present in all the four States in the past too. But farmers got higher market prices and were not offering the cotton to the CCI.

Farmers were offering the cotton now after nearly four years in Punjab and Haryana which meant they were not getting good market prices now.

In Rajasthan, too, the CCI did not have MSP operations for the last couple of years, says P. Alli Rani, CMD, CCI.

The MSP ranges between ₹5,450 and ₹5,550 per quin-



tal and the market price in many places is lower than that, she said.

"This is just the beginning of the season and rains are continuing in several areas. Farmers are expected to bring higher volumes of cotton to the market only after the rains stop. We have purchased just 1% of the arrival, which is estimated to be approximately 12 lakh bales. We cannot say now how the prices will be as the arrivals increase," she said.

PNB clocks ₹507 cr. net as provision eases

PRESS TRUST OF INDIA
NEW DELHI

State-owned Punjab National Bank (PNB) on Tuesday reported a profit of ₹507.06 crore for the second quarter ended September 30, aided by substantial reduction in provisioning for bad loans.

The lender had posted a loss of ₹4,532.35 crore in the corresponding July-September quarter last year.

During the quarter, provisions for bad loans sharply declined to ₹3,253.32 crore against ₹7,733.27 crore in July-September 2018. The provisions during the year-ago period included the amount for the ₹14,000-crore fraud committed by jeweller duo Nirav Modi and Mehul Choksi.

Gross non-performing assets amounted to 16.76% of the gross advances at the end of September, lower than 17.16% a year ago.

Honda eyes fun bikes segment in India

To unveil phase II of premium bikes in BS-VI era, open 100 dealer networks

MINI TEJASWI
MILAN

Japanese auto major Honda says it wants to grow its market for fun bikes across the globe, including India.

"Globally, Honda has a strong legacy of fun riding, be it for fun urban riding, super sport racing, luxurious touring or even off-roading. From April 2019, we have been spearheading our premium bike business identity globally and we will now unleash Phase II of this initiative in the BS-VI era," the company said in a press conference at EICMA, the annual Milan Motorcycles Show, on Tuesday.

Prabhu Nagaraj, vice president, Brand & Communications, Honda Motorcycles & Scooters India, said the



Hot wheels: Top executives at the launch of the new Honda CBR Fireblade bikes at Milan. ■ SPECIAL ARRANGEMENT

country offered a huge market opportunity for premium fun bikes.

"We expect to see markets for fun riding in India to grow in the future, although currently the industry in general is witnessing some

stress." To push the fun and premium bikes in India, Honda will open 100 exclusive dealer networks called 'Big Wings' in the country by the end of next fiscal. The first Big Wings outlet is already operational in Gurgaon.

(The correspondent is in Milan at the invitation of Honda Motorcycles & Scooters India Ltd.)

"India is a growing market for fun bikes and that's why we have decided to invest in setting up dealer networks across the country to facilitate fun expansion. We see huge potential for such bikes in all major cities and also in secondary cities," Mr. Prabhu added.

On Tuesday, the company unveiled new motorcycles and scooters at EICMA. Every year, the exposition attracts more than half-a-million bike enthusiasts and auto writers from across the globe. Honda's line-up for 2020 includes racing and adventure, roadsters and commuting bikes.

Kone Elevator opens ₹450-crore facility

The new unit will cater to domestic and export markets

SPECIAL CORRESPONDENT
CHENNAI

Finland-based Kone Corporation has established a ₹450-crore facility near Chennai to make escalators and elevators.

The new unit of Kone Elevator India, a wholly owned subsidiary of Kone Corporation, was inaugurated by Tamil Nadu Governor Banwarilal Purohit.

Spread over 50,000 sq.metre, the new facility would cater to India, countries in West Asia, South East Asia as well as Nepal, Bhutan, Bangladesh and Sri Lanka, said Henrik Ehrnrooth, president and CEO, Kone Corporation.

Briefing the media, Amit Gossain, MD, Kone Elevator India, said that the company



From left, Henrik Ehrnrooth, Pekka Haavisto, Minister for Foreign Affairs of Finland, and Amit Gossain. ■ BIJOY GHOSH

closed its earlier plant in Chennai and shifted the operations to the current location at Pillaipakkam.

Almost 80% of the components would be produced locally. The company would also step up global exports.

Asked about the production capacity, Mr. Gossain said that a majority of production would be meant for use in domestic market and rest would be exported.

Meet growing demand "It [the new unit] is the largest facility in India, South

and South East Asia. We have set up this unit with increased manufacturing facility to meet the growing demand," he said.

On the Kone Elevator India's contribution, Mr. Ehrnrooth said that India accounted for about 3% of Kone Corporation's top-line.

The group as a whole logged 8% growth and had an order book size of €8.5 billion.

Mentioning that the economic slowdown had impacted their growth, Mr. Gossain said the India unit had been posting single digit growth.

Residential projects accounted for 70% of the business followed by commercial establishments, hotels and hospitals.