

MARKET WATCH

	06-11-2019	% CHANGE
Sensex	40,470	0.55
US Dollar	70.97	-0.40
Gold	38,870	-0.77
Brent oil	62.85	0.14

NIFTY 50

	PRICE	CHANGE
Adani Ports	391.00	1.00
Asian Paints	1797.60	3.75
Axis Bank	747.25	9.20
Bajaj Auto	3248.30	2.00
Bajaj Finserv	8772.85	-72.90
Bajaj Finance	4188.15	-39.65
Bharti Airtel	371.45	-12.50
BPL	523.90	6.40
Britannia Ind	3227.85	-3.90
Cipla	480.85	13.00
Coal India	212.40	1.25
Dr Reddys Lab	2862.70	47.00
Eicher Motors	21865.55	318.40
GAIL (India)	136.70	-0.70
Grasim Ind	773.25	4.65
HCL Tech	1148.35	-10.35
HDFC	2220.60	39.30
HDFC Bank	1256.65	17.15
Hero MotoCorp	2678.35	13.35
Hindalco	201.50	2.90
Hind Unilever	2179.45	7.30
ICICI Bank	480.70	12.35
IndusInd Bank	1343.00	22.90
Bharti Infratel	221.15	-1.00
Infosys	712.30	16.20
Indian Oil Corp	135.60	-1.40
ITC	261.35	-1.55
JSW Steel	248.25	2.20
Kotak Bank	1571.05	17.15
L&T	1453.05	13.25
M&M	579.80	-0.35
Maruti Suzuki	7311.15	-77.85
Nestle India Ltd.	14649.65	-0.55
NTPC	120.65	0.05
ONGC	144.65	-1.70
PowerGrid Corp	195.10	-0.30
Reliance Ind	1434.90	-12.40
State Bank	317.55	-1.65
Sun Pharma	427.90	-2.00
Tata Motors	174.50	2.50
Tata Steel	404.45	0.50
TCS	2188.50	-13.35
Tech Mahindra	771.90	-1.35
Titan	1156.10	-127.70
UltraTech Cement	4135.65	-11.75
UPL	606.60	0.95
Vedanta	157.95	0.45
Wipro	256.85	-1.65
YES Bank	68.70	0.40
Zee Entertainment	285.80	-0.35

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on November 06

CURRENCY	TT BUY	TT SELL
US Dollar	70.78	71.10
Euro	78.48	78.84
British Pound	91.19	91.61
Japanese Yen (100)	64.93	65.23
Chinese Yuan	10.11	10.16
Swiss Franc	71.30	71.63
Singapore Dollar	52.10	52.34
Canadian Dollar	53.76	54.02
Malaysian Ringgit	17.10	17.19

Source: Indian Bank

BULLION RATES CHENNAI

November 06 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49.1	(50.5)
22 ct gold (1 g)	3658	(3701)

Tata Steel net rises 6% on tax gain

Firm's revenue, however, drops by over 15% to ₹34,579 crore on fall in steel prices

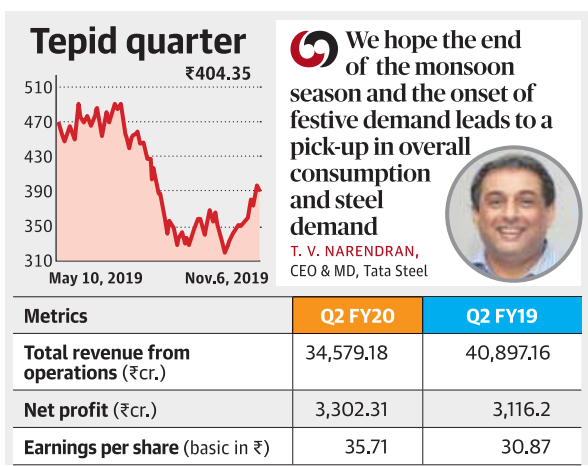
SPECIAL CORRESPONDENT
MUMBAI

Tata Steel reported a 6% rise in its second quarter consolidated net profit to ₹3,302 crore led by favourable tax impact of ₹4,233 crore.

The company had a favourable tax impact of ₹4,233 crore, of which ₹2,425 crore was on adoption of the new corporate tax rate by Tata Steel standalone and some subsidiaries in India and ₹1,808 crore on account of recognition/reversal of deferred tax assets and liabilities in offshore subsidiaries.

Profit rose despite a 15.4% drop in revenue to ₹34,579 crore on fall in steel prices.

T. V. Narendran, CEO and MD, said, "The business environment in India and other geographies continued to be challenging and weighed heavily on steel prices. Tata



We hope the end of the monsoon season and the onset of festive demand leads to a pick-up in overall consumption and steel demand

T. V. NARENDHRAN, CEO & MD, Tata Steel

Steel worked closely with customers across business segments to drive sales and maintain volumes. We are focused on driving productivity improvements across our various operations as well as the supply chain to reduce costs and minimise the im-

act on margins. We hope the end of monsoon season and the onset of festive demand leads to a pick-up in overall consumption and the steel demand."

Consolidated steel production stood at 6.95 million tonnes and deliveries at 6.53

million tonnes. India steel production stood at 4.50 million tonnes and deliveries at 4.13 million tonnes, contributing 63% of consolidated deliveries.

Gross debt for the quarter rose to ₹11,549 crore. The firm borrowed \$525 million in foreign currency loans in the quarter to lengthen its debt maturity profile.

"A very challenging economic environment saw steel prices drop by over \$100/t. While our gross debt has increased during the quarter due to an increase in working capital, we have renewed our focus on cash flow maximisation through operational improvements, working capital reduction and rationalisation of capex which will help us deleverage," said Koushik Chatterjee, ED and CFO, Tata Steel.

Yes Bank rating 'under review' for downgrade

SPECIAL CORRESPONDENT
MUMBAI

Rating agency Moody's has placed private sector lender Yes Bank's rating under review for a possible downgrade following weak financial performance for the July-September quarter.

Moody's said the bank's weakening financial position can be somewhat offset by the planned raising of capital. Nevertheless, Moody's notes that there are significant execution risks around the timing, price and regulatory approvals required.

The private sector lender said it had received a binding offer from a financial investor to invest up to \$1.2 billion via new equity capital and that the offer was valid till November 30.

Builders give thumbs up to Cabinet's booster shot for realty

'Funding will help expedite projects'

SPECIAL CORRESPONDENT
MUMBAI

The Special Window approved by the Union Cabinet to augment funds for stressed real estate projects would speed up the completion of a large number of such housing projects and is a good beginning, though the sector needs much more liquidity, real estate developers and analysts said.

"It is a very good decision. It will benefit many more projects, including stalled projects in Noida and NCR, which are stuck in NCLT proceedings. So, this is a big positive," said Niranj Hiranandani, managing director, Hiranandani Group, and national president NAREDCO.

"The fund will help nearly 1,600 stalled housing projects in the country, and it is positive that the aspect of NCLT/ NPA will not be a stumbling block to prevent stalled and delayed projects from approaching the fund," he added.

'More money needed'
"The real estate sector needs much more money, but a beginning has been made with this decision," he said. Shriram Properties Ltd. CMD Murali M. said, "It is a very big step and can be transformative. It will have multiplier effect and is a major step for the revival of the sector. With this, four or five dozen builders will come back to the market which is good for the sector. This ₹25,000 crore can be a catalyst to generate ₹1,00,000 crore for the sector."

"It is a positive step. There are many genuine developers who are solvent,

yet facing liquidity challenge due to various reasons [such] as poor sales and buyers preferring ready-to-move-in apartments. This funding will enable such developers to complete their projects through this last-mile funding," said Ashok Mohanani, chairman, Ekta World & VP, NAREDCO Maharashtra.

"Besides revival of the sector, this decision will lead to increase in demand for steel and cement. This will provide impetus to generate more employment," said Manju Yagnik, vice-chairperson, Nahar Group & VP, NAREDCO Maharashtra.

"This is a critically important move which eliminates the ambiguity that surrounded the timelines for setting up the fund, and its actual implementation. Finally, countless aggrieved homebuyers will see the light at the end of the tunnel," said Anuj Puri, chairman, Anarock Property Consultants.

Mr. Puri said, "Also, the special window will get investments from institutions like LIC, SBI and others, which will take the corpus to nearly ₹25,000 crore."

Shishir Bajaj, CMD, Knight Frank India, said, "This step will definitely create greater confidence and credibility and may, in due course, encourage private segments to extend their support in last-mile funding, helping the beleaguered sector to go over this period of slowdown." Anshuman Magazine, chairman & CEO, India, South East Asia, Middle East, Africa at CBRE, said 4.58 lakh units in 1,600 projects stand to benefit.

RBI panel moots tighter norms for CICs

'Number of layers not to exceed two'

SPECIAL CORRESPONDENT
MUMBAI

A working group set up by Reserve Bank of India to review the regulatory and supervisory framework for core investment companies (CIC) has suggested that such entities should only have a two-tier structure, and stronger boards, with at least 50% independent directors.

It is suggested that capital contribution by a CIC in a step-down CIC, over and above 10% of its owned funds, should be deducted from its adjusted net worth.

Further, step-down CICs will not be permitted to invest in any other CIC, but can 'freely' invest in other

group companies. "The number of layers of CICs in a group should be restricted to two. As such, any CIC within a group shall not make investment through more than a total of two layers of CICs, including itself," the panel said.

"At least one third of the board should comprise of independent members if chairperson of the CIC is non-executive, otherwise at least half of the board should comprise of independent member," it said.

It was also suggested that Audit Committee of the Board will be chaired by an independent director and the committee should meet at least once a quarter.

'Speculation on co-founders' role in whistle-blower complaints appalling'

Aimed at tarnishing image of respectable persons: Nilekani

PRESS TRUST OF INDIA
NEW DELHI

Infosys on Wednesday said speculation on co-founders and former employees being involved in the recent whistle-blower allegations was 'appalling' and seemed to be aimed at tarnishing the image of some of 'the most accomplished and respected individuals'.

Infosys, which is investigating whistle-blower complaints that alleged unethical practices by the company's top management, condemned the 'mischievous insinuations made by anonymous sources against the co-founders and former colleagues, suggest-



Nandan Nilekani

ing their involvement in the recent whistle-blower allegations'. "These speculations are appalling and seem to be aimed at tarnishing the image of some of the most accomplished and respected individuals. I have deep regard for the life-long contri-

bution of all our co-founders," Infosys chairman Nandan Nilekani said in a statement.

He added that the co-founders had served the company 'selflessly' and remained committed to the long-term success of Infosys.

He pointed out that an external law firm was already conducting an independent investigation into the allegations, and said the outcome of the investigation would be shared with all stakeholders at the relevant time.

Earlier this week, Infosys said it was yet to receive any evidence to corroborate anonymous whistle-blowers' complaints.

HFCs must focus more on home finance: SBI's Kumar

'Loans to developers caused problems'

SPECIAL CORRESPONDENT
MUMBAI

A change in regulation that allowed housing finance companies (HFCs) to lend more to real estate developers created problems for these entities, said Rajnish Kumar, chairman, State Bank of India.

"Housing finance companies should behave like housing finance companies," Mr. Kumar said at an event when asked what should be done to improve the health of such entities.

"Earlier, they were mandated to lend 75% for home finance, which was brought down to 50% later. That was when the problem started," he said. The real estate sector is facing a demand slowdown which has resulted in a rise in inventory. As a result, these companies have defaulted on loan repayments.



Rajnish Kumar

In addition, for the past year, following the debt default by IL&FS, non-banking financial companies, including HFCs, are facing a crisis of confidence as banks choked lending to the sector. Mr. Kumar said the 75% rule should be restored.

He said there was a pick-up in demand for home loans in cities like Kolkata, Chennai and Hyderabad but growth was negative in areas like NCR and MMR.

Parekh seeks special debt recast for realty

'Move will help projects that are stuck'

SPECIAL CORRESPONDENT
MUMBAI

At a time when real estate developers are reeling under the pressure of piling up of inventories resulting in bad loans for lenders, Deepak Parekh, chairman of Housing Finance Development Corporation, has suggested a one-time debt recast of such loans without classifying them as 'non-performing'.

'Crisis of confidence'

"I do believe that we can overcome this crisis of confidence if lenders are allowed a one-time restructuring of certain real estate loans, particularly for stuck projects where building approvals have been delayed," Mr. Parekh said at event on mortgage financing.

"If these restructured accounts are considered as standard assets for a period

of say, 12 months, lenders will stop being so diffident," he said, adding that such an exception was also permitted in 2008.

Mr. Parekh also said he saw real estate investment trusts (REITs) emerging as a preferred alternative investment avenue in future.

"It is estimated that nearly \$20-25 billion could be raised by commercial real estate developers over the next three to four years. Currently, there is just one listed REIT, but a couple of developers have told me that they are ready to launch REITs and monetise their assets," he said.

The HDFC chairman said while REITs had been focusing on 'Grade A' commercial property, in future, residential assets too would be part of listed REITs as seen in countries such as Singapore and Hong Kong.

IMF: Govt. lags G20 in fiscal transparency

PRESS TRUST OF INDIA
MUMBAI

New Delhi needs to become more "transparent" on the fiscal numbers as it is a "laggard" among the G20 peers on this front, a senior official from the International Monetary Fund (IMF) said here.

The government has been missing its budgeted fiscal targets for the past few years and there is a need for a "credible fiscal consolidation" which is more ambitious as well, the official said.

"Fiscal transparency should be increased. It is fairly difficult for the private sector to get the full picture on fiscal standing," the fund's Deputy Director Anne-Mary Gulde said at a NSE event here.

Maruti, Toyota Tsusho in JV for vehicle dismantling

To set up recycling unit in Noida

SPECIAL CORRESPONDENT
NEW DELHI

Maruti Suzuki India and Japan-based Toyota Tsusho Group on Wednesday announced a new joint venture for vehicle dismantling and recycling, titled Maruti Suzuki Toyotsu India Pvt. Ltd.

While Maruti Suzuki India will own 50% in the joint venture, the remaining will be held by Toyota Tsusho Corporation and Toyota Tsusho India. The venture would be headquartered in New Delhi and would set up its vehicle dismantling and recycling unit in Noida by 2020-21, the firms said in a statement, adding that more such units would be added across India.

The new JV "will... procure and dismantle end-of-

life vehicles. The process will include complete solid and liquid waste management as per Indian laws and globally approved quality and environment standards," it added. The Noida unit will have an initial capacity to dismantle around 2,000 vehicles per month.

The firm will source vehicles from dealers as well as directly from customers. The announcement comes at a time when the Centre is working on a vehicle scrap-purchase policy.

"We aim to promote recycling and support in resource optimisation and conservation, using environment-friendly systems and processes," Kenichi Ayukawa, MD and CEO, Maruti Suzuki India, said.

TVS Motor's Srinivasan gets Deming award

SPECIAL CORRESPONDENT
CHENNAI

Venu Srinivasan, chairman, TVS Motor Co. Ltd., and Sundaram Clayton Ltd., was conferred the prestigious Deming 'Distinguished Service Award For Dissemination and Promotion Overseas', at a ceremony held in Tokyo on Wednesday.

Mr. Srinivasan became the first industrialist from India to be bestowed this prestigious award for his contribution to the field of total quality management.

"This stands as a testament for me and all my colleagues and associates who have worked hard to implement TQM at Sundaram-Clayton and TVS Motor Co. since 1989," Mr. Srinivasan said.