

MARKET WATCH		
	11-12-2019	% CHANGE
Sensex	40,413	0.43
US Dollar	70.85	0.10
Gold	38,486	-0.19
Brent oil	64	-0.04

NIFTY 50		
	PRICE	CHANGE
Adani Ports	369.70	2.80
Asian Paints	1738.20	25.05
Axis Bank	716.55	0.85
Bajaj Auto	3268.65	36.15
Bajaj Finserv	9079.10	151.90
Bajaj Finance	4036.80	49.95
Bharti Airtel	442.75	-4.25
BPCL	482.65	-3.65
Britannia Ind	3041.00	-18.35
Cipla	449.95	-3.10
Coal India	187.15	-0.05
Dr Reddys Lab	2887.80	-9.70
Eicher Motors	21541.80	282.60
GAIL (India)	117.30	6.25
Grasim Ind	767.40	-2.80
HCL Tech	543.80	-0.65
HDFC	2321.65	26.50
HDFC Bank	1248.75	-0.75
Hero MotoCorp	2296.30	-33.70
Hindalco	196.60	-2.50
Hind Unilever	2010.45	-14.90
ICICI Bank	533.55	4.85
IndusInd Bank	1420.65	9.05
Bharti Infratel	254.60	6.50
Infosys	721.05	0.50
Indian OilCorp	125.55	3.00
ITC	237.60	2.00
JSW Steel	249.95	-1.05
Kotak Bank	1686.55	24.15
L&T	1264.30	-14.70
M&M	507.75	2.00
Maruti Suzuki	6993.20	29.55
Nestle India Ltd.	14066.00	-25.70
NTPC	113.00	3.00
ONGC	128.00	2.80
PowerGrid Corp	181.75	-1.00
Reliance Ind	1562.40	0.45
State Bank	312.80	-0.60
Sun Pharma	429.80	2.15
Tata Motors	161.80	2.10
Tata Steel	405.55	3.50
TCS	2041.90	29.05
Tech Mahindra	757.95	13.00
Titan	1179.55	0.25
UltraTech Cement	4001.15	-37.50
UPL	561.05	3.30
Vedanta	138.50	-2.35
Wipro	240.05	1.90
YES Bank	42.80	-7.75
Zee Entertainment	283.45	12.50

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on December 11		
CURRENCY	TT BUY	TT SELL
US Dollar	70.64	70.96
British Pound	79.29	78.65
Japanese Yen (100)	64.98	65.29
Chinese Yuan	10.03	10.08
Swiss Franc	71.73	72.06
Singapore Dollar	51.95	52.19
Canadian Dollar	53.36	53.62
Malaysian Ringitt	16.96	17.04
Source:Indian Bank		

BULLION RATES CHENNAI		
December 11 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	46.6	(46.6)
22 ct gold (1 g)	3597	(3597)

+ ‘Insurers may invest in debt ETFs of CPSEs’

SPECIAL CORRESPONDENT
HYDERABAD

The Insurance Regulatory and Development Authority of India (IRDAI) has decided to permit insurers to invest in debt ETFs (exchange traded funds) with underlying debt securities of central public sector enterprises (CPSEs).

Announcing this and also prescribing guidelines for such investments, the regulator on Wednesday said debt ETFs with underlying debt securities of CPSEs were being permitted as an eligible class of investment. Such debt ETFs are proposed to be launched in the country. Investments in them by insurers would form part of their mutual fund exposure. IRDAI’s approval for investment in debt ETFs comes ahead of the opening of the Bharat Bond ETF.

Nod to ring-fence successful IBC suitors

Amendment to code will protect them from ex-promoters’ offences; credit guarantee scheme tweaked

SPECIAL CORRESPONDENT
NEW DELHI

The Union Cabinet on Wednesday approved the proposal to make amendments in the Insolvency and Bankruptcy Code 2016, through the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2019. This also includes a provision to ring-fence successful resolution applicants from criminal proceedings with regard to offences committed by previous promoters of a company.

“The amendments aim to remove certain difficulties being faced during insolvency resolution process to realise the objects of the code and to further ease doing of business,” the government said in a release.

The amendments aim to remove bottlenecks, streamline the corporate insolvency

Code shield

- Amendment aims to remove bottlenecks, streamline corporate insolvency resolution process, protect last-mile funding
- Amended Act to ensure that the substratum of the business of a corporate debtor is not lost



■ Licences, permits, concessions and clearances cannot be terminated or suspended or not renewed during the moratorium period

resolution process, and protect the last mile funding in order to boost investment in financially distressed sectors.

The amended Act would also ensure that the substratum of the business of a corporate debtor is not lost. It can continue as a going concern by clarifying that the licences, permits, conces-

sions, clearances etc. cannot be terminated or suspended or not renewed during the moratorium period, the release said. In a separate decision, the Union Cabinet also approved the Aircraft (Amendment) Bill to enhance the safety and security of aircraft operations. The Bill enhances the maximum limit of fine from the existing

Macquarie sees possibility of a PSB taking over Yes Bank

‘Failure to raise funds poses danger to financial system’

SPECIAL CORRESPONDENT
MUMBAI

With Yes Bank unable to firm up its capital-raising plan, and in case if it fails to do so in the next six months, there is a possibility of a public sector bank (PSB) being asked to take over the lender, broking firm Macquarie wrote in a note to its clients.

“If the bank is unable to raise money in the next six months, it poses a grave danger to the financial system,” Macquarie said.



Bank and United Western Bank, which were taken over by state-run lenders Oriental Bank of Commerce and IDBI in the past.

“We need to see whether there is a run on bank deposits,” it said, noting that the

bank’s deposit base had declined in the last couple of quarters. Yes Bank had been scouting for an investor for some time. The bank said it had received an investment proposal worth \$2 billion from Erwin Singh Braich / SPGP Holdings, which continues to be under discussion and also a \$500 million offer from Citax Holdings and Citax Investment Group.

Yes Bank’s stock tanked 15.33% on Wednesday to close at ₹42.80 on the BSE.

“It has been close to nine months since the new CEO Ravneet Gill took over and they are yet to raise money,” the brokerage observed.

Retail PV sales grew 1% in Nov.: FADA

SPECIAL CORRESPONDENT
NEW DELHI

Retail passenger vehicle (PV) sales grew by a marginal 1% in November, according to data released by the Federation of Automobile Dealers Associations (FADA). “With strong spillover demand post the festive season, the month of November gave extended cheer to the dealer community with retails registering a slight growth year-on-year in all segments except commercial vehicles, where demand still continues to be quite weak,” FADA president Ashish Harsharaj Kale said.

Two-wheeler sales grew by 3% in November 2019.

Das for coordination among banks to resolve stressed assets

Current economic situation could pose challenges, he says

SPECIAL CORRESPONDENT
MUMBAI

Reserve Bank of India (RBI) Governor Shaktikanta Das has called for co-ordination among banks for resolving stressed assets in the banking sector, at a meeting of public sector bank CEOs on Wednesday.

He noted that there has been some improvement in the banking sector and that the sector remains resilient.

However, he said, the current economic conditions could pose certain challenges. “He urged the banks to proactively tackle emerging challenges swiftly, particularly with regard to the

stressed assets resolution in a co-ordinated manner,” the RBI said in a statement.

Transmission of monetary policy rates were also discussed at the meeting.

Rate transmission

Last week, the RBI, while keeping the policy rate unchanged, said one of the reasons behind the decision was inadequate transmission of monetary policy.

In response to a repo rate reduction of 135 basis points (bps) by the RBI since February, the one-year median marginal cost of funds-based lending rate (MCLR) had declined by only 49 bps.

Many banks, including State Bank of India and HDFC Bank, had lowered the MCLR this week.

The outlook on resolution of stressed assets and recovery from non-performing assets were also discussed.

The other issue was flow of credit to productive sectors, including MSMEs and NBFCs.

The Reserve Bank of India also reviewed the progress with regard to deepening digital payments through outreach activities planned by banks to make identified districts in each State/UT digitally-enabled, the statement added.



Mumbai is approximately 87% by licence area, 67% by consumers served and 55% by electricity supplied.

As part of the transaction, ATL and QIA have agreed on definitive plans to ensure that over 30% of the electricity supplied by AEML is sourced from solar and wind power plants by the year 2023. The transaction is expected to be completed in early 2020.

Entering commuter bike space a failure: Mahindra

M&M sold only 4,000 units in FY19

PRESS TRUST OF INDIA
MUMBAI

Anand Mahindra, the chairman of the homegrown auto group Mahindra & Mahindra, on Wednesday admitted that entering the commuter bike segment more than a decade ago was a failure on part of the group.

The group entered the two-wheeler arena after buying out Kinetic Motors in July 2008 and relaunched the ‘Freedom’ bikes under the label of ‘Mojo’, but has not been able to make a mark in the vastly entry-model driven two-wheeler space in the country even after a decade.

Key players

The market is dominated by Hero Motocorp and Japanese major Honda which together control close to two-thirds of the over 21-million

units per annum market.

Of this, Mahindra sold a paltry 4,004 units in FY19, down 73% from FY18.

The only player behind Mahindra in the market – which has a dozen original equipment manufacturers – is Kawasaki Motor, which sold 3,115 units in the year, according to SIAM data.

In the year to March 2019, the domestic two-wheeler market stood at 21.2 million units, up 4.86% from FY18.

Premium segment entry

Terming failure a ‘capital’, just like financial and human capital, Mr. Mahindra said the learning from the commuter bike episode, which was a ‘product failure’, led to the learning and entry into the premium two-wheeler segment where he claimed the group has been successful.

Saudi Aramco shares surge 10% on debut

REUTERS
RIYADH/DUBAI

Saudi Aramco shares surged the maximum permitted 10% above their IPO price on their Riyadh stock market debut on Wednesday, closing in on the \$2 trillion valuation long sought by Saudi Crown Prince Mohammed bin Salman.

The shares leapt to 35.2 riyal (\$9.39) each, up from the initial public offering (IPO) price of 32 riyals and at the daily limit of price moves allowed by the Tadawul exchange.

That gives the state-owned oil giant a market value of about \$1.88 trillion, comfortably making it the world’s most valuable listed company, although it will have one of the smallest ‘free floats’ of publicly tradeable shares, at just 1.5%.

Will be third time lucky in India: Branson

Virgin Atlantic founder says country will be its third-largest market after U.K., U.S.

LALATENDU MISHRA
MUMBAI

Virgin Group founder Richard Branson said India would be Virgin Atlantic’s third largest market after the U.K. and U.S. in 2020 and his airline has lined up expansion plans for the market after Jet Airways, its erstwhile code share partner, went bust.

He said India held a special place in his heart and Virgin Atlantic would continue to invest to tap the potential.

The Mumbai-London route has seen a 25% growth in the number of air passengers in the last five years even as capacity is down by 30-40% in the sector since Jet Airways shut operations.

“It is very sad... what is happening here. A very good airline has disappeared,” he said.



Virgin Atlantic founder Richard Branson with Mahindra Group chairman Anand Mahindra in Mumbai. ■PAUL NORONHA

Recently, the airline restarted the Mumbai-London Heathrow route which has received ‘encouraging’ response. This is the third time that the airline had entered the Mumbai market [first two instances being 2005-2009 and 2012-2015] as it had pulled out due to unvia-

bility of the sector. He said, “We will be third time lucky and I want to make it an advertisement campaign.”

He said besides the connection to Mumbai, the airline would operate its second daily flight between Delhi and London from March 29, 2020. It is also

looking at the Bengaluru market, top executives said.

Grandma connection

Virgin Atlantic also announced the introduction of its new Indian flying icon called Aria which will feature on the side of its aircraft from 2020. Aria is the name of Sir Richard’s great great grandfather’s wife, who was from Cuddalore, Tamil Nadu.

“Thirty five years ago, I started with one plane. It was founded the same year my daughter was born. I have seen Virgin Atlantic growing up and now grown up to a 35-year-old woman,” he added.

He also said besides the Virgin Hyperloop One project, his new exciting venture would be the cruise business, which he would be unveiling early next year.