

MARKET WATCH

	19-12-2019	% CHANGE
Sensex	41,674	-0.28
US Dollar	71.03	-0.08
Gold	38,804	0.03
Brent oil	66.37	0.00

NIFTY 50

	PRICE	CHANGE
Adani Ports	369.65	-4.85
Asian Paints	1803.10	24.65
Axis Bank	742.55	0.70
Bajaj Auto	3218.40	4.75
Bajaj Finserv	9270.75	-91.85
Bajaj Finance	4091.85	-27.50
Bharti Airtel	449.45	11.15
BPL	489.95	0.70
Britannia Ind	3112.75	13.55
Cipla	467.60	-0.20
Coal India	196.90	-0.85
Dr Reddys Lab	2869.55	-3.90
Eicher Motors	22427.15	691.30
GAIL (India)	117.70	0.35
Grasim Ind	742.95	-11.25
HCL Tech	569.50	4.80
HDFC	2411.90	-33.25
HDFC Bank	1288.80	-3.55
Hero MotoCorp	2363.70	51.75
Hindalco	216.30	2.65
Hind Unilever	1951.10	22.55
ICICI Bank	540.20	-1.20
IndusInd Bank	1489.90	-10.90
Bharti Infratel	251.80	1.50
Infosys	730.85	-1.60
Indian OilCorp	127.40	1.35
ITC	244.35	-0.80
JSW Steel	264.85	0.45
Kotak Bank	1729.50	5.15
L&T	1311.75	-7.60
M&M	535.40	12.75
Maruti Suzuki	7240.65	0.00
Nestle India Ltd.	14285.40	94.30
NTPC	114.05	-0.10
ONGC	125.70	0.60
PowerGrid Corp	186.40	-0.80
Reliance Ind	1609.95	34.10
State Bank	328.15	1.20
Sun Pharma	433.60	-6.15
Tata Motors	179.15	4.35
Tata Steel	446.75	2.00
TCS	2229.05	61.30
Tech Mahindra	782.75	-3.90
Titan	1159.05	-0.05
UltraTech Cement	4037.85	-27.55
UPL	562.75	-3.50
Vedanta	149.35	-3.45
Wipro	249.20	0.90
YES Bank	49.90	3.15
Zee Entertainment	279.75	0.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 19

CURRENCY	TT BUY	TT SELL
US Dollar	70.83	71.15
Euro	78.82	79.18
British Pound	92.67	93.09
Japanese Yen (100)	64.67	64.96
Chinese Yuan	10.10	10.15
Swiss Franc	72.23	72.57
Singapore Dollar	52.25	52.49
Canadian Dollar	53.99	54.24
Malaysian Ringgit	17.10	17.19

Source: Indian Bank

BULLION RATES CHENNAI

December 19 rates in rupees with previous rates in parentheses

Retail Silver (1g)	47.5	(47.7)
22 ct gold (1 g)	3629	(3634)

TRAI urged to protect telecom sector

PRESS TRUST OF INDIA
NEW DELHI

Bharti Airtel chairman Sunil Bharti Mittal on Thursday said a combination of rock-bottom tariffs and high consumption is killing the telecom industry and sector regulator TRAI needs to urgently intervene to strike a balance between the needs for protecting investments and consumer interest.

“But, I think we need to have a balance between requirement of investments and consumer on the other side,” Mr. Mittal told reporters after a pre-Budget meeting between Finance Minister Nirmala Sitharaman and corporate leaders.

The industry needed to get to that balance, he said adding that TRAI needed to work on this as the industry “has not been able to have an orderly mechanism to get to that point.”

Firms for more ease of doing business

India Inc. makes suggestions on mergers and acquisitions, last mile issues at pre-Budget meet with FM

PRESS TRUST OF INDIA
NEW DELHI

India Inc. leaders, including Bharti Enterprises chairman Sunil Bharti Mittal, CII president Vikram Kirloskar and Assocham president Balkrishan Goenka, on Thursday asked the government to take measures to augment ease of doing business to “create more freedom for the industry to perform.”

In a pre-Budget meeting with Finance Minister Nirmala Sitharaman, the corporate leaders highlighted several issues, including certain income tax (I-T) matters coming in the way of mergers and acquisitions (M&A) or slowing them down.

“I have come here today to discuss only one thing – make doing business easy in the country. That was what my thrust was,” Mr. Mittal told reporters after the meeting.

He said some suggestions



Finance Minister Nirmala Sitharaman chairs a pre-Budget meeting with industrialists, in New Delhi on Thursday. •PTI

about M&A, demergers, NCLT process, certain sections of I-T that were coming in the way of M&A or slowing them down were made.

“The idea is to create more freedom for the industry, for them to perform. I think the Finance Minister received them very well with her associates and secretaries. What we look forward to this Budget is that they unleash the energy of the In-

dian entrepreneurs to do more,” Mr. Mittal said.

Echoing similar views, Mr. Goenka said for “ease of doing business, States have to play an important role” and last mile issues are there, which need to be resolved.

RP-Sanjiv Goenka Group chairman Sanjiv Goenka said the discussions “centred more around what can be done to stimulate growth, to facilitate the ease of doing

RBI to conduct ‘Operation Twist’ to manage yields on Dec. 23

Bank to simultaneously buy and sell government securities

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) will simultaneously buy and sale government securities worth ₹10,000 crore each on December 23 under its open market operations – a move aimed at managing the yields.

“On a review of the current liquidity and market situation and an assessment of the evolving financial conditions, the Reserve Bank has decided to conduct simultaneous purchase and sale of government securities under Open Market Operations (OMO) for ₹10,000 crore each on December 23, 2019,”

The central bank will buy and sell securities worth ₹10,000 crore

the RBI said. The RBI will purchase the longer-term maturities, that are trading at a spread of 150 bps (basis points) over the repo rate, so that the yield of these papers will soften and sell the shorter duration ones.

The central bank said it will buy ₹10,000 crore of 6.45% government bonds maturing in 2029 and simultaneously sell ₹10,000 crore of short-term bonds maturing in 2020.

“The action of Operation

Twist by the RBI today is encouraging. There is indeed a need to bring down the term premium because that remains the driving factor for long-term economic activity and addition of new investment stock,” said Madhavi Arora, economist, FX & Rates, Edelweiss Securities.

Market experts had suggested unconventional steps by the central bank as policy rate cuts are unable to bring down the bank lending rates proportionately.

Operation Twist is a move taken by U.S. Federal Reserve in 2011-12 to make long-term borrowing cheap-

er. I think the Finance Minister and her team were extremely open to all suggestions,” Mr. Goenka said, adding “it is the first time I have seen this kind of response from the government.”

On the current slowdown and its impact on capacity utilisation, he said, “We all recognised that it is going to take a couple of quarters, three quarters, four quarters, before this capacity gets utilised. We understand that, and that is the reality of the situation.”

Reducing I-T

FICCI president Sandip Somany said the industry representatives gave suggestion to the Finance Minister “to reduce I-T for those who earn less than ₹20 lakh a year so that there is more disposable income in the hands of consumers and the economy benefits.”

He further said, “We have

also asked the Finance Minister to take measures to reduce EMIs, which can happen only if the banks reduce the interest rates on loans.”

Stating while the RBI had cut 135 bps in rates, banks had reduced them by only 45 bps, Mr. Somany said, “If there can be more transmission of RBI’s rate cut to consumers, then the EMIs will reduce and it will also improve consumption.”

A Finance Ministry statement said, “During the interactive session, prominent industrialists spoke about improving regulatory environment to safeguard investments through ease of doing business, increasing export competitiveness, reviving private investment and kick-starting growth measures.”

Industrialists also suggested ways to boost rural economy, especially to increase consumption, the statement added.

Jet Airway’s lenders may invite EoI afresh

CoC to vote on decision in two days

SPECIAL CORRESPONDENT
MUMBAI

Jet Airways’ resolution professional Ashish Chhawcharia on Thursday informed the National Company Law Tribunal (NCLT) Mumbai that the Committee of Creditors (CoC) of the grounded airline were considering to float an advertisement to invite Expression of Interest (EoI) from some new interested parties.

He said the CoC would vote in two days on whether a fresh EoI would be invited.

The NCLT, which was hearing the case on Thursday, directed the CoC to take all aspects into consideration and decide on the fresh

EoI process. Thursday’s hearing was mainly to provide the Synergy Group of Brazil the opportunity to clarify its stance to submit a binding bid for Jet Airways.

According to lawyers, the representative of Synergy Group had said that they would be interested if Jet Airways would be handed over to them without any liabilities. They said all the domestic and international slots of Jet Airways, including those at London Heathrow, must be made available. However, the NCLT made it clear that Synergy cannot be given any special treatment and it should expedite the process.

Yamaha forays into 125 cc scooter segment in India

Firm to discontinue 110 cc scooters

SPECIAL CORRESPONDENT
CHENNAI

Japanese major Yamaha on Thursday forayed into the 125 cc scooter segment with BS-VI compliant vehicles.

The company’s India arm India Yamaha (IYM) Pvt. Ltd. launched the Fascino 125 FI and Ray ZR 125 FI and Street Rally 125 FI scooters.

The price of Fascino 125 cc variants ranges from ₹66,430 to ₹69,930, ex-showroom Delhi. The price of Ray ZR variants was not disclosed. Production of the new products will be starting from January 2020.

The company said it will move out of the 110 cc scooter segment and work aggressively to fortify its market in the 125 cc scooter segment along with the motorcycle line-up.

“India has got a huge aspiring young population and the company is optimistic that the demand will re-



Yamaha chairman Motofumi Shitara and actor Anirudh at the launch of Yamaha Fascino 125 FI. •BIJOY GHOSH

vive soon. The young generation is looking for premium products with differentiation,” Motofumi Shitara, chairman, Yamaha Motor India Group of Companies, said. He also said company was targeting to double its market share in Indian two-wheeler market to 10% in 2025, which would require it to clock in about 2.3 million unit sales.

Market may revive in second half of next year, says Kim

Hyundai Motor India to grow in single digit in 2020: MD

SPECIAL CORRESPONDENT
CHENNAI

Hyundai Motor India MD and CEO S.S. Kim said the firm is hoping the market would revive by the second half of next calendar year.

The domestic car industry was down 13% in 2019 while Hyundai’s sales contracted by about 7%, he said at an event for unveiling the company’s new sedan Aura.

However, Hyundai’s exports grew 20%. Mr. Kim expected the growth to be in single digit next year, since the first half will continue to see pressure on demand.

He said company will be in a better position compared with its peers as it will have a wide range of products, on which it has been investing despite the slowdown.

The new Sedan ‘Aura’ will take on Maruti’s Dzire and



More choice: Aura will take on Maruti’s Dzire and Honda’s Amaze and hit the market in early 2020. •BIJOY GHOSH

Honda’s Amaze and will hit the market in early 2020.

Aura will be its first sedan equipped with Kappa 1 litre BS VI T-GDI petrol and 1.2 l BS-6 ECOTORQ diesel engine, offering superior power, superior performance and fuel efficiency. “With modern design, powerful performance and 12-segment unique features along with best service warranty

package for complete peace of mind, we are confident that it will meet the aspirations of millennials,” said Mr. Kim. The company has invested about ₹1,000 crore in the product.

On capacity utilisation, Mr. Kim said the company had the capacity to produce about 7.65 lakh units and was producing about seven lakh units.

MPC members cite rise in inflation for rate pause

Some see signs of growth recovery

SPECIAL CORRESPONDENT
MUMBAI

Rise in headline inflation as well as an inadequate monetary policy rate transmission were cited by members of the monetary policy committee for keeping interest rate unchanged during the first bimonthly monetary policy review in early December, minutes of the meeting showed.

After cutting rates in five consecutive policy reviews, the Reserve Bank of India (RBI) decided to keep the repo rate unchanged at 5.15% in the December review.

RBI Governor Shaktikanta Das cited uncertainties around the growth inflation dynamics, observing that even as spike in food inflation could be looked through, there was some uncertainty about the outlook of prices of certain items such as cereals, pulses, milk and sugar.

Telecom charges

“It is also not clear at this stage as to how the recent increase in telecom charges will play out even as CPI inflation, excluding food and fuel, has moderated,” Mr. Das said. “The impact of past policy rate reductions on monetary transmission, however, is still unfolding,” he added.

M.D. Patra, another internal member of the MPC, who is the executive director of RBI in-charge of monetary policy, sees inflation rising over the next two-three months.

“It is prudent to expect higher than current readings over the next two or three months.

This warrants a pause in the sequence of rate reductions that began in February



2019,” Mr. Patra said.

Interestingly, R.H. Dholakia, known as the most dovish member of the committee, also voted for a pause, along with all the other five members.

“The forecast of inflation by RBI for the four quarters up to Q2 of 2020-21 is based on certain assumptions where considerable uncertainties are involved. I, therefore, take the RBI forecast of the headline inflation of 3.8% for Q2 of 2020-21 with some reservation at this point,” Mr. Dholakia said, adding that inflation expectation could shoot up, and stressed the need for a wait-and-watch approach.

He also said there were some green shoots of growth recovery during the third and fourth quarters in response to the counter-cyclical measures on the fiscal and monetary policy fronts, but those needed to be confirmed with more data.

The RBI also highlighted some positive signs for growth like Rabi sowing and the increase in storage capacity of reservoirs.

“Passenger vehicle sales, domestic and international air passenger traffic, foreign tourist arrivals, and finished steel consumption showed higher growth in October in comparison with the previous month,” he said.

Tata Motors unveils Nexon Electric SUV

Prices it between ₹15 lakh and ₹17 lakh

SPECIAL CORRESPONDENT
MUMBAI

Tata Motors has unveiled the Nexon Electric Vehicle (EV), which will be commercially launched in January 2020.

Targeted at personal car buyers, this EV is powered by Ziptron technology and is expected to be priced between ₹15 lakh and ₹17 lakh. The company calls it ‘India’s own Electric SUV’.

Bookings will open from Friday on deposit of ₹21,000 and the vehicle will be sold in 22 cities to begin with, executives said. It will be available in three variants namely XZ+ LUX, XZ+ (both in 2 tone) and XM (in single tone), and in three colour options – Signature Teal Blue colour, Moonlit Silver and Glacier White.

The EV will come with a warranty of eight years or 1,60,000 kms, whichever is earlier, on battery and mo-



Gunter Karl Butschek with Shailesh Chandra, president - Electric Mobility Business, Tata Motors. •PAUL NORONHA

tor. It will have a range of 300 km in a single charge.

Speaking at the unveiling ceremony on Thursday, Gunter Butschek, CEO & MD, Tata Motors said, “The Nexon EV is a high performance, connected vehicle that is uniquely suited to address the aspirations of Indian customers and break all barriers for EV adoption.”

Mistry free to sell \$17 bn stake in Tata Sons

NCLAT order has set aside the conversion of the firm into a private concern

PIYUSH PANDEY
MUMBAI

The National Company Law Appellate Tribunal (NCLAT) had set aside the Registrar of Companies’ (RoC) decision to change Tata Sons Limited from a public company to a private company, terming it illegal and ordered the RoC to make a correction in its records showing Tata Sons as public company.

It has also said the company cannot exercise its powers under Article 75, under which the board can transfer anyone’s shares by passing a special resolution.

Seen together, this means that former Tata Sons chairman Cyrus Mistry, who owns 18.4% stake in Tata Sons valued at over \$17 billion, is



Cyrus Mistry

free to sell his stake.

Confirming this, a lawyer in the know of the development told *The Hindu*, “Controversial Article 75 relates to company’s power to transfer shares.

“Under it, the minority shareholder could not transfer or sell his shares without the permission of

the majority shareholder. Conversion into a private limited company meant erosion in the value of Mr. Mistry’s investment.”

According to Article 75, Tata Sons can transfer ‘ordinary shares’ of any shareholders, including that of SP Group, without notice through a special resolution in the general meeting of the ordinary shareholders of the company in the presence of nominated directors of ‘Tata Trusts.’

“In view of ‘prejudicial’ and ‘oppressive’ decision taken during last few years, the company, its board of directors and shareholders, which has not exercised its power under Article 75 since inception, will not exercise

its power under Article 75 against appellants and other minority members,” said the NCLAT order adding such power can be exercised only in exceptional circumstances and in the interest of the company, but before exercising such power, reasons should be recorded in writing and intimated to the concerned shareholders whose right will be affected.

“Tata’s have converted Tata Sons into a private limited [concern]. This conversion was very serious as as the provisions of public limited company would not apply on Tata Sons and Mr. Mistry would have been forced to sell his stake to Tata’s at peanuts,” investment adviser S. P. Tulsian told *The Hindu*.

ICRA downgrades Yes Bank

SPECIAL CORRESPONDENT
MUMBAI

Rating agency ICRA has downgraded several debt instruments of Yes Bank due to uncertainties around its capital raising plan.

“The rating downgrade considers the continued uncertainty regarding the timing and quantum of capital raise by Yes Bank Limited (YBL). The level of investor interest amid the correction in the stock price and the receipt of regulatory approvals also remain key monitorables,” the rating agency said.

The bank had said it had received a proposal for investment of \$2 billion.