MARKET WATCH

	23-12-2019	% CHANGE
Sensex	41,643	-0.09
US Dollar	71.18	-0.08
Gold	39,053	0.48
Brent oil	65.99	-0.54

NIFTY 50

	PRICE	CHANGE
Adani Ports	366.90	-5.40
Asian Paints	1807.55	8.30
Axis Bank	743.15	3.30
Bajaj Auto	3219.50	15.75
Bajaj Finserv	9304.05	24.00
Bajaj Finance	4160.00	24.40
Bharti Airtel	454.80	1.00
BPCL	493.00	5.20
Britannia Ind	3091.80	-30.45
Cipla	467.85	2.10
Coal India	197.25	-3.55
Dr Reddys Lab	2908.40	45.05
Eicher Motors	22176.15	-45.00
GAIL (India)	120.60	1.05
Grasim Ind	742.35	-3.25
HCL Tech	570.95	1.05
HDFC	2422.65	18.55
HDFC Bank	1302.40	5.70
Hero MotoCorp	2420.10	26.90
Hindalco	215.15	-0.35
Hind Unilever	1950.40	7.30
ICICI Bank	541.30	-4.80
IndusInd Bank	1496.30	8.35
Bharti Infratel	254.60	1.35
Infosys	736.00	4.45
Indian OilCorp	126.45	-0.95
ITC	238.90	-2.25
JSW Steel	263.70	-1.00
Kotak Bank	1704.90	12.20
L&T	1311.25	-0.30
M&M	525.90	-4.70
Maruti Suzuki	7360.90	99.40
Nestle India Ltd.	14532.50	-325.75
NTPC	114.60	-0.10
ONGC	124.65	-0.50
PowerGrid Corp	185.80	-0.30
Reliance Ind	1571.40	-27.70
State Bank	332.40	-5.45
Sun Pharma	428.40	-1.90
Tata Motors	176.05	0.10
Tata Steel	462.15	1.15
TCS	2231.70	8.80
Tech Mahindra	775.95	-7.40
Titan	1209.10	7.20
UltraTech Cement	4081.90	-38.55
UPL	577.65	-0.50
Vedanta	147.75	3.50
Wipro	253.85	2.05
YES Bank	49.65	-1.75
Zee Entertainment	294.80	10.75

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 23

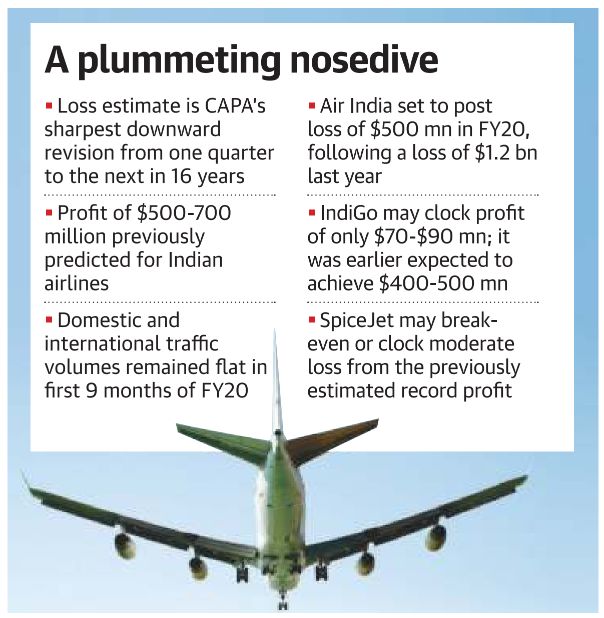
CURRENCY	TT BUY	TT SELL
US Dollar	70.98	71.30
Euro	78.62	78.98
British Pound	92.11	92.52
Japanese Yen (100)	64.87	65.17
Chinese Yuan	10.12	10.17
Swiss Franc	72.35	72.68
Singapore Dollar	52.36	52.59
Canadian Dollar	53.97	54.22
Malaysian Ringitt	17.13	17.21

Source:Indian Bank

Airlines may fly into a $600-mn loss: CAPA

Carriers added capacity to capture coveted airport slots owned by Jet, leading to a drop in fares

SPECIAL CORRESPONDENT
NEW DELHI



Aviation consultancy CAPA estimates a full-year loss of $500-600 million for Indian carriers primarily due to a sharp fall in airfares on some of the most profitable routes as the airlines mounted additional capacity in a bid to capture coveted airport slots owned by the now defunct Jet Airways.

Centre for Asia Pacific Aviation (CAPA) said that the latest estimate for India's domestic market was its sharpest downward revision from one quarter to the next in 16 years. It had earlier predicted a profit of $500-700 million for Indian airlines.

During the first nine months of financial year 2020, the sector also witnessed a moderation in growth with both domestic and international traffic volumes being flat as capacity expansion by different carriers went towards replacing the seats lost in the sector due to the collapse of Jet Airways.

In February, CAPA had estimated a full-year profit of $400-500 million for IndiGo which has now been slashed to a sixth, at $70-90 million, primarily due to a new accounting standard adopted by the airline as well as an increase in maintenance costs towards its older A320neos.

Similarly, a prediction of a record profit for competitor SpiceJet has been revised to break-even or a moderate loss.

Different configuration

The primary challenge before the airline has been the complexity of operations due to the induction of Jet Airways' aircraft configured differently from its own to include business class.

Moreover, there was also a significant cost increase as these were older planes which required more maintenance.

Further, a lack of financial support for Air India from the government has resulted in as many as 26 of its planes being grounded due to a shortage of funds to replace engines as well as buy spare parts.

CAPA estimates Air India to post a loss of $500 million in FY 2020 after posting a net loss of $1.2 billion in the last fiscal.

The consultancy recommends that the government review the challenges before the sector following the demise of Jet Airways and subject airlines to an annual review where they may be required to prove that they have sufficient cash reserves to continue flying.

Bihar Deputy Chief Minister Sushil Kumar Modi, centre, addressing the media on Monday. ▪ V. SREENIVASA MURTHY

Aadhaar to be made mandatory for GST

Bid to curb malpractices: Sushil Modi

SPECIAL CORRESPONDENT
BENGALURU

With 66.79 lakh new dealers registered under the Goods and Service Tax contributing just 15% of the total revenue under the tax regime, the GST Network has decided to make Aadhaar authentication or physical verification mandatory for new dealers from January 1, 2020, to check malpractices.

Briefing about the decisions taken at the GST meeting here, Bihar Deputy Chief Minister Sushil Kumar Modi, who heads the Group of Ministers on Integrated Goods and Services Tax, told the media here that 66.79 lakh new registered dealers were paying just 15% of the taxes, constituting about ₹10,000 crore in monthly collections.

Monthly collections had crossed the ₹1 lakh-crore-mark in six out of eight months during April-November, 2019, he said.

The number of registrations under GST stood at 1.21 crore and of this, 55.04 lakh dealers had migrated from the pre-GST regime and 66.79 lakh were new registrations since the launch of GST. He said dealers who migrated to the GST contributed 85% of the total revenue.

"Aadhaar authentication will be made mandatory for new dealers for registration. We have noticed in two years that a large number of operators are registering themselves as GST dealers. They make fake invoices also." He said those who declined to give their Aadhaar numbers would have to undergo physical verification.

A total 24.86 lakh fake or bogus registered dealers had been weeded out from the GST.

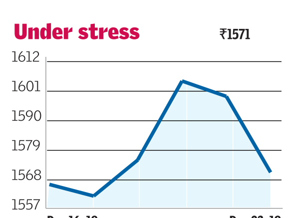
Mr. Modi ruled out any hike in GST rates in the near future. He said the Centre and States were not ready to raise tax rates as the economy was in a slowdown, affecting revenue mobilisation.

For ensuring smooth compliance by taxpayers and transparency, he said it was decided to launch the new GST returns filing system from April 1, 2020. Noting that "it will be a game-changer, " Mr. Modi said the new system envisaged the concept of regular invoice upload and proposed to be fully automated involving the reconciliation of invoices before proceeding with input tax credit claims.

RIL shares dip on legal tussle with govt.

Centre avers deal with Aramco can't proceed till Indian major clears $3.5 bn dues

SPECIAL CORRESPONDENT
MUMBAI



Shares of index heavyweight Reliance Industries (RIL) were the second worst performer among Sensex stocks on Monday as a possible legal battle with the government threatens to disturb the company's stake sale plans with Saudi Aramco, which is also the world's largest listed entity.

On the BSE, RIL shares lost nearly 3% in intraday trade to touch a low of ₹1,555 on Monday. However, the counter managed to partially recoup losses to close at ₹1,571, down 1.78% or ₹28.40 over Friday's close.

Given its weightage in the Sensex, RIL was the biggest drag on the benchmark on Monday when the index lost 39 points to end at 41,642.66.

Market participants attributed the fall to reports that the listed entity and the government are headed towards a bitter battle in the courts after the latter said that the RIL-Aramco deal cannot go ahead till the Indian company clears pending dues amounting to $3.5 billion related to Panna-Mukta and Tapti oil and gas fields. RIL, however, is strongly contesting the claims and has said that "the petition is an abuse of process as no arbitration award has fixed any final liability of dues on the company."

"... it portrays that a sum of money is due and payable under the final award and purports to compute the money payable on a basis neither found in the arbitration award nor disclosed in the petition," RIL stated in its affidavit.

An international arbitration tribunal issued a partial award in October 2016 in the dispute between the Indian government, BG Exploration & Production India Ltd (BG) and RIL on the contracts.

While the tribunal in its 2016 award determined certain issues of principles, it did not award any monetary sum pending determination of all issues before it.

BG and RIL challenged the 2016 award before an English court which decided some parts of the challenge in favour of the duo and directed the arbitration tribunal to reconsider those parts of the 2016 award.

The tribunal, having reconsidered, issued another partial award in December 2018 in favour of BG and RIL. RIL's contention is that while this challenge was pending in the English court, the Indian government had 'unilaterally' calculated certain amounts.

(With inputs from PTI)

PM chairs first meet on investment

PRESS TRUST OF INDIA
NEW DELHI

The newly-formed Cabinet Committee on Investment and Growth (CCIG) held its first meeting on Monday as the government looks to boost spending to bring back a sputtering economy on track.

Sources said Prime Minister Narendra Modi chaired the meeting of the CCIG. No details of the decisions taken at the meeting were immediately known. The panel has four other members – Home Minister Amit Shah, Highways and MSME Minister Nitin Gadkari, Finance Minister Nirmala Sitharaman and Commerce & Railways Minister Piyush Goyal.

RBI holds open market operations

PRESS TRUST OF INDIA
MUMBAI

The RBI has purchased ₹10,000-crore worth long-term government securities and sold ₹6,825 crore of short-term securities through open market operations (OMOs). Last week, the RBI had announced simultaneous purchase and sale of government securities under OMOs for ₹10,000 crore each.

The RBI also said to protect consumer interest, on a peer-to-peer lending (P2P) platform, the exposure of a lender to all borrowers must not exceed ₹50 lakh at any given point.

A lender investing over ₹10 lakh across P2P platforms will produce a certificate to P2P platforms from a chartered accountant certifying a minimum net worth of ₹50 lakh.

M&M makes more top-level changes

Appointments seen in auto, farm units

SPECIAL CORRESPONDENT
MUMBAI

Mahindra & Mahindra Ltd. (M&M) has made several changes in the group corporate office (GCO) and auto and farm sectors (AFS).

The changes will be effective April 1, 2020, the company said.

This follows the changes announced on December 20.

In the GCO, S. Durgashankar, currently president, group M&A, corporate accounts and group secretarial, will have an enhanced role as group controller of finance and accounts.

He will report to Anish Shah who will be elevated to the M&M board as deputy MD and Group CFO.

In AFS, since Rajan Wadhera will retire and step down from his role as president, auto sector, Hemant Sikka, currently president, CPO, power and spares business, has been named to head the farm equipment sector.

Auto division

Veejay Nakra, currently head of sales and marketing in the auto division, will be appointed CEO of the auto division. He will have operating responsibility for passenger vehicles and the entire commercial vehicles business with profit and loss accountability, except for product development process. "These appointments are designed to maintain continuity in change, while ensuring a smooth transition and maintaining the highest standards of corporate governance," M&M said in a statement.

Power auction cancelled on poor response

PRESS TRUST OF INDIA
NEW DELHI

The Power Ministry has scrapped the auction to procure 2,500MW electricity for the medium term (three years) under a scheme to provide relief to thermal power plants plagued by short coal supplies, state-run NHPC said on Monday.

According to sources, lack of interest from State power utilities due to a higher tariff of ₹4.41 per unit discovered through the reverse auction process led to the cancellation of the auction. The Ministry has now advised nodal agency PFC Consultancy to call for bids again. PFCCL had appointed NHPC as 'Aggregator' (in March) under Pilot Scheme-II for procurement of aggregated power of 2,500 MW.

Tata ruling: govt. seeks amendment

PRESS TRUST OF INDIA
NEW DELHI

The Corporate Affairs Ministry on Monday moved the National Company Law Appellate Tribunal (NCLAT) seeking certain modification in its order in the Tata Sons matter.

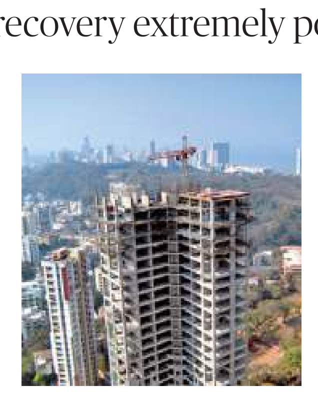
The Registrar of Companies (RoC) on Monday moved the NCLAT requesting to amend its order and and remove the word "illegal" with respect to the conversion of Tata Sons from a public company to private company, as it had authorised the conversion 'only as per the provisions' of the Companies Act.

It has also asked NCLAT to "delete the aspersion made regarding any hurried help accorded by RoC Mumbai to Tata Sons except what was statutorily required by RoC Mumbai."

With $8.7 bn in 'severely' stressed realty loans, Mumbai tops the list

Prospects for loan recovery extremely poor, says report

SPECIAL CORRESPONDENT
MUMBAI



The Mumbai region has topped the list of Indian cities with the highest level of stressed assets in the real estate sector.

Of a total of $35 billion loans advanced to developers in the Mumbai Metropolitan Region (MMR), almost $8.7 billion (or 25%) is currently under 'severe' stress, according to a report.

This is about double the total stressed loan amount in the National Capital Region (NCR) estimated at $4.3 billion, a research report by Anarock has showed. The NCR real estate market has so far received total loans worth $23 billion from banks and NBFCs/HFCs.

However, for Bengaluru, a mere 1% ($160 million) of the total of $16 billion of real estate loans in the city are in the 'red alert' category.

"The liquidity crunch in MMR and NCR is unrelenting. Both markets collectively have loans worth $13 billion under 'severe' stress with extremely poor prospects of recovery from the borrowing developers," said Shobhit Agarwal, MD and CEO, Anarock Capital.

"Previously, many developers engaged in high leveraging and also in fund diversions.

"To compound the problem, housing sales have remained tepid over the last few years, resulting in depleted cash reserves," Mr. Agarwal said.

'Better' stress level

As per the report, Bengaluru has a much better stress-level readings with over 70% (of the total $16 billion loans) completely stress-free.

NCR and MMR have a 91% share of severely stressed loans totalling $13.2 billion. Hyderabad and Kolkata hardly have any stress. Chennai received loan advances worth $2.8 billion, of which only $310 million is under severe stress.