

MARKET WATCH		
	03-12-2019	% CHANGE
Sensex	40,675	-0.31
US Dollar	71.66	0.00
Gold	38,789	0.21
Brent oil	60.62	-1.17

NIFTY 50		
	PRICE	CHANGE
Adani Ports	361.95	-15.80
Asian Paints	1736.45	-1.80
Axis Bank	733.40	-10.90
Bajaj Auto	3259.75	100.50
Bajaj Finserv	9089.75	141.45
Bajaj Finance	3964.55	14.10
Bharti Airtel	459.10	0.50
BPCL	494.50	-5.55
Britannia Ind	3048.30	-21.40
Cipla	464.25	0.25
Coal India	205.60	-0.25
Dr Reddys Lab	2858.35	-13.35
Eicher Motors	21372.75	-340.35
GAIL (India)	123.55	-3.05
Grasim Ind	782.30	-24.95
HCL Tech	1124.55	-0.75
HDFC	2319.70	13.10
HDFC Bank	1255.40	-10.35
Hero MotoCorp	2422.40	15.45
Hindalco	196.00	-4.30
Hind Unilever	2028.45	-14.75
ICICI Bank	509.35	-1.55
IndusInd Bank	1544.70	-31.30
Bharti Infratel	248.45	-17.05
Infosys	698.35	5.65
Indian OilCorp	128.50	-0.15
ITC	244.05	-0.90
JSW Steel	257.25	-11.05
Kotak Bank	1646.75	13.75
L&T	1313.20	-20.15
M&M	522.90	-11.25
Maruti Suzuki	7138.80	-0.55
Nestle India Ltd.	14353.50	-204.15
NTPC	114.55	-0.75
ONGC	127.65	-0.45
PowerGrid Corp	189.40	-2.00
Reliance Ind	1578.90	-7.60
State Bank	336.25	-2.25
Sun Pharma	433.60	-6.40
Tata Motors	158.20	-2.85
Tata Steel	399.65	-21.20
TCS	2051.00	29.95
Tech Mahindra	746.25	-2.20
Titan	1158.15	4.35
Ultra Tech Cement	4211.70	-64.55
UPL	569.50	-0.75
Vedanta	139.70	-5.00
Wipro	236.80	-1.80
YES Bank	59.50	-4.55
Zee Entertainment	279.90	-12.90

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on December 03		
CURRENCY	TT BUY	TT SELL
US Dollar	71.47	71.79
Euro	79.16	79.52
British Pound	92.87	93.29
Japanese Yen (100)	65.64	65.93
Chinese Yuan	10.13	10.17
Swiss Franc	72.26	72.59
Singapore Dollar	52.35	52.60
Canadian Dollar	53.74	53.99
Malaysian Ringgit	17.11	17.20
Source: Indian Bank		

BULLION RATES CHENNAI		
December 03 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	47.9	(47.6)
22 ct gold (1 g)	3628	(3617)



**Mercedes Benz unveils GLC 200 at ₹52.75 lakh**

NEW DELHI German luxury carmaker Mercedes-Benz India on Tuesday launched the latest generation of its 'GLC' sport utility vehicle (SUV) in India, starting with a price tag of ₹52.75 lakh. "The new GLC 200 is the most tech-savvy, 'Made in India' SUV. We are confident this unique offering will continue to win the hearts and minds of our discerning customers," Martin Schwenk, MD & CEO, Mercedes-Benz India, said.

**Thomas Cook India to acquire brand rights**

NEW DELHI Thomas Cook India Ltd. (TCIL) said it has entered into a pact to acquire the rights of the Thomas Cook brand in India, Sri Lanka and Mauritius for about ₹13.9 crore. TCIL has signed a pact with AlixPartners, Thomas Cook U.K.-appointed special managers, to acquire the exclusive ownership of the brand in these three markets for one-time payment of £1.5 million (about ₹13.9 crore), the company said. This move by TCIL also prevents possible new entrants into these markets, using the brand name. PTI

**Xiaomi launches lending platform in India**

NEW DELHI Xiaomi on Tuesday formally launched its digital lending platform Mi Credit, in India, which can aid users with a personal loan of up to ₹1 lakh. "Mi Credit is an online curated marketplace for lending, to offer the best personal loans to Mi Fans...It's built as the first personal loan choice for aspirational young professionals and millennials," the company said, adding that the current lending partners included NBFCs or fintechs such as Aditya Birla Finance Limited.

# In November outreach, public sector banks lend ₹2.39 lakh cr.

Corporates get the lion's share at ₹97,366 crore, says the government

**SPECIAL CORRESPONDENT NEW DELHI**

Public sector banks (PSBs) have disbursed loans worth ₹2.39 lakh crore during the outreach programme in November, taking total disbursements during the two months of the programme (October and November 2019) to ₹4.91 lakh crore, the government said on Tuesday.

"The strong outreach effort of PSBs has continued in November as well, with disbursement of ₹2.39 lakh crore to MSMEs, NBFCs, corporates, retail and agriculture sector borrowers," a statement said.

In October, PSBs had disbursed ₹2.52 lakh crore

Pump-priming			
Total disbursement during October and November 2019 under the outreach programme stood at over ₹4.91 lakh crore			
Loan category	Oct. 2019	Nov. 2019	Total
MSME loans	37,210	35,775	72,985
Loans to NBFCs	17,163	25,005	42,168
Loans to corporates	1,22,785	97,366	2,20,151
Home loans	12,166	15,088	27,254
Vehicle loans	7,085	4,003	11,088
Education loans	425	686	1,111
Agricultural loans	40,504	37,870	78,374
Other loans	15,250	23,454	38,704
Total	2,52,589	2,39,245	4,91,834

(All figures in ₹crore)

worth of loans. The largest beneficiary of the loans disbursed continues to be the corporate sector, which re-

ceived loans worth ₹97,366 crore in November, taking the total to ₹2,20,151 crore. The MSME sector has also

been a major beneficiary, receiving ₹35,775 crore worth of loans in November, with a total of ₹72,985 crore over the two months. Farmers were also big beneficiaries of the programme, receiving ₹37,870 crore worth of loans in November, and a total of ₹78,374 crore over October and November.

NBFCs received ₹25,005 crore worth of loans from public sector banks in November, and a total of ₹42,168 crore over the two months. "PSBs, being adequately capitalised and [with] record recovery underway, have sufficient liquidity to support credit growth," the release added.

## Maruti Suzuki cars to cost more from January

Hike across models, carmaker says

**SPECIAL CORRESPONDENT NEW DELHI**

The country's largest carmaker Maruti Suzuki on Tuesday said it would hike prices across its vehicle range from January 2020. However, the company did not disclose the quantum of the increase.

"Over the past year, the cost of the company's vehicles has been impacted adversely due to increase in various input costs. Hence, it has become imperative for the company to pass on some impact of the additional cost to customers through a price increase across various models in January 2020," the carmaker said in a communique to the stock exchanges.

The company added that



the increase in prices would vary for different models.

The move to increase prices comes at a time when the automobile industry is reeling under a slowdown in demand, mainly due to poor consumer sentiment, as well as the move to switch over to vehicles that are compliant with the new BS-VI norms, which take effect from April next year.

## IRDAI nod for Max stake sale in venture with Bupa

**SPECIAL CORRESPONDENT HYDERABAD**

Insurance regulator IRDAI has approved the divestment of Max India's entire 51% stake in Max Bupa Health Insurance Company to Fettle Tone LLP, an affiliate of private equity firm True North.

The all-cash transaction announced in February valued Max Bupa at an enterprise value of ₹1,001 crore. An announcement on the IRDAI approval by Max India saw the company's shares on Tuesday gaining over 8% intraday, before closing 2.68% higher at ₹80.40 apiece.

The stake sale transaction is expected to be concluded within the next few weeks. All existing customer policies will continue unimpacted and all customer support channels will remain unchanged, said Max India, which is a part of the \$3.2 billion Max Group.

Bupa, the existing joint venture (JV) partner in Max Bupa, remained committed to the JV and will continue to play an active role as before through its board positions and knowledge-exchange initiatives, the release said. Max Group VP and Max India managing director Mohit Talwar said, "The transaction will lead to a substantial cash inflow for Max India. As a part of our portfolio rebalancing exercise, we intend to utilise part of the proceeds to invest in both existing and new business opportunities." True North has invested in more than 50 Indian businesses over 20 years through its six investment funds with a total corpus of over \$2.9 billion.

## HDFC Bank's netbanking down for the second day

Glitch resolution taking more time

**SPECIAL CORRESPONDENT MUMBAI**

HDFC Bank's Internet and mobile platforms were down for the second consecutive day on Tuesday, impacting hundreds of customers who were unable to conduct any transaction.

It is not the first time that the bank's customers are experiencing such a situation. Similar issues had surfaced in the past when the systems were unable to handle the load, when many customers tried to log in or transact simultaneously.

The bank said the resolution of the technical glitch was taking more time than anticipated.

"We apologise that the resolution of the technical

**Similar issues had surfaced in the past when the systems were unable to handle the load**

glitch is taking more time than anticipated.

"Our experts are working round-the-clock. While some customers are able to transact using the NetBanking and MobileBanking App, a few may still be facing intermittent issues," the bank said in a social media post.

"Needless to say, this is not the experience we would like our customers to have and we sincerely regret the inconvenience," it added.

## SAT overturns SEBI order on Karvy

Bars depositories from further transfer of shares to client accounts of Karvy

**SPECIAL CORRESPONDENT MUMBAI**

The Securities Appellate Tribunal (SAT) has barred depositories from transferring more securities from Karvy Stock Broking's (KSB) account while directing SEBI to look into the representation of Bajaj Finance and pass an order by December 10.

The National Securities Depository Ltd. (NSDL) had said on Monday it had transferred the securities of nearly 83,000 clients of KSB from the broking firm's account to the respective client accounts.

KSB, which is under the regulatory scanner for misusing client funds and has already been barred from signing new clients, had borrowed ₹345 crore from Bajaj Finance, a non-banking

financial company (NBFC) by pledging client securities.

The issue came to light on Tuesday after the NBFC filed an appeal with SAT against the order passed by the Securities and Exchange Board of India (SEBI) which, among other things, directed depositories to transfer the shares from KSB's account to the respective client accounts.

According to the NBFC, KSB had pledged the securities to raise a total of about ₹345 crore but had now violated certain terms of the loan agreement. Hence, the NBFC wanted to invoke the pledge but could not do so due to the SEBI order.

**'SEBI's unilateral action'** "Such unilateral action by the SEBI has left the appel-

**The tribunal's order is bound to affect a few thousand clients of the troubled brokerage**

lant to face the consequences of the impugned order [for] no fault of the appellant," stated the SAT order while highlighting the submissions made by Bajaj Finance.

As per submissions made by the brokerage's counsel, the brokerage had also given an undertaking that the pledged securities were owned by the broker and were not from client accounts.

According to a stock exchange statement, the current exposure of the NBFC towards KSB is pegged at

₹312 crore. "... we are of the considered view that the impugned order has prejudiced and adversely affected the rights of the appellant as a bonafide lender," said the SAT order.

The tribunal's order is bound to affect a few thousand clients of the troubled brokerage. As per the SEBI probe, securities worth approximately ₹2,300 crore of more than 95,000 clients were "unauthorisedly transferred" to the demat account of KSB.

On Monday, the BSE and the National Stock Exchange (NSE) suspended the trading membership of KSB, which means that existing clients of the brokerage will have to transfer their securities to a different brokerage to trade in the stock market.

## ₹80,893 cr. loans written off by banks in first half of FY20

Borrowers continue to be liable for repayment, says Thakur

**SPECIAL CORRESPONDENT NEW DELHI**

Public and private sector banks have written off ₹80,893 crore worth of loans during the first half of the current financial year, the government informed Parliament on Tuesday.

"As per RBI data on global operations, public sector and private sector banks wrote off ₹80,893 crore [provisional data], during the current financial year 2019-20 [till September 30, 2019]," Minister of State for Finance Anurag Thakur informed the Rajya Sabha in reply to a question.

The Minister further said that gross non-performing assets (NPAs) of both public and private sector banks rose from ₹3,12,706 crore as on March 31, 2015 to ₹10,21,464 crore as of March



SBI wrote off the highest amount at ₹27,535.31 crore during the current financial year till September. ■REUTERS

31, 2018. This has subsequently fallen by ₹80,790 crore to come to ₹9,40,673 crore as of September 30, 2019. State Bank of India wrote off the highest amount of loans (₹27,535.31 crore) during the current financial year till September, followed by Bank of Baroda (₹5,439.76 crore) and Axis Bank (₹5,426.14 crore).

Mr. Thakur clarified that the loans written off were not to the benefit of the borrowers. "As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower," he said in his written answer.

## Telecom service providers want floor price for mobile data services

A real and sustainable remedy for sector reeling under financial stress, they say

**YUTHIKA BHARGAVA NEW DELHI**

Bharti Airtel Limited, Reliance Jio and Vodafone Idea Limited, that have increased tariffs by up to 50%, have written to the Telecom Regulatory Authority of India (TRAI), seeking implementation of a minimum tariff for mobile data services as a "real and sustainable remedy" for the sector reeling under financial stress.

"All the current telecom service providers in the private sector namely Bharti Airtel Limited, Reliance Jio and Vodafone Idea Limited are in complete agreement that TRAI be requested to regulate tariffs by setting floor price for data services. This should be done as soon as possible," Rajan S. Mathews, director general at industry



**Lending voice:** COAI has proposed that TRAI consider increasing floor tariff for data over nine months. ■REUTERS

body COAI, said in the letter dated December 3.

Mr. Mathews added that the only remaining measures that will help sustain the sector and support investments are rationalisation of taxes and levies and increase in tariffs. "The rationalisation of

taxes and levies, though desperately needed, will also provide only a semblance of relief, while the real and sustainable remedy can only be the increase in tariff."

Pointing out that tariff correction at the current level of fierce competition is not pos-

sible by any service provider voluntarily, COAI said that the only option available is prescription of a minimum tariff for mobile data service by the Authority.

COAI has proposed that TRAI consider increasing floor tariff for data over nine months in two steps as "Indian consumers are price-sensitive and without affordability, there is a real chance of contraction of demand."

"At the same time, the Authority would be aware that unlike mobile data, voice services are considered as essential services, especially by the subscribers at bottom of pyramid and therefore, would need to be continued under the present forbearance regime," it added in the letter.

## Wipro Consumer buys South Africa's Canway

Deal size may be about ₹350 crore

**SPECIAL CORRESPONDENT BENGALURU**

Wipro Consumer Care & Lighting has signed a definitive agreement to acquire Canway Corporation, a South African personal care firm. The deal, which is Wipro Consumer's second this year, will help the company have access to brands such as Oh So Heavenly, Iwori and IQ and also expand to other African countries like Zambia and Namibia.

Wipro refused to divulge financial details of the deal, however, the size of the acquisition is estimated to be in the range of ₹300 to ₹350 crore. Canway Corporation reported a revenue of \$21 million in 2018.

Addressing the media here on Tuesday, Vineet Agrawal, CEO, Wipro Con-



sumer Care & Lighting, said, "This is our 12th acquisition in the last 16 years.

"This acquisition gives Wipro Consumer a significant entry into South Africa and other African markets, he added. Canway Corporation is said to be a leader in the gifting segment that constitutes a large portion of the South African personal care market.

## A tightrope walk for monetary policy panel members

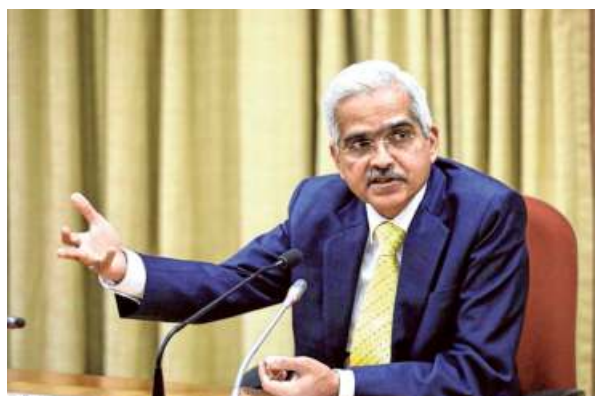
Million-dollar question now is whether the Reserve Bank of India will be open to a further rate cut

**MANOJIT SAHA MUMBAI**

The fifth bimonthly review of the monetary policy, the deliberations of which started on Tuesday, and the outcome scheduled on Thursday, is probably the most challenging policy review for Reserve Bank of India Governor Shaktikanta Das, who took charge in December last.

This because, since Mr. Das's first policy review in February, the objective has been only to revive growth as retail inflation was comfortably around the central bank's tolerance zone of 4%.

Despite a 135-basis point (bps) reduction in the policy rate since February, growth has not revived. In fact, the country's GDP growth dipped further in the July-September quarter to 4.5% the lowest in 26 quarters, as



**It's complicated:** Since the first policy review under Mr. Das, the objective has been only to revive growth. ■REUTERS

compared to 5% in the preceding quarter.

Now, retail inflation has started inching up. Consumer price index-based inflation was at a 16-month high of 4.62% in October, higher than the central bank's medium-term target of 4%. The rise in inflation was mainly

driven by increase in food prices. Consumer food price inflation, which amounts to half of the inflation basket, increased to 7.89% compared to 5.1% in the previous month.

Inflation is expected to inch up further in the coming months. This makes the

December policy review for monetary policy members complicated.

While most of the economists are still expecting a 25 bps rate cut on December 5 as economic growth is still fragile, the question is whether the RBI will sound dovish as it did in previous policy reviews.

### NEWS ANALYSIS

Since RBI has a flexible inflation targeting framework, which means a deviation from a particular target is allowed, central bank watchers said it is time to show flexibility during policy making.

In particular, the central bank should see through the recent spurt in inflation, which could be a transient phenomenon and not a permanent one.

"It should look through CPI inflation rising to 5.2% in November and 4.7% in Nov-Feb., beyond the RBI's 3.5-3.7% 2HFY20 projection, on onion price spike/base effects," economists at Bank of America Merrill Lynch said in note to its clients. BofAML expects MPC to cut rates by 25 bps in the December policy and another 15 bps in February.

The question is whether the central bank will explicitly say that the rise in inflation is indeed temporary and it would look through. Such a statement would be interpreted that the central bank is open for a further rate cut.

If RBI refrains from saying so and instead comments that the future steps would depend on incoming data, the market will not take any further easing of monetary policy as a given.