

MARKET WATCH

	06-12-2019	% CHANGE
Sensex	40,445	-0.82
US Dollar	71.20	0.13
Gold	38,895	-0.07
Brent oil	63.96	0.63

NIFTY 50

	PRICE	CHANGE
Adani Ports	366.15	-2.25
Asian Paints	1716.65	0.80
Axis Bank	717.60	-11.65
Bajaj Auto	3206.10	-37.00
Bajaj Finserv	8853.10	-112.40
Bajaj Finance	3951.65	-39.20
Bharti Airtel	444.85	-2.50
BPCL	488.50	-3.35
Britannia Ind	3069.00	-13.30
Cipla	455.45	-6.15
Coal India	192.00	-4.40
Dr Reddys Lab	2890.80	19.20
Eicher Motors	20920.00	-497.05
GAIL (India)	117.15	-4.05
Grasim Ind	768.00	-1.30
HCL Tech	560.30	-0.50
HDFC	1246.65	-62.90
HDFC Bank	1246.05	0.45
Hero MotoCorp	2362.20	-34.40
Hindalco	197.95	-0.60
Hind Unilever	2026.05	-11.40
ICICI Bank	524.80	-3.30
Indusind Bank	1465.85	-43.90
Bharti Infratel	259.70	13.65
Infosys	715.10	0.25
Indian OilCorp	124.40	-1.55
ITC	243.35	-3.60
JSW Steel	254.10	2.65
Kotak Bank	1674.30	-25.00
L&T	1290.80	-11.40
M&M	510.20	-14.55
Maruti Suzuki	6886.70	-126.15
Nestle India Ltd.	14166.30	-123.35
NTPC	112.65	-1.45
ONGC	126.55	-2.35
PowerGrid Corp	186.60	-0.70
Reliance Ind	1554.90	4.05
State Bank	320.00	-16.20
Sun Pharma	428.60	-8.10
Tata Motors	161.50	-4.60
Tata Steel	403.25	3.45
TCS	2123.60	2.30
Tech Mahindra	757.50	-7.40
Titan	1172.00	-12.25
UltraTech Cement	4157.85	-3.10
UPL	561.70	-6.85
Vedanta	141.95	-0.55
Wipro	241.00	-2.70
YES Bank	56.00	-6.10
Zee Entertainment	287.70	-12.35

EXCHANGE RATES

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

CURRENCY	TT BUY	TT SELL
US Dollar	70.99	71.31
Euro	78.74	79.10
British Pound	93.22	93.65
Japanese Yen (100)	65.38	65.68
Chinese Yuan	10.10	10.14
Swiss Franc	71.81	72.13
Singapore Dollar	52.20	52.44
Canadian Dollar	53.88	54.13
Malaysian Ringgit	17.06	17.15

Source: Indian Bank

BULLION RATES CHENNAI

December 06 rates in rupees with previous rates in parentheses

Retail Silver (1g)	47.6	(47.5)
22 ct gold (1 g)	3640	(3644)

Vodafone Idea may hang up, says Birla

It will be ‘end of story’ for telco if government does not provide relief on past statutory dues

PRESS TRUST OF INDIA
NEW DELHI

Vodafone Idea Ltd., India’s third-largest mobile service provider, will shut down if the government does not provide relief on the liability it faces on account of past statutory dues following a Supreme Court order, chairman Kumar Mangalam Birla said on Friday.

“If we are not getting anything, then I think it is the end of story for Vodafone Idea,” Mr. Birla said at an event when asked about the future of Vodafone Idea in the absence of any relief from the government with regard to payment of ₹53,038 crore in dues.

Mr. Birla’s Idea Cellular and British telecom giant Vodafone Plc’s India unit had merged last year to compete with the onslaught of free



Mr. Birla was hopeful of relief for industry as a whole, to help pull the economy out from a 6-year low GDP growth. ■ REUTERS

voice calling and dirt cheap data unleashed by Reliance Jio.

In the process, it accumulated ₹1.17 lakh crore in debt and had, just weeks back, posted corporate India’s big-

gest loss after it provisioned for the liability arising from the Supreme Court order, upholding the government’s position as to the base on which statutory liabilities ought to be calculated.

Maruti recalls 63,493 vehicles to fix faulty part

Ciaz, Ertiga among models identified

PRESS TRUST OF INDIA
NEW DELHI

Maruti Suzuki India (MSI) on Friday said it is recalling 63,493 units of petrol smart hybrid (SHVS) variants of Ciaz, Ertiga and XL6 models to rectify faulty motor generator unit (MGU).

“The company will inspect 63,493 vehicles of petrol SHVS of Ciaz, Ertiga and XL6 for a possible issue with the Motor Generator Unit (MGU),” MSI said in a statement. A possible defect may have occurred in the MGU during manufacturing by an overseas global part supplier, it added.

The vehicles were manufactured between January 1, 2019 and November 21,

2019. “In the interest of its customers, the company has decided to proactively recall the vehicles for inspection and those found okay will be released immediately,” MSI said.

Vehicles requiring replacement of faulty part will be retained for part replacement free of cost, it added.

Starting December 6, 2019, owners of the vehicles under this recall campaign will be contacted by Maruti Suzuki dealers for inspection and replacement of the faulty part, the country’s largest carmaker said.

Recall campaigns are undertaken globally to rectify faults that may be potential safety defects.

RBL Bank raises ₹2,025 crore via QIP

Funding to boost capital position

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender RBL Bank has raised ₹2,025 crore through a qualified institutional placement (QIP) to boost its capital position from a host of domestic and foreign institutional investors.

The fund raising will increase the bank’s total capital adequacy ratio to 15.3% and core equity tier I ratio to 14.3%.

The capital adequacy ratio steadily fell from 15.95% in September 2017 to 13.12% in September 2018, and further to 11.88% in September 2019. The bank allocated 5.77 crore equity shares at a price of ₹351 per share.

The issue saw strong demand from domestic as well as foreign qualified institutional buyers. “The overall allocation to domestic investors, including mutual funds and insurance companies, is approximately 60%, with



Vishwavir Ahuja

the balance allocated to foreign institutional investors in Asia and Europe,” the bank said. Bajaj Finance Ltd., the bank’s credit card partner, also participated in the QIP.

“This capital infusion significantly enhances our capital adequacy, and positions us well to capitalise on the various growth opportunities available to us, especially as economic growth returns to normal,” said Vishwavir Ahuja, MD and CEO, RBL Bank.

Axis Bank CFO Sridharan resigns

SPECIAL CORRESPONDENT
MUMBAI

Jairam Sridharan, group executive and chief financial officer of Axis Bank, has resigned to pursue ‘other career opportunities’, the private sector lender said in a notification to the exchanges.

“Sridharan will continue to serve as the group executive and chief financial officer of the bank under his notice period of three months,” the bank said.

Following the development, the bank has initiated a succession plan to find a suitable candidate. Mr Sridharan, an alumnus of IIT Delhi and IIM Calcutta, joined the bank in 2010 from Capital One Financial, a consumer bank based in the U.S.

He had earlier worked with ICICI Bank in its initial foray into retail lending businesses. He was elevated to the current position in October 2015.

LIC, SBI, BoB get time to pare stake in UTI AMC

SEBI sets December 2020 deadline

SPECIAL CORRESPONDENT
MUMBAI

The Securities and Exchange Board of India (SEBI) has directed Life Insurance Corporation of India (LIC), State Bank of India (SBI) and Bank of Baroda (BoB) to bring down their respective holdings in UTI Asset Management Company (UTI AMC) to below 10% by December 31, 2020.

Further, the capital markets regulator has said that in case the entities fail to reduce their holdings, then their shareholding and voting rights in excess of 9.99% would be frozen.

“In the event of non-compliance... the shareholding and voting rights of the noticees in UTI AMC and UTI Trustee in excess of 9.99% and corporate benefits thereon shall stand frozen till such time the noticees comply,” stated the SEBI order issued on Friday.

The three entities have to



reduce their holding in UTI AMC since the regulatory framework does not allow the sponsor of a mutual fund entity to hold more than 10% in another fund house. All the three entities – LIC, SBI and BoB – have their own fund houses and so, have to reduce their stake in UTI AMC.

Currently, LIC, SBI and BoB each have a 18.24% stake in UTI AMC. Incidentally, the earlier deadline for the three entities to bring down their holding in the mutual fund entity was March 12, 2019.

Aramco raises \$25 billion in biggest IPO

REUTERS
DUBAI

Saudi Aramco shares will start trading on December 11, the Saudi securities exchange Tadawul said in a statement on Friday.

Saudi Arabia’s state oil giant priced its initial public offering at 32 riyals (\$8.53) per share on Thursday, raising \$25.6 billion and beating Alibaba Group Holding Ltd’s record \$25 billion listing in 2014.

The offering will value Aramco at \$1.7 trillion – still short of its \$2-trillion goal.

However, many global investors are set to stay away when Aramco debuts on the Riyadh bourse, according to information provided to Reuters. Most of the active fund managers said they would likely steer clear of the IPO, citing persistent concerns about risks around governance, the environment and regional geopolitics.



■ A December 5 notification amended the Foreign Exchange Management Act, 1999

- E-commerce firms must obtain a statutory auditor report
- To be obtained by end of September each year for the preceding fiscal
- Must confirm compliance with foreign direct investment rules
- Norm applies to e-commerce firms with foreign investments

Audit for FDI norms must for e-com firms

Local traders have flagged big discounts

SPECIAL CORRESPONDENT
NEW DELHI

The government has issued new rules that make it compulsory for e-commerce companies with foreign investments to submit an audit report every year, showing that they have been in compliance with the FDI rules for the sector.

According to a notification amending the Foreign Exchange Management Act, 1999, dated December 5, e-commerce companies have to obtain a statutory auditor report by the end of September each year for the preceding financial year.

“Against Sl. No. 15.2.3, for entry (p), the following entry shall be substituted, namely: - (p) e-commerce marketplace entity with FDI shall have to obtain and maintain a report of statutory auditor by 30th of September every year for the preceding financial year, confirming compliance of the e-commerce guidelines,” the new rules say.

The Department of Industrial Policy & Promotion last December issued a clarification to the existing rules pertaining to foreign direct investment in e-commerce companies. One of the main

provisions clarified was that vendors that have any stake owned by an e-commerce company cannot sell their products on that e-commerce company’s portal.

Another provision said any vendor who buys 25% or more of its inventory from an e-commerce group firm will be considered to be controlled by that firm and thereby barred from selling on its portal.

This provision was aimed at ensuring vendors in which marketplaces, such as Amazon, have a stake do not sell the bulk of their items to a third-party vendor who then goes on to sell those items on Amazon’s marketplace.

The rules were also designed to ensure that the e-commerce marketplaces themselves did not influence the prices of the products on sale by providing deep discounts.

Traders’ bodies such as the Confederation of All India Traders have repeatedly approached the government over the past year complaining about how e-commerce firms had been allegedly still violating rules even after the clarification, with deep discounts.

Saudi, Russia push through deeper oil cuts

Lower output to help support prices

REUTERS

Saudi Arabia and Russia spearheaded a deal on Friday in which OPEC and its allies committed to some of the deepest oil output cuts this decade aiming to avert oversupply and support prices.

The group of more than 20 producers agreed to an extra 500,000 barrels per day (bpd) in cuts for the first quarter of 2020, taking the total to 1.7 million barrels a day, or 1.7% of global demand.

Brent oil rose 2% to more than \$64 a barrel after Saudi Energy Minister Prince Abdulaziz bin Salman said effective cuts could be as much as 2.1 million bpd as Saudi would carry on cutting more than its quota.

“The Saudi goal was not necessarily to push oil prices significantly higher, but rather – fresh on the heels of the Aramco IPO – to put a firm floor under them dur-

ing the first quarter to temper any seasonal weakness,” said Amrita Sen, co-founder of Energy Aspects.

OPEC and allied producers, the so-called OPEC+, pump more than 40% of the world’s oil.

Under the new deal, OPEC will shoulder 372,000 bpd in fresh cuts and non-OPEC producers an extra 131,000 bpd, a source told Reuters.

“Best outcome you could have expected. Puts floor under prices at \$60 Brent but (we’re) still likely in \$60-65 Brent market until the global economy improves and then we could see \$65 to \$70 Brent in Q2,” said Gary Ross, founder of Black Gold Investors.

Exporters await clarity on levies

They demand new measures to boost shipments

LALATENDU MISHRA
MUMBAI

India’s first-time exporters and those from the micro, small, medium enterprises (MSME) sector have demanded new measures to boost exports.

They are awaiting clarity on the new export policy of the government and Remission of Duties or Taxes on Export Product (RoDTEP), which will replace Merchandise Export from India Scheme (MEIS) in 2020 as announced by Union Finance Minister Nirmala Sitharaman in September 2019.

Exporters said RoDTEP will more than adequately incentivise exports than the existing schemes put together and they were awaiting the fine print.



Plastic exporters from the MSME sector have also demanded clarity on MEIS for certain categories of products that overlap between plastics and textile sectors.

Since MEIS on the textile sector has been stopped, exporters who deal in both plastics/chemicals and textiles (which are inter-connected) are facing problems in terms of getting refunds

and incentives, said Ravish Kamath, chairman, Plexconcil. “MSME exporters are concerned about existing export incentives and recent trade remedy measures initiated on import of basic inputs. They also seek clarity on the proposed RoDTEP scheme and forthcoming foreign trade policy which will auger well for exports,” said Ajay Kadakia, chairman, Chemexcil.

R. Veeramani, president, Capexil said, “Exporters have also asked the government to focus on the development of infrastructure and basic materials of construction industry and policies such as open FDI norms, large budget allocation to infrastructure sector and smart cities mission.”

Promoters of Welspun buy stake in firm

SPECIAL CORRESPONDENT
MUMBAI

The family office of the promoters of Welspun Group has announced the acquisition of a majority stake in One Industrial Spaces, an integrated fund, development and asset management firm focussed on the warehousing sector in India.

The unspecified investment has been made by the promoters in their personal capacity through a family office investment vehicle.

One Industrial Spaces, which was founded in July 2019 by Anshul Singhal, will now be rebranded as ‘Welspun One Logistics Parks.’

Cotton research bodies in India, Uganda to develop new seed variety

Countries aim to boost income of farmers in African nation

M. SOUNDARIYA PREETHA
COIMBATORE

The Cotton Development and Research Association (CDRA) of Southern India Mills’ Association has signed an agreement with Cotton Development Organisation and National Agricultural Research Organisation of Uganda to develop a cotton seed variety that will help increase the income of farmers in both the countries.

B. Lakshminarayana, former chairman of the SIM-DACDRA, and R. Elango, its chairman, said the 18-month project will look at technology exchange between the two countries to develop a cotton seed variety that will



give higher yield and ginning out turn.

Uganda grows 100% organic cotton and cotton grown by the farmers in Uganda gives higher ginning out turn compared with Indian cotton. However, the yield from the varieties developed by the CDRA are

higher compared with the Ugandan cotton seed. Scientists in the three organisations will work together and seed varieties will be tested in both India and Uganda. The aim is to develop a long-staple cotton seed variety that will increase the income for cotton farmers in Uganda.

“With similar climatic conditions between the two countries, the new variety of seed developed will benefit farmers in India and Uganda,” Mr. Elango said.

“The agreement was signed on November 21 and a detailed plan of action will be finalised soon,” added Mr. Lakshminarayana.

24x7 NEFT facility from December 16

SPECIAL CORRESPONDENT
MUMBAI

The National Electronic Funds Transfer (NEFT) System will be available round-the-clock from December 16, the Reserve Bank of India (RBI) said on Friday.

There will be 48 half-hourly batches every day. The settlement of the first batch will commence after 00:30 hours and the last batch will end at 00:00 hours.

The first settlement will take place after 00:30 hours on December 16, the RBI said.

“The system will be available on all days of the year, including holidays,” the RBI said.