MARKET WATCH

	01-01-2020	% CHANGE
Sensex	41,306	0.13
US Dollar	71.22	0.20
Gold	39,818	-0.41

NIFTY 50

	PRICE	CHANGE
Adani Ports	377.65	11.65
Asian Paints	1793.20	8.25
Axis Bank	748.70	-5.40
Bajaj Auto	3150.10	-34.90
Bajaj Finserv	9378.45	-14.90
Bajaj Finance	4231.30	-3.45
Bharti Airtel	453.30	-2.50
BPCL	491.65	0.10
Britannia Ind	3039.65	11.85
Cipla	475.90	-2.30
Coal India	211.95	0.60
Dr Reddys Lab	2879.40	4.85
Eicher Motors	22075.80	-439.45
GAIL (India)	121.20	0.15
Grasim Ind	742.50	-1.15
HCL Tech	571.95	3.85
HDFC	2433.95	21.40
HDFC Bank	1278.60	6.50
Hero MotoCorp	2432.55	-10.50
Hindalco	214.30	-1.85
Hind Unilever	1936.55	13.55
ICICI Bank	536.75	-2.15
IndusInd Bank	1484.30	-25.70
Bharti Infratel	254.45	1.95
Infosys	736.85	5.70
Indian OilCorp	125.95	0.40
ITC	238.10	0.40
JSW Steel	268.10	-1.95
Kotak Bank	1674.05	-10.30
L&T	1309.95	11.75
M&M	536.60	5.05
Maruti Suzuki	7311.70	-56.90
Nestle India Ltd.	14779.05	-6.30
NTPC	121.55	2.50
ONGC	127.45	-1.35
PowerGrid Corp	195.50	5.25
Reliance Ind	1509.60	-4.45
State Bank	334.45	0.70
Sun Pharma	434.30	1.75
Tata Motors	184.45	-0.70
Tata Steel	467.75	-4.30
TCS	2167.60	5.90
Tech Mahindra	762.10	-0.20
Titan	1154.75	-33.20
UltraTech Cement	4065.00	18.95
UPL	588.25	3.75
Vedanta	154.60	2.15
Wipro	247.70	1.90
YES Bank	46.65	-0.30
Zee Entertainment	288.65	-3.55

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on January 01

CURRENCY	TT BUY	TT SELL
US Dollar	71.02	71.34
Euro	79.63	79.99
British Pound	94.20	94.64
Japanese Yen (100)	65.34	65.64
Chinese Yuan	10.20	10.25
Swiss Franc	73.30	73.77
Singapore Dollar	52.75	53.01
Canadian Dollar	54.63	54.89
Malaysian Ringitt	17.36	17.45

Source:Indian Bank

Auto sector trundles past in December

Maruti, M&M sales rise, Tata Motors, Hyundai clock decline; carmakers adjust deliveries ahead of BS VI

SPECIAL CORRESPONDENT
NEW DELHI

The year 2019 ended on a mixed note for the auto sector with carmakers such as Maruti Suzuki and M&M posting a growth in domestic passenger vehicle wholesales in December and players like Tata Motors, Hyundai, Honda and Toyota witnessing a decline as many manufacturers adjusted deliveries to dealers ahead of the transition to BS-VI vehicles.

Uncertain path

- Maruti Suzuki clocks a 2.5% rise in domestic PV sales to 1.22 lakh units
- M&M domestic PV sales rise 4% to 15,691 units
- Tata Motors' PV sales drop 10% to 12,785 units
- Hyundai Motor sales down 10% to 37,953 units
- Toyota Kirloskar domestic sales drop 45% to 6,544 units

Market leader Maruti Suzuki posted a 2.5% rise in its domestic passenger vehicle wholesales at more than 1.22 lakh units in December 2019 against 1.19 lakh units in the year-earlier month.

Mahindra & Mahindra too saw growth of 4% in domestic passenger vehicle sales to 15,691 units compared with 15,091 units. Its commercial vehicles (CV) segment, saw a decline of 5%. to 16,018 vehicles in December 2019 against 16,906 vehicles. Veejay Ram Nakra, chief of sales and marketing, automotive division, M&M Ltd., said, "As we get into the new year, we are fully equipped to roll out our BS-VI products and have taken all requisite measures for a smooth transition over the next three months."

Tata Motors reported a 12% decline in total vehicle sales in the domestic market to 44,254 units in December. Total passenger vehicle sales last month stood at 12,785 units against 14,260 units, down 10%, Tata Motors said.

Tata Motors president (PV business unit) Mayank Pareek said, "Our focus in December has been to drive retail and minimise the network stock to facilitate a smooth transition to BS-VI."

CV sales down

The firm's commercial vehicle sales in December 2019 stood at 34,082 units as against 40,015 units, down 15%.

Hyundai Motor India said it had sold 37,953 units last month compared with 42,093 units, down almost 10%. For the full calendar year (2019), the company said it had sold more than 5.1 lakh units, down 7.2% from the more than 5.5 lakh units in 2018.

The company's director, sales, marketing and service, Tarung Garg said, "The year 2019 has been a challenging one for the Indian automotive industry. Even in such adverse conditions, Hyundai has launched four new benchmark products in different segments."

Honda Cars India said it sold 8,412 units in the country in December 2019 against 13,139 units sold in December 2018.

Toyota Kirloskar Motor's domestic sales in December 2019 stood at 6,544 units compared with 11,836 units, down 45%. New entrant MG Motor India posted retail sales of 3,021 units in December 2019.

(With PTI inputs)

₹700-cr. investment on hold, says Hero Electric

FAME II failed to deliver: MD Munjal

PRESS TRUST OF INDIA
NEW DELHI

Naveen Munjal

Electric two-wheeler maker Hero Electric has put on hold investment of up to ₹700 crore for a year with the sector taking a nosedive as FAME II, the scheme aimed at promoting electric vehicles (EVs), has failed to deliver, according to a top company official.

Calling for a complete revamp of policy, the firm wants the Centre to include low speed two-wheelers for subsidy, arguing that for mass adoption of EVs in India, these cost-effective vehicles were critical.

"From an industry standpoint, there was a certain trajectory which was going on when we had FAME I... the manner in which FAME II was introduced, the whole industry took a downturn and [is] now recovering from that," said Hero Electric MD Naveen Munjal.

As per Society of Manufacturers of Electric Vehicles, sales of FAME II qualified electric two-wheelers fell 93.84% to 3,000 units in the April-December 2019 period as against 48,671 units a year earlier.

Mindspace Business plans REIT listing

Offer includes ₹1,000 cr. in fresh units

SPECIAL CORRESPONDENT
MUMBAI

Mindspace Business Parks has become the second entity – after Embassy Office Parks REIT – to plan a real estate investment trust (REIT) listing on the bourses.

The entity has filed the draft document for an REIT offering, comprising a fresh issue of units worth ₹1,000 crore, along with an offer for sale. The REIT is sponsored by K. Raheja Corp. group companies Cape Trading LLP and Anbee Constructions LLP, and is managed by K. Raheja Corp Investment Managers LLP.

According to a company statement, Mindspace Business Parks REIT owns commercial space in the Mumbai Region, Hyderabad, Pune and Chennai, and its portfolio has five integrated business parks and five independent offices.

Further, its portfolio has total leasable area of 29.5 million square feet (msf), comprising 19.8 msf of completed area, 6.1 msf under construction area and 3.6 msf of future development area, as of June 30, 2019.

The portfolio has 173 tenants with no single tenant contributing more than 8.7% of its gross contracted rentals. Approximately 84.5% of its rentals were derived from multinational corporations and approximately 34.8% from Fortune 500 firms, the release said.

Park Hotels files papers for ₹1,000-cr. IPO

SPECIAL CORRESPONDENT
MUMBAI

Apeejay Surrendra Park Hotels has filed the draft red herring prospectus for an initial public offering worth ₹1,000 crore, comprising fresh issue of shares worth up to ₹400 crore and an offer for sale aggregating up to ₹600 crore by entities including Apeejay Surrendra Trust, Apeejay Pvt. Ltd., Apeejay House Pvt. Ltd. and RECP IV Park Hotel Investors.

A company statement said it was one of India's top 10 hospitality firms in the upscale segment through 'The Park' brand.

It added that the firm owned and operated, as also managed, 22 hotels in 15 cities with 1,937 rooms.

IRDAI fines Maruti, Hero broking firms

Authority says affidavits by officers of firms 'contrary to facts'; fines total ₹5.18 cr.

SPECIAL CORRESPONDENT
HYDERABAD

The Insurance Regulatory and Development Authority of India (IRDAI) has imposed a penalty of ₹3 crore on Maruti Insurance Broking (MIBL) and ₹2.18 crore on Hero Insurance Broking India (HIBIL) for not complying with the Motor Insurance Service Provider (MISP) guidelines.

In separate orders, the Authority directed the entities to make certain changes for compliance and improved governance.

Taking serious note of the affidavit filed by the respective Principal Officers of MIBL and HIBIL, the regulator said the affidavits were contrary to the facts. Hence, it directed the entities to not pay performance incentives to the respective Principal Officer for one year, from the date of order.

The action against MIBL and HIBIL followed the regulator deciding to call for information, from select insurance intermediaries mainly involved in selling and servicing motor insurance policies through the motor dealers. Providing the backdrop was the completion of one year since the MISP guidelines were issued.

Conflict of interest

IRDAI had also received complaints from some general insurance agents who sought to highlight the apparent conflict of interest in the role of MISPs in selling insurance policies and servicing and repairing motor vehicles. The "high claims ratio under the MISP channel, extra payments made to MISP by insurers, disparity of treatment to agents," were cited.

The Authority also got complaints from insurance firms that insurance intermediaries have created a panel of insurers in violation of MISP guidelines.

Though separate orders, passed in the third week of December but made public recently, there were several common points, including a direction to both MIBL and HIBIL to "dismantle panel of insurers and empanel all insurers on platform, have full integration with insurers' computer systems, ensure premiums quoted to customers come directly from insurer's systems without any intervention by the broker."

IRDAI directed the two entities to redesign the current system of seeking customer consent for purchasing motor insurance in such a manner that the customer exercises choice of selecting the insurer through an OTP-based system at the time of issuance of a new motor insurance policy and its renewal.

Infra projects cost overrun at over ₹4-lakh cr.

PRESS TRUST OF INDIA
NEW DELHI

As many as 388 infrastructure projects, each worth ₹150 crore or more, are among those that have been hit by cost overruns of more than ₹4 lakh crore owing to delays and other reasons, says a report.

The Ministry of Statistics and Programme Implementation said of the 1,636 projects above the said size, 388 projects reported cost overruns and 563 projects, time escalation.

"Total original cost of implementation of 1,636 projects was ₹19,52,524.85 crore and their anticipated completion cost is likely to be ₹23,53,108.80 crore, which reflects overall cost overruns of ₹4,00,583.95 crore," said the Ministry's report for October 2019.

The expenditure incurred on these projects till October 2019 is ₹10.32 lakh crore, or 43.86% of the estimated project cost.

Pumpset makers edgy over energy norms

BEE approval getting delayed, they say

M. SOUNDARIYA PREETHA
COIMBATORE

Pumpset manufacturers will have to meet a revised set of guidelines starting January 1 to get energy efficiency star rating for their products but there is a delay in getting the Bureau of Energy Efficiency (BEE) approval for the applications submitted, according to manufacturers here.

The manufacturers, including those making star-rated pumpsets, will have to get the entire range of products tested at an independent laboratory, get the results approved by the Bureau of Indian Standards and apply to the BEE for star-rating approval. The BEE had announced the new standards a couple of months ago. Even in pumpset-making hubs such as Coimbatore, Ahmedabad, and Rajkot, most manufacturers are yet to get BEE approvals, they said.

"Pumpsets will have to have the new star rating for energy efficiency. But we are yet to get required approvals. If a manufacturer had made 5-star rated energy efficiency pumpsets earlier, the same product will come to a lower category such as 3-star, now," said V. Krishnakumar, president, Southern India Engineering Manufacturers' Association.

FDI rises 15% to $26 billion in April-Sept.

PRESS TRUST OF INDIA
NEW DELHI

Foreign direct investment into India grew close to 15% to $26 billion during the first half of the current financial year, according to government data.

Inflow of foreign direct investment (FDI) during April-September of 2018-19 stood at $22.66 billion.

Sectors that attracted maximum foreign inflows during April-September 2019-20, include services ($4.45 billion), computer software and hardware ($4 billion), telecommunications ($4.28 billion), automobile ($2.13 billion) and trading ($2.14 billion), the Commerce and Industry Ministry data showed.

Singapore continued to be the largest source of FDI in India during the first half of the financial year, with $8 billion investments.

Reforms to spur recovery in 2020: India Inc.

Infrastructure push to help; industry moots sizeable cut in personal income tax

PIYUSH PANDEY
MUMBAI

After a forgettable 2019, India Inc. is expecting a rebound in economic growth in 2020 due to the reforms announced by the Centre.

"We are bullish about the prospects for not just Vedanta but also for the Indian economy in 2020," said Vedanta chairman Anil Agarwal.

"A lot of work, in terms of structural reforms that has happened in 2019, will start to bear fruit as we move ahead in the new year when we see India's GDP growth picking up pace," he added.

Last year, the government had announced a host of reforms, including reduction of corporate tax significantly from the more-than 30% to an effective rate of 25.17% and, for new manufacturing units, 17.16%.

Vikram Kirloskar

"2020 will be one of economic rebound; the expectation is that the economy will regain its dynamic growth trajectory once again and take its position to [reaching] $5 trillion by 2025. Inflation conditions in 2020 will remain benign except for a few fluctuations because of weather disruptions, said D.K. Aggarwal, president, PHD Chamber of Commerce and Industry. At this juncture, he added, the focus of the government must be to refuel consumption demand with a significant reduction in personal income tax.

The government on Tuesday announced a detailed road map for ₹102 lakh crore worth of infrastructure investment over FY20-25, which is likely to spur economic activity and revive growth.

"It is a welcome move from the point of view of the infrastructure sector and reinforces the government's commitment towards making India a leading world economy," said Anshuman Magazine, chairman & CEO, India, South East Asia, Middle East & Africa, CBRE.

According to industry body CII, a gradual recovery is expected in 2020 as there are nascent signs that the economy is on a better footing than the year gone by.

With proactive measures taken by the government and the Reserve Bank of India, the industry believes that gradual recovery will soon take place.

Signs of recovery

"Nascent signs of recovery are noted in the form of improved PMIs of manufacturing and services, a jump in passenger air traffic and sharp moderation in the decline in sales of passenger cars, among others," said Vikram Kirloskar, president, CII.

"Though we may continue to see a subdued GDP print in the third quarter, the quarters thereafter are likely to see a rebound," he added.