

MARKET WATCH

	14-02-2020	% CHANGE
Sensex	41257	-0.48
US Dollar	71.37	-0.08
Gold	41481	-0.007
Brent oil	57.27	1.59

NIFTY 50

	PRICE	CHANGE
Adani Ports	366.85	-2.25
Asian Paints	1877.05	3.00
Axis Bank	736.50	-11.30
Bajaj Auto	3146.40	-10.00
Bajaj Finserv	9690.50	-26.70
Bajaj Finance	4781.75	-13.60
Bharti Airtel	565.00	25.05
BPL	476.45	7.45
Britannia Ind	3096.65	-38.55
Cipla	447.10	3.70
Coal India	174.75	-3.05
Dr Reddys Lab	3304.30	-20.30
Eicher Motors	18703.55	-651.75
GAIL (India)	122.55	-7.75
Grasim Ind	743.05	-9.20
HCL Tech	621.65	9.20
HDFC	2401.75	-1.90
HDFC Bank	1219.35	-22.05
Hero MotoCorp	2356.50	-52.45
Hindalco	194.00	-1.25
Hind Unilever	2255.05	-28.35
ICSI Bank	545.80	-9.90
IndusInd Bank	1176.00	-54.75
Bharti Infratel	235.45	-9.40
Infosys	786.45	-5.80
IndianOilCorp	115.10	0.35
ITC	207.70	-4.20
JSW Steel	289.15	-4.20
Kotak Bank	1680.95	-8.85
L&T	1295.15	2.90
M&M	523.00	-10.60
Maruti Suzuki	6913.80	-91.25
Nestle India Ltd.	16356.45	-55.75
NTPC	112.70	-2.45
ONGC	103.30	-2.05
PowerGrid Corp	184.10	-6.45
Reliance Ind	1487.60	13.45
State Bank	319.40	-8.05
Sun Pharma	418.55	-0.40
Tata Motors	169.10	-0.40
Tata Steel	434.55	-6.70
TCS	2184.20	-7.75
Tech Mahindra	834.15	6.15
Titan	1293.45	-4.65
UltraTech Cement	4434.35	-16.15
UPL	591.65	12.90
Vedanta	141.10	-1.40
Wipro	242.90	-0.85
YES Bank	38.90	1.70
Zee Entertainment	238.75	1.60

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 14

CURRENCY	TT BUY	TT SELL
US Dollar	71.16	71.48
Euro	77.11	77.46
British Pound	92.73	93.15
Japanese Yen (100)	64.78	65.09
Chinese Yuan	10.18	10.23
Swiss Franc	72.49	72.81
Singapore Dollar	51.13	51.37
Canadian Dollar	53.71	53.95
Malaysian Ringgit	17.17	17.27

Source: Indian Bank

Duty cut to revive horse breeding

SPECIAL CORRESPONDENT CHENNAI

The National Horse Breeding Society of India has thanked the Union Finance Minister Nirmala Sitharaman for taking steps to help revive the horse-breeding industry and making 'Make in India' a possibility for Indian breeders.

The Finance Minister, while presenting the Budget on February 1, had announced a reduction of customs duty for import of pure-line breeding stock.

While thanking the Finance Minister, Ameeta Mehra, council member, National Horse Breeding Society of India, and MD, Usha Stud Farms, said the reduction in customs duty would enable breeders to buy better quality parentage breeding stallions and broodmares to produce young stock that had the potential for exports. Besides, it would also make Indian breeding competitive globally. According to Ms. Mehra, several neighbouring countries were buying a large number of expensive horses from Australia, the EU and Japan. "There is a large untapped export potential."

Bharti to make ₹10,000 cr. part payment in AGR dues by Feb. 20

Promises to clear remaining dues 'well before' March 17, the date of next hearing

YUTHIKA BHARGAVA NEW DELHI

Bharti Airtel on Friday committed to deposit a part payment of ₹10,000 crore as part of its adjusted gross revenue-related dues by February 20, 2020, and promised to clear the remaining dues 'well before' March 17, the next date of the court hearing on the issue.

This follows the Supreme Court's Friday order asking the managing directors and directors of companies, including telecom majors Bharti Airtel and Vodafone Idea, to show cause as to why contempt proceedings should not be initiated against them for failing to pay even a 'single penny' to the government despite an October 2019 judgment of



Mounting pile: Bharti Airtel's liabilities add up to nearly ₹35,586 cr., of which ₹21,682 cr. is for licence fees. ■ REUTERS

the apex court. "In compliance with the judgment of the Hon'ble Supreme Court and their direction today, we shall deposit a sum of ₹10,000 crore [on account] by February 20, 2020, on behalf of the Bharti Group companies (Bharti Airtel,

Bharti Hexacom and Telenor India)," the company said in a letter addressed to the Member (Finance) at the Telecom Ministry.

Bharti Airtel's liabilities add up to nearly ₹35,586 crore, of which ₹21,682 crore is towards licence fee and

₹13,904.01 crore, SUC dues (excluding dues of Telenor and Tata Teleservices).

'Complicated process' In the letter, accessed by *The Hindu*, Bharti Airtel said as per directions from the department, the firm was in the process of completing the self assessment exercise. "You will appreciate this is a complicated process, covering 22 circles, multiple licences and a substantial period of time and hence, is time consuming," it said.

The company added that it was confident of completing the self-assessment exercise shortly and "make the balance payment, well before the next date of hearing fixed by the Hon'ble Supreme Court."

Karnataka HC stays CCI order against Amazon, Flipkart

'Centre probing FEMA violation charge against e-com giants'

SPECIAL CORRESPONDENT BENGALURU

In a relief to e-commerce majors Amazon and Flipkart, the Karnataka High Court on Friday stayed the Competition Commission of India's order directing an investigation through its Director General into whether they had entered into anti-competitive agreements in violation of the provisions of the Competition Act 2002.

Justice P.S. Dinesh Kumar passed the interim order while admitting a petition filed by Amazon Seller Services Pvt. Ltd., and stayed the January 13 order of the CCI. The CCI had ordered the probe on a complaint by Delhi Vyapar Mahasangh



(DVM), which had alleged that Amazon and Flipkart were giving preference to select sellers and offering deep discounts by indulging in anti-competitive agreements.

Noting that the FDI policy prohibits an investor from indulging in deep discounts, giving preference to sellers,

etc., on online marketplace, and that the Centre had initiated a probe under FEMA to ascertain whether the allegation of violation of conditions was true, the court said the complaint by DVM before the CCI too was on the same issue.

The CCI, the court said, had not properly deliberated the issues to come to a conclusion that there exists a case to conduct an investigation as it had concluded there was a possibility of an exclusive partnership between smartphone makers and e-commerce platforms though the agreements cited in the complaint were between the online platforms and the sellers.

Textile policy to be rolled out by mid 2020

Mega parks will help country scale, spurring cost effectiveness: Textiles Secretary

M. SOUNDARIYA PREETHA COIMBATORE

The Central Government is expected to roll out a Textile Policy by the middle of this year, according to Ravi Kapoor, Secretary of the Union Ministry of Textiles.

"We are working on a policy. Two rounds of consultations have been held with the stakeholders. Hopefully by mid-year we should have the new policy," Mr. Kapoor told *The Hindu* on Thursday.

On the measures to be taken to attract investments in textiles and clothing, he said the need for cost effectiveness is a major challenge.

One factor affecting cost effectiveness is lack of scale. "New industries should look at scale. The Ministry plans to develop 10 mega textile parks. Each one will be an in-

SpiceJet gets 'interim offer' from Boeing

Claims ₹537 cr. citing grounded craft

JAGRITI CHANDRA NEW DELHI

Low-cost carrier SpiceJet has received an 'interim offer of compensation' from Boeing for the grounding of its 13 Boeing 737 MAX planes following a global ban on the aircraft, the airline said on Friday.

The airline had drawn up a claim of ₹537 crore since the grounding of the aircraft in March 2019. The claim is for expenses incurred on lease rentals and 'other identified expenses relating to the Boeing 737 MAX aircraft'. The update on the status of compensation was part of the airline's financial results for the quarter ended December 31, 2019.

"Based on current stage of discussions with, and considering the interim offer of compensation received from, the aircraft manufac-

SpiceJet would have had a Q3 loss of ₹173 crore if it had not included the claim it has staked with Boeing

turer, its own assessment and legal advice obtained by the company, management is confident of collection of the above income recognised by the company," as per the carrier's comments on the financial statement.

In a statement, the carrier said it had recorded a 33% rise in profit to ₹73.2 crore. "Had the company not recognised such other income, the reported profit for the quarter would have been a loss of ₹1,73.195 crore," said the independent auditor's review report made to the board, referring to the compensation claim the airline expects to make to Boeing.

Exports decline 1.66% in January

PRESS TRUST OF INDIA NEW DELHI

The country's exports dropped 1.66% to \$25.97 billion in January, the sixth straight month of contraction, on account of a significant fall in shipments of petroleum, plastic, carpets, gems and jewellery, and leather products.

Imports also fell for the eighth consecutive month, down 0.75% to \$41.14 billion in January, widening the trade deficit to a seven-month high of \$15.17 billion, according to government data on Friday. Gold imports shrunk by about 9% to \$1.58 billion during the month under review.

Last time, it was in June 2019 when trade deficit aggregated at \$15.28 billion. Of the 30 key sectors, as many as 18 segments showed negative growth in exports during the month.



Bolstering scale: Any State with 1,000 acres for a textiles park will be supported, says Ravi Kapoor. ■ E.LAKSHMI NARAYANAN

egrated park. We hope to bring some economies of scale with this. India should be a destination for Foreign Direct Investment in textiles. We need good infrastructure for it." The Ministry is talking to the States and a meeting

will be held on Monday too. Any State which has minimum 1,000 acres ready for the park will be supported to develop it, he said.

The Secretary was hopeful of textile and garment exports increasing this finan-

cial year compared to last year, when it was roughly \$38 billion. Indian exporters are largely cotton based. "We should move to MMF (manmade fibre). If Indian exports in MMF grow to the level of cotton (ie, the share of Indian cotton product exports in global trade) the overall exports will increase by \$20-25 billion," he said.

Another thrust area will be technical textiles. The Cabinet is expected to approve the National Technical Textiles Mission, announced in the Budget, soon. It will be rolled out in a couple of months. "We are going to spend ₹1,000 crore in developing raw materials for technical textiles; research associations will be asked to produce applications for these."

'Overzealous interpretation of law poses risk to independent directors'

Penalising them for a company's action would be counter-productive: Sinha

SPECIAL CORRESPONDENT MUMBAI

Overzealous interpretation of the law regarding the duties and responsibilities of independent directors will make such directors risk-averse and the companies will suffer in the process, said former SEBI chairman U.K. Sinha.

'Problem area' "This is a problematic area... I think the balance in law is there... Unfortunately, we had some examples in the last three years where there have been overzealous interpretations. And that has led to a problem," Mr. Sinha said on the sidelines of the CII Corporate Governance Summit.

The former SEBI chief further said that the rules



U.K. Sinha

clearly stated what the liabilities of an independent director were and action should be taken only if it was proved that there was an act of omission.

Penalising independent directors for the company's action about which the director had no knowledge

would be counter-productive, he said. This assumes significance as there had been a few instances wherein even warrants had been issued against independent directors for decisions taken by the board at a time when the director was not even on the board of the company.

HDFC chief executive officer Keki Mistry, while speaking at the event, said that independent directors needed some amount of immunity and should not be held accountable for the company's actions that are beyond the control of such directors.

"Some immunity and protection should be given to independent directors," Mr. Mistry said.

Further, he spoke about the increasing influence of

shareholder activism, which at times, he said, even tried to influence board decisions.

He highlighted a few instances wherein such activists objected to the directorship of long-serving individuals, including founders, on the board of the company.

Whistle-blowers While stressing that genuine whistle-blowers needed to be rewarded and protected, he said that those who tried to misuse the system should be "penalised".

Mr. Mistry also highlighted the role of proxy advisory firms, which, according to him, would become more 'pronounced' in the coming days making companies more careful in terms of corporate governance.

SC refuses to extend BS-IV deadline

LEGAL CORRESPONDENT NEW DELHI

The Supreme Court on Friday refused to entertain a plea by automobile dealers for permission to sell and register vehicles following the Bharat Stage-IV standard emission norms beyond April 1, 2020.

The court had, in 2018, banned the sale and registration of these vehicles beyond this cut-off date. The plea filed by the automobile dealers, which came up before a Bench of Justices Arun Mishra and Deepak Gupta, sought an extension of a month because they were staring at the prospect of unsold inventory. "There is a slowdown... Kindly allow us to sell BS-IV vehicles to clear stock," they argued.

The Bench pointed out that the cut-off date was passed in an order in 2018.

Vivo to invest in local manufacture, expansion

Firm embarks on ₹7,500-crore plan

LALATENDU MISHRA MUMBAI

Chinese smartphone major Vivo has chalked out a strategy to build a long-term plan in India to be a potent player by investing in local manufacturing and retail expansion.

The company, in addition to embarking on a fresh investment plan of ₹7,500 crore in India, is laying a strong retail and servicing presence in the country with an aim to stay ahead in the race.

Exclusive stores This year, Vivo India will set up an additional 300 exclusive stores in key markets of the country besides 20 experience centres in metros to showcase, sell and explain the benefits about its differentiated products to customers. In a sector



Nipun Marya

where the stakes are very high, Vivo, in five years of entering India, has emerged as a major player due to its value-for-money products that are technologically superior, a top executive said.

"Innovation and consumer understanding has driven the growth of Vivo in India and this will remain our clear focus as we proceed," said Nipun Marya, director, Brand Strategy, Vivo India.

Lakshmi Vilas Bank needs up to ₹2,000 cr. to stay afloat: CEO

Third quarter results kindle hope of raising funds, he says

N. ANAND CHENNAI

Funds-starved Lakshmi Vilas Bank Ltd. (LVB) requires up to ₹2,000 crore to keep itself afloat, said a top executive of the bank.

"We require about ₹1,500 crore to ₹2,000 crore to improve our loan book and operations," S. Sundar, interim managing director and CEO, Lakshmi Vilas Bank, said. "We hope we can raise the funds as we have started showing progress in our third quarter results."

According to him, one-third of the amount would be required for working capital, provisioning and for lending. "With ₹700 crore,

we can easily build our loan book to ₹7,500 crore and improve our performance. With the available funds, we can carry on for two to three years," he said.

Mr. Sundar replied in the negative when asked if they have had any discussions with prospective investors.

On Friday, LVB constituted a team of experts, which includes Mr. Sundar, a promoter head, and non-executive director K.R. Pradeep, discuss with potential strategic investors on funds and to explore ways to bail it out.

Q3 loss narrows Meanwhile, LVB's net loss for the third quarter ended

December 2019 narrowed to ₹334.48 crore from ₹373.49 crore a year earlier, on lower provisions. Cash recovery was ₹266 crore and fresh slippages were ₹256 crore.

During the quarter, LVB reported a net interest income of ₹125.91 crore against ₹138.79 crore. The provision coverage ratio rose to 68.70% (55.93%). Net interest margin improved to 1.97% from 1.65%.

The gross non-performing assets (NPA) of the bank increased to 23.27% from 13.95%, whereas net NPAs jumped to 9.81% from 7.64%. "We expect to recover at least ₹1,800 crore," Mr. Sundar said.

Vinay Dube appointed as GoAir CEO

SPECIAL CORRESPONDENT MUMBAI

GoAir has appointed Vinay Dube, the former CEO of Jet Airways, as its new CEO.

Mr. Dube will report to chairman Nusli Wadia, managing director Jeh Wadia, and the board. He will be responsible for the management of the airline.

"Mr. Dube's proficiency in leading enterprises with more than 20,000 employees and consistently delivering margin expansion, revenue growth and operational excellence while developing platforms of world-class customer service and employee engagement is something that GoAir will benefit from," Mr. Jeh said.

LIC Housing Finance asks 14 developers to seek AIF funding

Experiencing growth in the sector, things will improve: MD

SPECIAL CORRESPONDENT MUMBAI

LIC Housing Finance has advised 14 real estate developers to seek finance from the Alternative Investment Fund for last mile funding.

Last year the government has set up a ₹25,000-crore bailout fund to finance 1,600 stalled housing projects.

The government has put in ₹10,000 crore in the alternative investment fund (AIF) while State Bank of India and Life Insurance Corporation have extended ₹15,000 crore.

"We have some eligible 14 projects for the alternate investment fund which was

Mr. Mohanty said that LIC Housing Finance's exposure to the 14 housing projects is about ₹1,100 crore

created last year. We have advised those developers to be in touch with SBI Caps and the process has started," LIC Housing Finance MD & CEO Siddhartha Mohanty said at the sidelines of an event. He said the company's exposure to these projects is about ₹1,100 crore.

"Those projects are eligible but it takes time because project completion is not an overnight job. It takes time

for a lender to appraise and it is construction-linked. These projects need last-mile funding. We are experiencing some growth in the sector; the slowdown has gradually gone away and things will improve," he added.

The home financier has developed a mobile application, in partnership with Google Cloud, to reach out to a broader set of customers with an aim to minimise the loan application process.

The application will provide instant eligibility for pre-approved home loans, based on know-your-customer and other data provided by applicants.

Sical Logistics posts Q3 loss of ₹48 crore

SPECIAL CORRESPONDENT CHENNAI

Sical Logistics Ltd. an integrated logistics provider and unit of the Coffee Day group, has posted a net loss of ₹48.28 crore for the third quarter ended December 2019 against a profit of ₹7.96 crore registered during the corresponding year-ago period. In the period, revenue from operations dipped 59.72% to ₹142.31 crore.

In accompanying notes, the company said it had not serviced debts on due dates to banks and financial institutions, amounting to ₹121.24 crore, of which the principal was ₹99.51 crore and interest, ₹21.73 crore.