

MARKET WATCH

| | 18-02-2020 | % CHANGE |
|-----------|------------|----------|
| Sensex | 40,894 | -0.39 |
| US Dollar | 71.54 | -0.35 |
| Gold | 41,865 | 0.57 |
| Brent oil | 56.45 | -1.40 |

NIFTY 50

| | PRICE | CHANGE |
|-------------------|----------|---------|
| Adani Ports | 366.60 | 3.80 |
| Asian Paints | 1863.65 | -17.75 |
| Axis Bank | 733.65 | -4.75 |
| Bajaj Auto | 3082.50 | 6.90 |
| Bajaj Finserv | 9529.50 | 0.65 |
| Bajaj Finance | 4758.00 | -18.65 |
| Bharti Airtel | 548.25 | -16.60 |
| BPLCL | 470.75 | 9.10 |
| Britannia Ind | 3066.45 | -17.65 |
| Cipla | 436.00 | 4.10 |
| Coal India | 171.85 | 4.00 |
| Dr Reddys Lab | 3251.35 | -44.20 |
| Eicher Motors | 18760.35 | 224.45 |
| GAIL (India) | 119.45 | 1.45 |
| Grasim Ind | 723.90 | -13.50 |
| HCL Tech | 607.05 | -6.40 |
| HDFC | 2318.80 | -31.45 |
| HDFC Bank | 1213.25 | -3.90 |
| Hero MotoCorp | 2252.65 | -30.70 |
| Hindalco | 184.35 | -5.90 |
| Hind Unilever | 2234.40 | -18.20 |
| ICICI Bank | 541.20 | -0.40 |
| Indusind Bank | 1140.70 | -32.25 |
| Bharti Infratel | 210.00 | -25.00 |
| Infosys | 797.65 | 8.20 |
| Indian Oil Corp | 112.65 | 0.85 |
| ITC | 203.85 | -0.95 |
| JSW Steel | 284.80 | -3.35 |
| Kotak Bank | 1691.00 | -0.10 |
| L&T | 1286.35 | 6.15 |
| M&M | 523.20 | 0.45 |
| Maruti Suzuki | 6781.10 | -125.65 |
| Nestle India Ltd. | 16403.85 | -184.60 |
| NTPC | 109.60 | -0.70 |
| ONGC | 99.30 | -0.65 |
| PowerGrid Corp | 185.00 | 1.40 |
| Reliance Ind | 1467.40 | -10.85 |
| State Bank | 317.55 | 3.35 |
| Sun Pharma | 408.65 | 0.25 |
| Tata Motors | 161.60 | -7.50 |
| Tata Steel | 431.40 | -5.45 |
| TCS | 2215.75 | 12.50 |
| Tech Mahindra | 838.80 | 5.55 |
| Titan | 1311.00 | -5.05 |
| UltraTech Cement | 4475.70 | 25.85 |
| UPL | 585.20 | -9.80 |
| Vedanta | 140.55 | -1.55 |
| Wipro | 244.05 | 0.25 |
| YES Bank | 35.05 | -2.10 |
| Zee Entertainment | 245.60 | 6.40 |

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 18

| CURRENCY | TT BUY | TT SELL |
|--------------------|--------|---------|
| US Dollar | 71.35 | 71.67 |
| Euro | 77.25 | 77.60 |
| British Pound | 93.08 | 93.50 |
| Japanese Yen (100) | 65.03 | 65.33 |
| Chinese Yuan | 10.19 | 10.24 |
| Swiss Franc | 72.74 | 73.07 |
| Singapore Dollar | 51.25 | 51.49 |
| Canadian Dollar | 53.82 | 54.07 |
| Malaysian Ringgit | 17.16 | 17.26 |

Source: Indian Bank

BULLION RATES CHENNAI

February 18 rates in rupees with previous rates in parentheses

| | | |
|--------------------|------|--------|
| Retail Silver (1g) | 50.6 | (50.2) |
| 22 ct gold (1 g) | 3926 | (3902) |

IN BRIEF



PrimInvestor.in to guide retail investors

CHENNAI
A team of investment experts has launched PrimInvestor.in, a subscription-based research and recommendations platform for investors. It is a platform for retail investors seeking guidance for their personal finance decisions, the company said. Investors will have access to in-depth research and recommendations on mutual funds, bonds, fixed deposit products and exchange-traded funds.

Ship to skip Cochin port over COVID-19 fears

CHENNAI
MV World Odyssey, a Semester at Sea (SAS) passenger ship, has decided to divert route from port stops in Malaysia and India. Cochin Port is being skipped following the confirmation of two cases of COVID-19 in Kerala. Currently, the ship, carrying about 600 students, is conducting a multi-country study abroad programme as per Spring 2020 schedule. It left San Diego on January 4 and will reach Port Klang, Malaysia on February 19 for provisioning and bunkering.

Ravi Viswanathan is TVS Supply Chain JMD

CHENNAI
Ravi Viswanathan took charge as the joint managing director (JMD) of TVS Supply Chain Solutions (TVS SCS). He will report to the company's managing director R. Dinesh. On April 1, 2020, Mr. Viswanathan will also assume the role of the chief executive officer of the company. He joins TVS SCS from Tata Consultancy Services where he was, until recently, the global chief marketing officer. Mr. Viswanathan is an alumni of the REC Tiruchirappalli.

Foodgrain production set to touch a record high

Abundance of late monsoon rains resulted in larger-than-expected harvests

SPECIAL CORRESPONDENT NEW DELHI

Total foodgrain production is projected to scale an all-time high of almost 292 million tonnes in 2019-20, propelled by record production of both rice and wheat, according to the Agriculture Ministry's second advance estimates released on Tuesday.

Production of several crops, including rice and major pulses, was lower than targeted in the kharif or the monsoon season. However, the abundance of late monsoon rains resulted in cumulative rainfall that was 10% higher than the long-period average for the season.

This helped farmers rake in rabi or winter harvests that were larger-than-expected in almost all crops.

Thus, the estimate for total foodgrain output of

Food for the palate

The estimated total foodgrain output of 291.95 MT is over 6 MT higher than that produced in 2018-19

| In million tonnes-MT | 2018-19 | 2019-20 target | 2019-20 2nd advance estimate |
|----------------------------|---------|----------------|------------------------------|
| Total foodgrain production | 285.21 | 291.10 | 291.95 |
| Rice | 116.48 | 116.00 | 117.47 |
| Wheat | 103.60 | 100.50 | 106.21 |
| All pulses | 22.08 | 26.30 | 23.02 |
| Jowar | 3.48 | 4.90 | 4.38 |
| Bajra | 8.66 | 9.50 | 8.90 |

SOURCE: GOVT.

291.95 million tonnes is more than six million tonnes higher than the 285.21 million tonnes produced in 2018-19.

Higher rice output

The Agriculture Ministry expects rice production to reach 117.47 million tonnes, slightly higher than the

116.48 million tonnes produced in the previous year. Wheat, which is only grown in the rabi season, will see a major surge in production at 106.2 million tonnes in the current year, from the 103.6 million tonnes in 2018-19.

Despite the government's drive to encourage millets and nutri-cereals, produc-

tion failed to match targets this year, with the estimate pegged at 45.24 million tonnes.

Pulses production was also estimated to come in lower than targeted 23 million tonnes, although it was still higher than the previous year's harvest. Most pulses are dry land crops, grown on land without irrigation and the delay in monsoons in many areas hit kharif harvests although rabi production improved.

It was a similar story with oil seeds. Production was estimated at almost 342 million tonnes, higher than last year but still lower than the target for this year. Sugarcane is the only major crop where this year's estimated production of 3,538 million tonnes was significantly lower than last year's output of 4,054 million tonnes.

V.L. Dutt passes away

KCP Group scaled new heights under him

SPECIAL CORRESPONDENT CHENNAI

V.L. Dutt, the executive chairman of KCP Group, died at his residence on Tuesday.

He was 82. He is survived by his wife, daughter and a grand daughter.

The KCP Group, which boasts of a turnover of \$250 million and has interests in cement, sugar and heavy industrial machinery, scaled new heights under his leadership.

Born on December 27, 1937, Dr. Dutt was educated in London.

In appreciation of his outstanding contribution to the areas of rural development,



V.L. Dutt

medical care, education and industry, he was awarded an honorary degree of Doctor of Letters by the Nagarjuna University, Andhra Pradesh, and became a Honorary Consul General of the Republic of Turkey in Chennai.

Apple sales to fall short of target due to COVID-19 impact in China

Tech major may not meet sales guidance set 3 weeks ago

REUTERS

Apple Inc warned on Monday it was unlikely to meet its March quarter sales guidance set just three weeks ago as the world's most valuable technology firm became one of the biggest corporate casualties of China's COVID-19 epidemic.

The rapidly spreading virus has killed nearly 1,900 in China and stricken some 72,000 people, confining millions to their homes, disrupting supply chains and delaying reopening of factories after the extended Lu-



Apple store interior during New Year holiday break.

Manufacturing facilities in China that produce Apple's iPhone and other electronics have begun to reopen, but are ramping up more slowly than expected, Apple

Birla meets Telecom Secretary

SPECIAL CORRESPONDENT NEW DELHI

Vodafone Idea Chairman Kumar Mangalam Birla on Tuesday met Telecom Secretary Anshu Prakash amid reports that the government may look at en-cashing bank guarantee over default in payment of adjusted gross revenue-related dues. Mr. Birla was accompanied by Ravinder Takkar, MD & CEO of Vodafone Idea. The meeting lasted for about an hour. Mr. Birla refused to answer any queries from the media. Following the Supreme Court's February 14 order, Vodafone Idea on Monday deposited ₹2,500 crore with the Department of Telecom, while committing to pay another ₹1,000 crore by the end of this week.

However, as per DoT's assessment, the liabilities of the company for licence fee and spectrum usage charge stand at about ₹53,000 crore.

General insurers need to raise the bar to cut losses: IRDAI

Regulator for listing insurance firms

SPECIAL CORRESPONDENT MUMBAI

The Insurance Regulatory and Development Authority of India (IRDAI) has said that general insurance companies need to be more efficient by controlling expenses in order to cut losses.

"Many general insurance companies have underwriting losses but they are carrying on their business because of investment proceeds. This is a short-sighted measure and we have to graduate ourselves to ensure that there are no underwriting losses," S.C. Khuntia, Chairman, IRDAI, said on the sidelines of an event here.

"This doesn't necessarily mean that the insurers [should] increase the prices, because improvement in efficiency can also lead to reduction in underwriting losses. Similarly, expenses of the company can be controlled," he said.

The general insurance segment grew at 14% last year as against its potential to grow at 17-18%, while the life insurance segment grew only at 10% as against the 12-13% potential, he said.

Asked whether IRDAI had received any proposal from LIC regarding its IPO, he replied in the negative.

"Any company which goes public, there will be better corporate governance and better disclosure," he added.

He said it was a good idea for every insurance company to list and that IRDAI would nudge entities to go for the same but not make it mandatory. "It is, however, not making it mandatory to list because smaller companies are yet to achieve the scale for going public," Mr. Khuntia said, adding ideally a company should achieve sufficient scale to list within 10 years of its existence.



S.C. Khuntia

the customers," he said.

Mr. Khuntia said the regulator would like to see a sustainable insurance industry which should be neither loss-making nor unduly profit-making. He clarified that the regulator would not intervene in pricing.

"We don't intervene in pricing. But if the pricing is not right and the product is put for approval to us, then we certainly point it out to them. It's an open market and we don't want to regulate prices in a deregulated economy," he said.

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Sugar exports expected to pick up

About 9 million tonnes deficit in global market; prices go up

SPECIAL CORRESPONDENT COIMBATORE

Indian sugar exports are expected to gain momentum in the coming months as global sugar prices have increased.

According to a press statement from the Indian Sugar Mills' Association (ISMA), there is a deficit of nearly nine million tonnes in the global market during the 2019-2020 sugar season and Thailand's exports are likely to be 3-4 million tonnes lesser due to lower production there.

Global sugar prices for raw and white sugar are currently 20% to 25% more than what prevailed three months ago, when India started its exports. Accordingly, Indian sugar exports may get accelerated in the coming months, the ISMA said. Nearly 16 lakh tonnes of sugar have been exported so far this season of the 32



By the end of this season, total sugar exports from India is expected to be more than 50 lakh tonnes. ■ KAMAL NARANG

lakh tonnes for which contracts have been signed.

Some of the sugar mills do not plan to export sugar against their allocated export quotas and some have surrendered a part of their MAEQ (Maximum Admissible Export Quantity) to the government.

It is understood that the government is actively considering reallocation of quotas of mills that have not contracted the stipulated quan-

tity for exports, the association said. By the end of the current season, which started last October and will end in September this year, the total sugar exports from the country is expected to be more than 50 lakh tonnes.

On the production front, as on February 15, the mills had produced 169.85 lakh tonnes of sugar as against 219.66 lakh tonnes during the corresponding period last season.

Oil falls on virus impact, OPEC delay

REUTERS LONDON

Oil fell more than 2% on Tuesday, pressured by concerns over the impact on oil demand from the COVID-19 outbreak in China and a lack of further action by OPEC and its allies to support the market.

Forecasters have cut 2020 oil demand estimates because of the virus. Though new cases in mainland China have dipped, experts say it is too early to judge if the outbreak is being contained. Brent crude was down \$1.34, or 2.3%, at \$56.33 a barrel at about 1830 IST after rallying in the previous five sessions.

"OPEC" has shown no sign yet of reacting to the virus-related slump in demand by making additional production cuts," said Commerzbank analyst Carsten Fritsch.

Over 60 lakh bales bought at MSP: Cotton Corporation

'Selling at market price may hit farmers'

M. SOUNDARIYA PREETHA COIMBATORE

The Cotton Corporation of India (CCI) has procured more than 60 lakh bales of cotton so far this season at Minimum Support Price (MSP).

Chairman and managing director of CCI P. Alli Rami told *The Hindu* that 60% of the estimated cotton production had come into the market so far this season, which started in October 2019. Of this, the CCI had procured 28%. The Cotton Advisory Board's provisional cotton production estimate for this season is 360 lakh bales.

The CCI has nine lakh bales stock of cotton from the previous seasons and 60 lakh bales from this season. Nearly 50% of cotton procured so far this season is from Telangana.

On the pricing in the domestic market, she said the maximum price that the CCI was quoting for the current season's cotton was ₹46,900 a candy. On the industry's demand that CCI should sell the commodity at the market price, Ms. Rani said farmers continued to bring cotton to the market and if the CCI reduced the prices now, the market price might decline further, leading to loss to farmers. She also said the CCI was confident of selling its stock this season as the quality was high.

The CCI might look at exports, though it was not keen on it now, she added.

The CCI has written to state governments to give incentives for cotton seed requirements. It had also distributed ₹3 crore worth harvesting machinery free of cost to farmers, she said.

Yes Bank to exit Nifty from March 27

SPECIAL CORRESPONDENT MUMBAI

Yes Bank will be excluded from the benchmark Nifty index with effect from March 27. The domestic lender will be replaced by Shree Cement, according to a release from the National Stock Exchange.

Yes Bank has seen a massive erosion in its valuation with its stock price dropping from a high of ₹286 in April 2019 to the current ₹35.

Incidentally, the banking stock was excluded from the benchmark Sensex in December 2019 when the 30-share index was reconstituted.

Changes have been made to the Nifty Next 50 index as well with stocks such as Ashok Leyland being excluded and replaced by those such as Adani Transmission.

JSW Paints sets sights on south, west India

Company mulls setting up new manufacturing facility costing ₹75 crore

N. ANAND CHENNAI

JSW Paints Pvt. Ltd., a part of the \$13-billion JSW Group, is planning to put up a new manufacturing plant to meet its growth target, said a top official.

"We have set ourselves a target to achieve 5% market share in south and west in decorative paints in two to three years," said A.S. Sundaresan, CEO, JSW Paints.

"We started the paint division in April 2019 and it is growing. Right now, we have two plants and are planning to expand our business as it is growing at a healthy rate," he said.

The JSW Group set up its first largest and fully-automated industrial coil coatings facility with an annual capacity of 25,000 kilolitres (KL) in Mumbai and decora-



Brush with expansion: The firm is eyeing ₹2,500 crore revenue in 3 years, says A.S. Sundaresan. ■ SOMASHEKAR G. R. N.

tive paints unit with 100,000 KL annual capacity at Vijayanagar in Karnataka at a cost of ₹600 crore.

"The industrial coil coating caters to B2B segment and decorative paints to B2C segment. Our plan is to double the sales volume of decorative paints in the next two to three years to capture a market share of 5% in south

and west," he said.

"As we started with a small base, our growth is healthy and we are giving competition to well-known firms. And, this calls for expanding our present facility in Vijayanagar and putting up a new unit elsewhere. It entails an investment of up to ₹75 crore for the new unit," he added. Currently, JSW Paints are

available in the five southern States and Maharashtra. It would cover the entire western region during the current quarter. Next fiscal, the products would be available in the northern and eastern markets and pan-India in three years.

"The demand for colour-coated paints is growing and it would take at least one year for us to double the production capacity. Besides, catering to domestic market, we will also export 20% of our produce to European, west Asia, South East Asia and African markets," he said.

Over the next three years, the company hopes that the paint division would fetch a revenue of ₹2,000 crore to ₹2,500 crore, of which decorative paints would account for ₹1,500 crore.

Hero MotoCorp to invest ₹10,000 crore in R&D

Two-wheeler maker to develop alternative mobility solutions

SPECIAL CORRESPONDENT NEW DELHI

The country's largest two-wheeler maker Hero MotoCorp on Tuesday announced an investment of ₹10,000 crore in the next 5-7 years to be utilised for research and development (R&D) of alternative mobility solutions, building sustainable manufacturing facilities and network expansion.

"Over the next 5-7 years, we are aiming to create the next generation of mobility solutions that are relevant to customers across the world," Pawan Munjal, chairman, Hero MotoCorp, said in a statement.

He added, "To this end, we have earmarked an in-



Pawan Munjal

The company added that it showcased several product concepts at its 'Hero World 2020' event, including Hero Xtreme 160R that will strengthen the company's presence in the premium motorcycle segment.

"The Xtreme 160R - that marks Hero MotoCorp's entry into the popular 160cc motorcycle category - is an attractive product for youth across the globe with its Xtreme performance, head-turning aesthetics and agile handling," it said.

Further, the company launched the new Hero Passion Pro with a 110cc BS VI engine priced at ₹64,990 (for self-drive alloy) and ₹67,190 (for self-disc alloy).