

MARKET WATCH

	19-02-2020	% CHANGE
Sensex	41,323	1.05
Gold	42,339	1.10
Brent oil	58.54	3.70

NIFTY 50

	PRICE	CHANGE
Adani Ports	371.30	4.70
Asian Paints	1884.90	21.25
Axis Bank	741.05	7.40
Bajaj Auto	3090.90	8.40
Bajaj Finserv	9758.65	229.15
Bajaj Finance	4878.05	120.05
Bharti Airtel	543.40	-4.85
BCL	475.55	4.80
Britannia Ind	3082.25	15.80
Cipla	447.50	11.50
Coal India	177.75	5.90
Dr Reddys Lab	3278.15	26.80
Eicher Motors	18875.20	114.85
GAIL (India)	119.85	0.40
Grasim Ind	757.15	33.25
HCL Tech	605.75	-1.30
HDFC	2377.25	58.45
HDFC Bank	1227.20	13.95
Hero MotoCorp	2251.60	-1.05
Hindalco	188.10	3.75
Hind Unilever	2292.15	57.75
ICICI Bank	544.80	3.60
IndusInd Bank	1142.15	1.45
Bharti Infratel	225.10	15.10
Infosys	800.45	2.80
Indian Oil Corp	114.20	1.55
ITC	206.70	2.85
JSW Steel	280.85	-3.95
Kotak Bank	1701.10	10.10
L&T	1281.40	-4.95
M&M	526.40	3.20
Maruti Suzuki	6756.60	-24.50
Nestle India Ltd.	16785.05	381.20
NTPC	112.05	2.45
ONGC	101.70	2.40
PowerGrid Corp	187.50	2.50
Reliance Ind	1503.80	36.40
State Bank	320.35	2.80
Sun Pharma	403.55	-5.10
Tata Motors	158.05	-3.55
Tata Steel	433.20	1.80
TCS	2196.35	-19.40
Tech Mahindra	840.90	2.10
Titan	1329.60	12.60
UltraTech Cement	4473.10	-2.60
UPL	585.20	0.00
Vedanta	142.65	2.10
Wipro	247.60	3.55
YES Bank	35.30	0.25
Zee Entertainment	252.25	6.65

BULLION RATES CHENNAI

February 19 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	51.8	(50.6)
22 ct gold (1 g)	3965	(3926)

IN BRIEF

First 5G handset in India likely to cost ₹50,000

KOLKATA The first 5G handset in India from Chinese smartphone maker, Realme, is likely to be priced around ₹50,000 apiece, a company official said. "Realme 5G handset will be powered with 865 Snapdragon chipset and available at around ₹50,000," the official, who did not wish to be identified, said. PTI

Shares surge as virus fears fade

Domestic investors buy close to ₹600 crore, FPIs net sell ₹191 crore in equities

SPECIAL CORRESPONDENT
MUMBAI

Indian benchmarks snapped a four-day losing streak on Wednesday as a decline in new COVID-19 cases in China along with expectations of action by the Indian government to limit the impact of the outbreak revived investor interest in equities.

The 30-share Sensex gained 428.62 points, or 1.05%, to close at 41,323. It closed just a tad lower than the day's high of 41,357.16.

The rally was visible in many side counters as well with more than 1,500 stocks gaining ground as against around 1,000 stocks that ended in the red.

Within the Sensex pack, 22 stocks gained ground with Reliance Industries, HDFC, HDFC Bank, HUL, Bajaj Finance and ICICI Bank contri-



buting the maximum to the day's gains.

Meanwhile, the broader Nifty settled the day at 12,125.90, gaining 133.40 points, or 1.11%.

Policy stimulus
"A decline in the number of new COVID-19 cases in China and mounting expectations for more policy stimulus

boosted global stock markets on Wednesday," said Deepak Jasani, head, retail research, HDFC Securities.

"Positive sentiment (in India) were also created after the Finance Minister said the government would unveil measures to limit the impact of the COVID-19 outbreak," he added.

Finance Minister Nirmala

Sitharaman had met industry representatives and assured that the government would take steps to manage the impact of COVID-19 on the domestic industry.

Elsewhere in Asia, the benchmark equity indices of Hong Kong, South Korea, Taiwan, Japan and Indonesia, among others, all gained ground on Wednesday.

Back in India, foreign portfolio investors (FPIs) were net sellers at about ₹191 crore while their domestic counterparts bought shares worth almost ₹600 crore.

The pace of foreign investment in Indian shares has slowed a bit in the recent past with the current month flows, till date, pegged at a little under ₹9,500 crore.

The previous month saw such investors put in a little over ₹12,100 crore.

KMB gets nod for promoter stake cut

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender Kotak Mahindra Bank has received final approval from the Reserve Bank of India to reduce promoter stake to 26%, the bank informed stock exchanges.

Promoter stake in the bank, which is now at 29.96%, has to reduce to 26% within six months of RBI's approval.

According to the new formula agreed to by both the bank and the regulator, and which was communicated to the exchanges on January 30, the voting rights of the promoter will be capped at 15% from April 1.

There is no compulsion for the bank to reduce promoter stake to 15%, as previously envisaged.

SEBI redefines 'pledge' to protect client securities

Tweaks rules to include 're-pledge'

ASHISH RUKHAIYAR
MUMBAI

A minor tweak in the manner 'pledge' is defined in the regulatory laws is expected to go a long way in minimising instances where stock brokers misuse client securities by pledging such shares for their own benefit in terms of meeting their margin requirements.

The Securities and Exchange Board of India (SEBI) has amended the SEBI (Depositories and Participants) Regulations by including an additional explanation that states that 'pledge' would also refer to 're-pledge of securities for margin or settlement obligations.'

The decision was approved by the board of the capital markets regulator on Monday.

"Onus of bonafide pledge created from margin account of a stock broker will now lie with the depository following the SEBI amendment," Makarand Joshi, partner, MMJC and Associates, a corporate compliance firm, said.

"In the past, pledge from the margin account was directly routed by the stock broker using the power of attorney route, without the active consent or approval of the beneficiary holder of shares. Now consent of beneficial owner will be necessary," he added.

This assumes significance as the recent past has seen few instances of brokers pledging client securities to raise funds from banks and non-banking finance companies (NBFCs). More importantly, this was done without the clients being aware that their securities were being misused in such a manner.

The most high-profile



matter in the recent past was of Karvy Stock Broking in which the Hyderabad-based firm raised funds from entities such as Bajaj Finance, ICICI Bank, HDFC Bank and IndusInd Bank by pledging client securities.

Further, according to the lenders – as stated in an order by the Securities Appellate Tribunal – Karvy Stock Broking had even given an undertaking that the securities that were being pledged were its own and that they did not belong to clients.

'Misuse will come down'
"Instances where a client's funds/securities were diverted or misutilised by brokers toward margin or settlement obligations of itself, or for some third party, or for raising loans against shares on its own account, will be minimised," said Sumit Agrawal, founder, Reg-Street Law Advisors, and a former SEBI official.

"With the insertion of this explanation, depository participants of both the pledger and the pledgee will have to inform the pledger and the pledgee respectively of the entry of creation of the re-pledge," he added.

The latest SEBI move comes close on the heels of the regulator developing an in-house system to track the movement of client securities that are collected as collateral by the brokers.

Birla, Mittal meet FM as AGR pressure mounts

'Govt. should ensure sustainability'

SPECIAL CORRESPONDENT
NEW DELHI

Amid mounting pressure to pay off their adjusted gross revenues-related dues, both Vodafone Idea chairman Kumar Mangalam Birla and Bharti Enterprises chairman Sunil Bharti Mittal called on Finance Minister Nirmala Sitharaman on Wednesday. Talking to reporters after the meeting, Mr. Mittal said that the government needed to ensure sustainability of the telecom sector, which had been reeling under stress for over three years now. He, however, did not share any details of the meeting.

A senior government official aware of the meeting

told *The Hindu* that the two telecom chiefs met the Finance Minister separately.

Mr. Mittal, who also met Telecom Secretary Anshu Prakash on Wednesday, said, "The telecom sector has been under stress for three-and-a-half years. This industry is vital to the nation's digital agenda and for many other industries that ride on it... employment, government taxes... The only thing that the government now really needs to focus on is how to ensure sustainability of the sector."

On AGR dues, he said the Supreme Court was dealing with the matter and the company was responding to it.

COVID-19 a 'force majeure' situation, says Finance Ministry

Relief for government contractors facing supply disruptions

SPECIAL CORRESPONDENT
NEW DELHI

The COVID-19 outbreak in China will be considered a 'force majeure' situation, which refers to extraordinary events and circumstances beyond human control, the Finance Ministry said on Wednesday.

The move provides some relief to companies with central government contracts forced to default on contract obligations due to delays in input shipments from China.

The declaration of a 'force majeure' situation was one of the major demands of industry representatives who met Finance Minister Nirmala Sitharaman to discuss the

fallout of the epidemic on Tuesday.

Senior government officials met on Wednesday afternoon to discuss their demands and the response measures needed to deal with supply chain disruptions.

The Expenditure Department has now issued an office memorandum to the Secretaries of all Central government Ministries and departments in this regard.

"A doubt has arisen if the disruption of the supply chains due to coronavirus in China or any other country will be covered in the Force Majeure clause. In this regard, it is clarified that it

Indian Bank eyes lending to start-ups

Lender plans to set aside ₹100 crore for the purpose, to run six-month pilot

N. ANAND
CHENNAI

Public sector lender Indian Bank is mulling the option of lending a helping hand to start-ups, said a top official.

"Instead of lending ₹100 crore to corporates, which carries a higher risk, let us give ₹10 crore each to 10 start-ups, where the risk is less and spread out," said Padmaja Chunduru, managing director and chief executive officer, Indian Bank.

The idea to help start-ups, as a new activity, emerged at one of the town hall meetings Ms. Chunduru had with the officials of Allahabad Bank and Indian Bank in the



Padmaja Chunduru

last few months. Allahabad Bank is set to merge with Indian Bank on March 31.

"The merger gives birth to a new legal entity. With the new identity comes new ideas from new team members and we would like to

test the waters. Going forward, we would like to use digital as a platform," said Ms. Chunduru.

Though the bank plans to set aside ₹100 crore to ₹200 crore for this purpose, it wants to run this scheme on a pilot basis at least for six months. It is also planning to forge tie-ups with venture capitalists or private equity firms to understand the industry better.

"We are not taking part in the equity portion. It would be fully debt. It is based on the working model of Silicon Valley Bank and we will be the first bank in the country to help a start-up," she said.

Gopal Srinivasan, chairman and managing director of TVS Capital Funds, welcomed the idea and said that there were three types of start-ups – emerging, emerged and speculative.

"Some of the start-ups might go for debt route from the second round itself and others might stretch it by diluting their equity. Lending, based on track record, might not be a good option, since most of these firms keep raising funds at regular intervals," he said.

"If the scheme is successful, then we will place it under a different vertical," Ms. Chunduru said.

Neuberg close to acquiring labs in Mumbai

LALATENDU MISHRA
MUMBAI

Having acquired majority stake in Pune-based AG Diagnostics, Neuberg Diagnostics Ltd. has chalked out plans to acquire two or more pathological labs in Mumbai to foray into Maharashtra.

The company has plans to invest about ₹100 crore for the foray into the State.

"We will launch operations in Mumbai in April 2020. We want to be a significant player in Maharashtra," GSK Velu, chairman & managing director, Neuberg Diagnostics Ltd. said in an interview.

"In Mumbai, we are looking for a couple of partnerships which will provide us with a solid base. We plan to have more than ₹100 crore revenue from Maharashtra in the next financial year," he said.

This year, the company plans to close with a revenue of ₹500 crore which is expected to go up to ₹650-₹700 crore next year, Dr. Velu said.

CK Motors to set up EV plant in Tamil Nadu

Company to invest ₹10 crore in unit

SPECIAL CORRESPONDENT
CHENNAI

CK Motors Pvt. Ltd. is putting up a new plant in Coimbatore to make electric vehicles (EVs) for commercial use, said a top official.

CK Motors, which has a manufacturing tie-up with Pure EV, a start-up incubated in IIT Hyderabad, is planning to commence operations at Coimbatore in the next two months.

Pure EV has a manufacturing facility in Hyderabad to make 1,500 EVs per month and this would be doubled in the next two months.

Unveiling e-bicycles, an e-moped and two variants of e-scooters in Chennai on Wednesday, CK Motors business head, C. Guna Sekaran said that plans were afoot to fully indigenise the EVs (that currently have an import content of 27%) in two months.

"Pure EV will make two-wheelers, while we will make three- and four-wheeler commercial vehicles, the manufacture of e-bicycles



would be shifted to Coimbatore. We will also make three-wheeler scooters with multiple functions. We are investing ₹10 crore and the new plant will have a capacity to make 4,000 vehicles per month," he said.

On the e-scooter, he said it would run for 115 km on a single charge of two hours. Power consumption, in this case, was 'minimal' and it could be charged anywhere using regular plug points.

The sale of electric two-wheelers and patented lithium batteries will commence in Chennai and Hyderabad and will be expanded to other States.

DoT notice an event risk for 3 firms: Fitch

SPECIAL CORRESPONDENT
MUMBAI

Any payment that the three India-based firms – GAIL (India) Limited, Oil India Limited and Power Grid Corporation of India – may have to make under a demand notice from the Department of Telecom (DoT) poses as an event risk for the companies' ratings, according to Fitch Ratings.

Fitch is not taking immediate rating action on the companies as the Supreme Court of India allowed the companies to withdraw their clarification applications on February 14 and resolve their dispute with the DoT outside the court.

"We expect the three companies to eventually resolve the dispute. A speedy solution is important to prevent disrupting the companies' investment plans and damaging their performance," said Fitch in a statement.

DoT has issued demand notices to GAIL, OIL and Power Grid for ₹1,83,100 crore, ₹48,000 crore and ₹22,000 crore respectively.

BBB for Chinatala as Nabard chief

SPECIAL CORRESPONDENT
MUMBAI

The Banks Board Bureau (BBB) has recommended G.R. Chinatala as the next chairman of National Bank for Agriculture and Rural Development (Nabard).

The current chairman, Harsh Kumar Bhanwala, is due to retire in June. Mr. Bhanwala took charge of Nabard in December 2013. In December last year, the government extended his term by six months.

Mr. Chinatala is currently MD of Nabfins, a subsidiary of Nabard, which is a non-deposit taking NBFC.

Mazumdar-Shaw is EY Entrepreneur of the Year

EY recognises business persons who 'touched many lives'

SPECIAL CORRESPONDENT
BENGALURU

Kiran Mazumdar-Shaw, CMD, Biocon, has been named the EY Entrepreneur of the Year 2019.

She will now represent India at the EY World Entrepreneur of the Year Award (WEOY) in Monte Carlo scheduled between June 4 and 6.

Ms. Mazumdar-Shaw was recognised 'for being at the forefront of innovation in bio-technology and contributing towards research and development of affordable life-saving medicines'.



Kiran Mazumdar-Shaw

EY awards were also announced for nine other categories, with the winners representing both mature industries and unicorns,

who are riding the wave of change and transforming India's business landscape, as per an EY press statement.

Adi Godrej, chairman, Godrej group was felicitated with the Lifetime Achievement Award, for having transformed the 120-year old Godrej brand of consumer products and home utilities into an conglomerate that employs 28,000 people people today.

K.B.S. Anand, MD and CEO, Asian Paints, was honoured as the Entrepreneurial CEO.