CURRENCIES

35973.71

14192.09

13550.26

10835 30

26199.65

2032.50

1220.20

471.90

1856.00

33845

32590

40350

40450

3955

MONEY MARKET

IN BRIEF

US tariff

deadline

■ NEW DELHI: The govern-

ment on Tuesday extend-

ed the deadline to impose

retaliatory customs duties

on 29 US products, includ-

ing almond, walnut and

discussions are going on

pulses, till April 1. As

between India and the

US for a proposed trade

package, the commerce

nance counterpart to

ministry had asked its fi-

again defer the implemen-

tation of a notification to

impose high duties on

■ LONDON: ArcelorMittal

has said it is staring at

various risks, including

excess capex and delays in

achieving commercial ob-

jectives, in view of its pro-

posed acquisition of debt-

laden Essar Steel India. PTI

■ CALCUTTA: Jute sector

strike from March 1

by two weeks, as the

trade unions in Bengal

have deferred a proposed

state government sought

BOTTOM LINERS

"I don't want my boss's job,

I just want my boss's pay."

more time to look into

their demands. PT

US products. PTI

Arcelor worry

Jute strike

*per barrel in Rs; # per kg in Rs

Nifty 500 8953.15

Most active on NSE

Gold (10 gram in Rs)

Rs 71.07

Rs 93.78

-239.67

-37.89

-44.80

-13.00

-30.70

1304.93

1237.22

747.20

-45

-250

+23.00

Yield (%)

4.80

6.40

6.59

7.06

Price* Traded value#

230.55 | 1919.82

Previous 36213.38

US \$

UK Pound

BSE

Sensex

Midcap

NSE

Nifty

Scrip

Yes Bank

Reliance

Pure

Hallmark

Portion

Crude³

Call rate

91-day T-Bill

1-year Gilt

5-year Gilt

10-year Gilt

Silver (kg in Rs)

Copper# 461.55

Next 50

Smallcap

CALCUTTA WEDNESDAY 27 FEBRUARY 2019

Former PepsiCo CEO Indra Nooyi has joined Amazon's board of directors



Tata Steel charts cash course

OUR SPECIAL CORRESPONDENT

Mumbai: Tata Steel on Tuesday said its board has approved plans to raise Rs 4.000 crore by issuing non-convertible debentures (NCDs) on a private placement basis

The steel major's board also approved a greenshoe option of Rs 1,000 crore.

"The committee of directors approved the issuance of 40,000 NCDs of face value Rs 10,00,000 each aggregating Rs 4,000 crore plus a greenshoe option of up to Rs 1,000 crore," the company said in a filing to stock exchanges

It added that the securities would be "unsecured, redeemable, rated, listed, NCDs" to be issued on a private placement basis. The date of allotment has been fixed as March 1, 2019, while the date of maturity would be March 1, 2034. The debentures have got a

AA rating from India Ratings & Research Pvt Ltd and CARE. Shares of the company ended 0.14 per cent lower at

Rs 504 15 on the BSE on Tues Tata Steel, which has an annual crude steel capacity of 33 million tonnes, had a con-

solidated net debt of Rs 101,048 crore in the third quarter ended December 31, 2018. This, however, was a decline of over Rs 9,000 crore compared with the preceding quarter. During the third quarter, Tata Steel's consolidated prof-

it after tax rose to Rs 1,753 crore from Rs 1,136 crore in the same period last year. This came after consolidated revenues grew 23 per cent over the year-ago period to Rs 41,220 crore The third quarter also saw

the Tata Steel group generating operating cash flows of Rs 4.150 crore and its liquidity position at Rs 19,320 crore, included Rs 8,549 crore of cash and cash equivalents.

Its India operations did well with revenues rising 41 per cent over last year to Rs 22,063 crore against Rs 15,596 crore, Production grew 34 per cent over last year to 4.38 million tonnes with the acquisition and ramp-up of Tata Steel BSL Ltd.

OUR SPECIAL CORRESPONDENT

Mumbai: The Calcutta-based Allahabad Bank and two other lenders have come out of the Reserve Bank's prompt corrective action (PCA) framework

Other than Allahabad Bank, the Reserve Bank of India (RBI) on Tuesday removed public sector Corporation Bank and private sector lender Dhanlaxmi Bank from the PCA list.

Earlier, the RBI had taken three other state-owned lenders — Bank of India, Bank of Maharashtra and Oriental Bank of Commerce — out of the PCA mechanism.

The decision to release the two PSU lenders — Allahabad and Corporation Bank — from the PCA mechanism was expected after the recent capital infusion by the government. While the Centre had put in Rs 48,239

crore in 12 PSU banks, Corporation Bank was the biggest beneficiary as it got Rs 9,086 crore, followed by Allahabad Bank with Rs 6.896 crore.

The RBI had put in a revised PCA structure in April 2017 under which banks' performance was determined on the basis of three criteria — capital-to-risk weighted assets ratio, asset quality (net NPAs) and profitability (return on assets).

There were three risk thresholds and the breach of any one resulted in the invocation of the PCA, following which various curbs, including that on lending, were placed on the Of the 21 PSU banks, 11 were

private sector lender under the PCA was Dhanlaxmi Bank Following the cash infusion, Alla-

under this mechanism. The sole

habad Bank had said it would use Rs

REFORM ROUTE

Three more out of PCA net

- AllBank, Corp Bank exit PCA
- Bol, Bank of Maharashtra and Oriental Bank of Commerce had exited earlier
- Six PSU banks IDBI Bank, UBI, Uco, Central Bank, IOB and Dena — still under framework
- Private lender Dhanlaxmi Bank also out of PCA

2,750 crore to make loan loss provisions so as to bring down the net NPA ratio below the threshold of 6 per cent. It used the residual amount to shore up the capital base to enhance the capital-to-risk weight asset ratio above the minimum threshold of 10.875 per cent.

COFFER CHECK

At the end of January 2019;

Deficit

widens

OUR SPECIAL

CORRESPONDENT

New Delhi: The country's fis-

cal deficit in the April-Janu-

ary period touched Rs 7.7 lakh

crore, or 121.5 per cent of the

budgeted target for the cur-

Officials said the govern-

ment was trying to contain the

runaway budget deficit by

speeding up divestment and

trying to mop up tax collec-

geted to cut the fiscal deficit to

3.3 per cent of GDP, or Rs 6.24

lakh crore, in 2018-19 from 3.53

per cent in the previous finan-

spending ahead of an election.

the government had in its in-

terim budget raised the deficit

target higher to 3.4 per cent of

GDP, or over Rs 6.34 lakh crore.

the deficit was 113.7 per cent of

At the end of January 2018,

However, with higher

The government has bud-

rent financial year

cial year.

till January.

Total receipts

Tax revenue

Fiscal deficit

Similarly, Corporation Bank had used the capital infusion to make loan loss provisions to bring the net NPA below the threshold required under the PCA.

The RBI said in a statement that its Board of Financial Supervision (BFS) met on Tuesday to review the performance of the banks under the

Taking note of the infusion, the BFS pointed out that it had resulted in better capital funds and loan loss provisions for the banks to ensure that the PCA parameters were com-

"The banks also apprised the RBI of the structural and systemic improvements put in place to maintain these numbers

"Accordingly, based on the principles adopted by the BFS in its earlier meeting dated January 31, it was

Corporation Bank be taken out of the PCA framework, subject to certain conditions and continuous monitoring," the RBI said.

Dhanlaxmi Bank has also been taken out of the PCA framework. subject to certain conditions and continuous monitoring, as the lender has not breached any of the risk thresh-

olds of the mechanism. The RBI said it will continuously monitor the performance of these banks under various parameters.

However, six PSU banks — IDBI Bank, United Bank of India, Uco Bank, Central Bank of India, Indian Overseas Bank and Dena Bank — are still under the PCA framework.

With Dena Bank set to merge with the Bank of Baroda (BoB), the list will come down to five at the beginning of the next financial year.

Air strikes create ripples on bourses

OUR SPECIAL CORRESPONDENT

Mumbai: The air strikes carried out by India on a terrorist camp in Pakistan shook investor sentiment on Tuesday with the BSE Sensex ending 240 points lower and the NSE Nifty shedding 44.80 points. The 30-share Sensex had

crashed almost 500 points in intra-day trade hitting a low of 35714.16 after opening at 35975.75. It, however, pared some losses to close 239.67 points, or 0.66 per cent, lower at 35973.71. The 50-share Nifty also fell

44.80 points, or 0.41 per cent, to 10835.30 after hovering between 10729.30 and 10888.75. The air strikes came amid

a cautious investor sentiment ahead of the upcoming general elections. Weak cues from global equities and selling pressure in financials and realty counters, too, weighed on the market mood. Experts, however, pointed

out that the bombing of the training camp in Pakistan by the Indian Air Force will not

ALL IN A DAY Nifty intra-day movement High 10888.75 10835.30 Low 10729.30

(----Previous 10880.10) have a major impact on the markets.

"The attacks reflect India's determination to weed out terrorism. While the initial response of the financial market has been negative, we believe such attacks are unlikely to have any material impact on the markets," Soumya Kanti Ghosh, group chief economic adviser of the SBI, said.

"For example, the Kargil war was fought between India and Pakistan during May to July 1999. During the period, the leading indices of the Indian stock markets showed an initial decline but strong re-

covery thereafter... In a similar vein, after the Uri surgical strikes, the Indian financial markets gained with the Sensex climbing more than 100 points and the rupee appreciating," Ghosh explained

In Tuesday's trading, the banking, realty and PSU counters took a major hit. In the Sensex pack, HCL Tech suffered the most, losing 2.26 per cent. It was followed by HDFC which ended lower by 2.10 per cent. Some of the other big losers included ICICI Bank, which was down 2.08 per cent. Infosys (1.75 per cent), the SBI (1.44 per cent) and Vedanta (1.20 per cent).

In the forex market, the rupee, which depreciated 38 paise to 71.35 against the dollar in early trade, recovered partially and closed at 71.07 to the US greenback. In Asia, the Shanghai Com-

posite Index declined 0.67 per cent, Hong Kong's Hang Seng fell 0.61 per cent, Japan's Nikkei shed 0.37 per cent, Korea's Kospi was down 0.32 per cent and Singapore Straits Times slipped 0.32 per cent.

Check on frivolous

will soon come out with "effective steps" to deal with instances where entities back out after making frivolous bids under the insolvency law, according to a senior govern-

The Insolvency and Bankruptcy Code (IBC) mainly seeks to address the issue of stressed assets in a timebound manner.

instances where entities have failed to implement the approved resolution plans.

porate affairs secretary Injeti Srinivas on Tuesday said the government is looking at taking some steps to discourage

"In some cases after one year or more after settlement has taken place, the resolution applicant has failed to implement the plan. What do we do with such resolution applicants? So much of time and resources (are) used in bringing in a settlement and the insol-

In such cases, Srinivas wondered whether the resolution applicant has to bear the resolution cost or should there be some criminal proceedings or should they be banned from becoming resolution applicants again.

vency costs (are) huge," he

tive answer. This is one area I think the government is very much focused on and would soon bring some sort of effective steps to see how we discourage people from making frivolous sort of bids and then backing out," Srinivas

Crucial Jet (figures in Rs lakh crore) 12.30 meet today 10.19 1.62 Non-tax revenue Total expenditure 20.01 **OUR BUREAU** Mumbai: The State Bank of

India (SBI) is understood to have called a meeting of the lenders with Jet Airways chairman Naresh Goyal and Etihad Airways CEO Tony Douglas on Wednesday.

The meeting has been called after the shareholders of Jet Airways cleared various proposals that will pave the way for banks to pick up a maiority stake in the beleaguered airline.

The lenders, led by the SBI, are also expected to infuse urgent funds into the airline. The airline may also come up with a rights issue that could see participation from both Goyal and Etihad. It is not yet clear whether the rights issue will come up for discussion at Wednesday's meeting.

Quoting sources, news agency PTI reported that the meeting would be held at SBI's office in Mumbai and that both Goval and Douglas would be present. On Monday, Jet Airways

statement, that they, along general meeting (EGM) last with key financial stakeholders, were working towards the finalisation of the bank-led provisional resolution plan for

The two carriers had also expressed confidence that once the plan is implemented. Jet Airways would "re-emerge as a viable and robust airline to reclaim its rightful place as an airline of first choice for its customers". The joint statement was issued by Goyal and Douglas.

STREET MOOD Jet Airways share price on BŚE (in Rs) HIGH 226.85 CLOSE LOW **221.00**

On the Bombay Stock Exchange, the Jet scrip closed 2.14 per cent lower at Rs 224.25.

-Previous **229.15**

Jet Airways, which is in operation for over 25 years, has been grappling with financial woes and is looking to rejig debt as well as raise

On February 14, the Jet Airways board had approved a bank-led provisional resolution plan, whereby lenders would become the largest shareholders in the airline. Its shareholders had also approved the conversion of loan into shares and other proposand Etihad had said, in a joint als during the extraordinary

> Thursday. On Monday, the SBI had also said that no decision had been taken on moving the National Company Law Tribunal (NCLT) against Jet Airways.

However, sources close to the lenders and key shareholders said the SBI was considering various options, including eventually moving the tribunal seeking insolvency proceedings, if other attempts to recover its loans fail to yield desired results.

Max exits Bupa JV

CORRESPONDENT

Mumbai: Max India has sold its entire 51 per cent stake in Max Bupa Health Insurance (Max Bupa) to private equity firm True North Fund VI LLP for over Rs 510 crore.

The all-cash transaction values Max Bupa at Rs 1,001

Max Bupa is the fourth largest standalone health insurance provider in India and it is a joint venture between Max India and the UK-based healthcare services expert 'The board of the company

has approved a proposal relating to the divestment of the entire shareholding of the company in its material subsidiary - Max Bupa Health Insurance Company Ltd (equiva-

PARTING WAYS

■ Max India sells entire 51% stake in Max Bupa to True North Fund VI LLP for Rs 510 crore

Bupa at Rs 1,001 crore ■ Max Bupa is the fourth

■ All-cash deal values Max

largest standalone health insurer in India

lent to 51 per cent of Max Bupa's total issued and paidup share capital) to True North Fund VI LLP," Max India said in a filing to stock exchanges on Tuesday. The company added the

deal has been at a consideration of Rs 510.51 crore, which it will receive at the time of completion of the proposed trans-

At the conclusion of the transaction, True North will nominate directors on Max

will step down. Bupa will continue to play an active role in the company as before through its board po sitions and other initiatives.

Bupa's board, while Max

India's nominated directors

The use of the Max brand will be phased out over a period of two years and replaced with a suitable name. The Bupa brand name will contin-

"We are rebalancing our portfolio of businesses with a focus on growing shareholder value, and this transaction is a step towards that journev.' Max Group chairman Analjit Singh said.

ue as before.

The transaction is expected to be completed within

Prabhu tip to boost exports

CORRESPONDENT

New Delhi: Commerce minister Suresh Prabhu on Tuesday expressed the need to extend the interest subsidy benefit to more products, including the chemical sector.

"The minister (Prabhu) elaborated that expansion of interest equalisation scheme needed to be done by adding more tariff lines, the process of environmental clearance to be speeded up, especially relating to product mix and also expeditious approval process,' the ministry said in a state-

The government provides interest subsidy of 5 per cent to certain sectors, including the micro, small and medium sectors, under its interest equalisation scheme At present, the subsidy is

also given to certain products in the chemical sector. It helps exporters get credit at affordable rates.

These issues were discussed during a meeting called by Prabhu with representatives of the pharma and chemical industries

PEP PILL

■ Pharma exports seen to touch \$19 billion in 2018-19 from \$17.27 billion in 2017-18.

■ Exports to US under pressure

■ Govt considering extending interest subsidy to more chemicals

On the pharma sector, the minister said several factors affected exports recently, especially to the US. The issues include pressure on drug pricing because of a record number of US ANDA (abbreviated new drug application) approvals, foreign regulatory issues and lack of blockbuster drugs going off patent in recent vears The country's pharma ex-

ports are likely to touch \$19 billion in 2018-19 from \$17.27 billion in 2017-18.

The exports to countries with stringent regulatory authorities, such as the US, EU, Canada, Australia and Russia, account for 51 per cent of the total shipments

Iran to buy **Indian** sugar

Mumbai: Indian traders will export raw sugar to Iran for March and April delivery, five trade sources said. This is the first Indian sugar sales to Tehran in at least five years as Iran struggles to secure food supplies under sanctions imposed by the United States.

Under the sanctions, Iran is blocked from the global financial system, including using US dollars to transact its oil sales. Iran agreed to sell oil to

India in exchange for rupees but it can only use those rupees to buy Indian goods. mainly items it cannot produce enough of domestically.

Trading houses have contracted to export 150,000 tonnes of raw sugar for shipments arriving in March and April at \$305 to \$310 per tonne on a free-on-board basis, the trade sources told Reuters this

"Oil payments have piled up in Uco Bank. Iran is keen to utilise the payments to buy sugar and other food items. said one of the sources, a Mumbai-based dealer with a global agricultural trading firm, who asked not to be identified as he was not authorised to speak to media. Reuters

Twitter transparency test

OUR BUREAU

New Delhi: Political advertising on Twitter, the micro-blogging site, is set to become more transparent in India with the US-based company setting up an Ads Transparency Centre that will give everyone the opportunity to glean information about the person or entity who has paid for the advertisement and its targeted au-

The Centre — which will become operational from March 11 — is at the heart of Twitter's initiative to bring about transparency in political spending in India which heads for a crucial general election

Only certified advertisers will be allowed to run political campaigning ads, the social media network said. Twitter is bringing to India the politi-

cal advertising transparency standards

that it has already introduced in the US,

the EU and Australia. **Explaining its Political Campaigning** Policy, Twitter in its blog site said details, including billing information, ad spend, and impressions data per Tweet of political advertisers will be shown. It will also show demographic targeting data for the ads being served, both intended by the advertiser and actually delivered by Twitter.

"We are making it clearer who is advertising Indian political campaign content on Twitter by including a visual label and disclaimer information on promoted content from certified accounts. This will allow users to easily identify political campaign ads and to know who paid for them," the social media site said

In order to advertise, an advertiser must have a certified advertiser account and provide their information.

Political parties registered with the Election Commission of India will need to submit a registration certificate or founding documents of the political party. In the case of an organisational advertiser. it needs to provide Corporate Identification Number (CIN) or document showing proof of the business' address. For Indi viduals or candidates, they need to provide government-issued ID containing the address of the individual, Twitter Twitter global vice-president of public

policy Colin Crowell met the officials of the Election Commission and discussed how they could collaborate on a real time basis to take appropriate steps to ensure the election outcome was not influenced like they were reportedly done in the 2016 US presidential polls.

A parliamentary panel has also summoned senior officials of other social media platforms Facebook, WhatsApp and Instagram on March 6 to discuss its concerns on fake news and other means to influence voters.

the revised estimate, said offi-**IBC** bids A major part of the additional spending was on account of an outlay of Rs 20.000 New Delhi: The government crore for a new basic income scheme for small farmers Revenue receipts totalled Rs 11.81 lakh crore, or 68.3 per cent of the revised estimates

ment official.

However, there have been

Against this backdrop, cor-

people from making frivolous bids under the IBC.

These are all questions and there have to be a defini-

OUR SPECIAL