THE HINDU CHENNAL

TUESDAY, SEPTEMBER 12, 2017

#### NIFTY 50 PRICE CHANGE Adani Ports Ambuja Cements 285.10 34.10 Asian Paints 1238.05 741.70 Aurobindo Pharma 14.15 Bajaj Auto 2929.60 Bank of Baroda Bharti Airtel 402.95 -0.55 BPCL 512.25 -1.10 553.85 Cipla. Coal India Dr Reddys Lab 257.05 2159.50 Eicher Motors 32498.60 -119.15 GAIL (India) 394.80 .. 14.70 1781.70 . 2.55 Hero MotoCorr .3944.50. -11.55 250.05 0.50 Hindalco. Hind Unileve 1219.90 12.35 1297.90 Indiabulls HFL -13.30ICICI Bank IndusInd Bank .1791.25. . 95.35 878.70 Indian OilCorp 273.60 45.45 ... 7.35 L&T 1217.85 M&M 1280.20 -15 20 8142.40 171.65 Maurti Suzuki NTPC ONGC 163.05 Reliance Ind 817.90 1.00 Sun Pharma 467.45. Tata Motors Tata Motors DVR Tata Power 7.20 -16.15 Tata Steel 2454.45 UltraTech Cement 4174.60 30.15

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 11		
CURRENCY	TT BUY	TT SELL
US Dollar	63.73	64.05
Euro	76.46	76.85
British Pound	84.21	84.64
Japanese Yen (100).	58.68	58.97
Chinese Yuan	9.77	9.82
Swiss Franc	67.07	67.41
Singapore Dollar	47.41	47.65

**EXCHANGE RATES** 

Malaysian Ringitt.

301.15

Retail Silver (1g) 44.00 (44.80)

# SC restores IRP's role in Jaypee case

Gives insolvency professional 45 days to draw up plan to pay back home buyers or deliver their flats

KRISHNADAS RAJAGOPAL

The Supreme Court on Monday placed the insolvency resolution professional (IRP) back in the saddle to manage Jaypee Infratech Limited and draft an interim scheme to bail out more 30,000 harassed home buyers, mostly from the middleand lower-income groups, who have invested in the debt-ridden company's 32 housing projects.

A Bench led by Chief Justice of India Dipak Misra gave the IRP 45 days' time to draft the resolution plan and place it on record before the Supreme Court.

The court ordered Jaypee Infratech management to hand over all their records to the IRP to help him prepare the scheme. The IRP was directed to protect the interests of the home buvers. The scheme has to keep their



**Humane path:** The insolvency resolution professional is to draft an interim scheme to bail out 30,000 home buyers.

in the forefront.

"This is a human problem. We are only concerned with the individual home buyers. You (IRP) have to prepare an interim scheme and show it to us... how you are either going to pay them (home buyers) back their money or deliver them their

flats," Chief Justice Misra observed.

The Bench, also comprising Justices A.M. Khanwilkar D.Y. Chandrachud, passed an order of restraint on the Jaypee managing director and board of directors from leaving the country without the prior permission

of the Supreme Court. Even persons who were the managing director or directors of Jaypee, except the nominees of creditor banks like IDBI, at the time of institution of the insolvency proceedings shall leave the country permission.

₹2,000 crore payment

Jaiprakash Associates was ordered to pay ₹2,000 crore in the Supreme Court before October 27. Prior consent of the court has to be taken again in case any property has to be sold to collect the ₹2,000 crore.

Any proceedings instituted against Jaypee shall now remain stayed as, the court said, the IRP cannot both fight "thousands of claims" as well as draft a resolution plan within the 45day stipulated time.

Attorney-General Venugopal, who was specially invited to assist the court, submitted that only the IRP could resuscitate the company. The top law officer for the Government of India said the Supreme Court's stav order of September 4 of the insolvency proceedings against Jaypee before the "inadvertently" NCLT handed the management back to the Jaypee management, leaving without a role.

buyers "Home waited for years. The Insolvency and Bankruptcy Code mandated the corporate resolution process period to be 180 days with an extension of 90 days... a resolution can be brought about only if the IRP is allowed to continue," Mr. Venugopal submitted. It was this argument which moved the court to modify its September 4 order and bring back the IRP.

The next date of the hearing is November 13.

## Jio wants TRAI to act against Bharti Airtel

Calls rival's charges on IUC 'frivolous'

SPECIAL CORRESPONDENT

Mukesh Ambani led-Reliance Jio shot off a letter on Monday to the regulator TRAI asking it to take action against Airtel for "mischievous and frivolous submissions made" on the ongoing contentious issue of interconnection usage charges

The letter, responding to Bharti Airtel's claim last week stating it had suffered a loss of ₹6,800 crore in the last five years due to low IUC, comes ahead of a meeting scheduled this week in TRAI on the issue.

"All the contentions of Airtel are fallacious, not based on true facts and are misleading in nature," Reliance Iio said in the letter.

"The authority (TRAI) may take appropriate action



chievous and frivolous submissions made well post the time allocated for additional submissions by the authority during the open house discussions," it said.

'Misrepresentation'

"Misrepresentation of facts and wrong interpretation of data has been carried out purposefully to create a smoke-screen to hide its illgotten profits and to support its false pretence of loss under existing IUC regime."

## IndusInd Bank, MFI Bharat Financial in merger talks

'Bank can access micro lender's granular retail loan book'

SPECIAL CORRESPONDENT

IndusInd Bank, which has been looking to expand its microfinance business, has begun 'exclusive' talks for a merger with micro lender Bharat Financial Inclusion (formerly SKS Microfinance), the companies informed the exchanges on Monday.

"The exclusivity agreement provides for a mutually agreed exclusivity period for due diligence and discussions," the bank said in a filing, without specifying the period. The contours of the deal would be finalised during this exclusive negotiation period



also gain scale benefits from a merger, say analysts.

Bharat Financial has a presence in 18 States covering one lakh villages. IndusInd Bank has 1,210 branches and 2.090 ATMs.

The merger gives the micro lender an opportunity to cut costs, M.R. Rao, managing director and CEO, Bharat Financial, said. "We become a full-fledged financial inclusion company. Small borrowers can keep deposits also," Mr. Rao said.

"For IndusInd Bank, this potential merger would be synergistic, boost earnings (RoA's would cross the 2% mark) and prove to be a long term positive, as it will have access to BhaFin's granular retail loan book, increasing cross selling opportunities and scale benefits," Edelweiss wrote in a note.

IndusInd shares rose 5.6% to ₹1.790.65 on the BSE

### Inflation may quicken by 20 bps on loan waivers

PRESS TRUST INDIA

Farm loan waivers amounting to ₹88,000 crore likely to be released in 2017-18 by seven States, including U.P. and Maharashtra, may push inflation on a permanent basis by 0.2 percentage points, according to an RBI paper.

Farm loan waivers have been announced intermittently by both the central and state governments to provide relief to farmers facing distress due to natural calamities and crop failure. Loan waivers could add to the fiscal burden over the medium term, according to a Mint Street Memo from

## Sales of cars, SUVs rise in Aug.

PVs grow 13.8% as demonetisation effect wanes, says SIAM

SPECIAL CORRESPONDENT

Domestic passenger vehicle sales grew 13.8% in August as dealers began restocking vehicles to cash in on fresh demand arising from vehicle cuts price post-GST implementation.

Utility vehicle sales led the way surging 19.6% to touch 78,664 units in August, followed by car sales that grew 11.8% to reach 1.99 lakh units, as per data released by the Society of Indian Automobile Manufacturers (SIAM).

Rural market growth

"The effects of demonetisation have completely waned and rural markets are coming back on the growth track. Nearly all segments seen double-digit

**Upbeat mood:** Sales in the last two months had been good due to pent-up demand and price cuts, says SIAM's Vishnu Mathur.

growth," said SIAM Director General Vishnu Mathur.

While the month of June experienced a slowdown due to anticipation about GST's possible impact on prices, Mr. Mathur said that sales in the last two months had been good as there was pent-up demand and a lot of

customers wanted to take advantage of the price cuts announced by manufacturers, especially after they learnt about an imminent increase in GST cess rates. ...Whether this is sustainable or not, we will have to wait and see," Mr. Mathur emphasised.

## + Bharti starts **VoLTE** in Jio home turf

SPECIAL CORRESPONDENT

Bharti Airtel on Monday announced the roll-out of its Voice over LTE (VoLTE) services in Mumbai, the home base of new entrant Reliance Jio. The mobile services leader is the second operator after Jio to offer this service in India.

Bharti Airtel said it plans to roll-out the service across the country over the next few months

"Airtel VoLTE, which works over 4G, will offer customers HD quality voice calls along with faster call set up time. It will be available on popular 4G/ LTE-enabled mobile devices, which must have a Airtel 4G SIM," Bharti said. There would be no additional data charges, with calls billed as per plan.

## Thyssenkrupp, Tata Steel may ink MoU on merger

Deal has been held up by talks over U.K. pension liabilities

Thyssenkrupp could reach an agreement in principle this month to merge its European steel business with that of Tata Steel, the group said on Monday, adding talks were constructive and had entered the final

Shareholders last week put pressure on Thyssenkrupp to clinch a deal after talks over a potential steel combination dragged on for a year and a half, mainly held up by negotiations over Tata Steel's British pension liabilities. That hurdle was removed after Tata Steel on Monday received regulatory clearance on a pension deal initially reached a month



Steely will: With the air over pension scheme cleared, merger talks may gain steam.

ago, enabling it to separate its U.K. pension scheme from the group.

Pension deal

The Pensions Regulator of U.K. approved a Regulated Apportionment Arrangement (RAA) in respect of Tata Steel U.K. and the British Steel Pension Scheme (BSPS) as the latter has now been separated from Tata Steel U.K. and a number of affiliated companies. As part of the RAA, a pay-

ment of £550 million from Tata Steel UK has been made to the BSPS and shares in Tata Steel UK, equivalent to a 33% of economic equity stake in the company, issued to the BSPS Trustee under the terms of a shareholders' agreement, said a company statement. Tata Steel UK has also agreed to sponsor a proposed new pension scheme, subject to certain qualifying conditions being met.

(With inputs from Piyush Pandey in Mumbai)



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# ExxonMobil slashes LNG price to India

Decision seen as bad omen for gas producers in the oversupplied global market

Cutting to keep: Analysts say sellers have had to be more

REUTERS

MELBOURNE/NEW DELHI India has won a price cut on

a 20-year liquefied natural gas (LNG) deal with global giant ExxonMobil Corp. in a rare contract renegotiation, a bad sign for producers in a heavily oversupplied global market.

In a trade-off for Exxon-Mobil, India's Petronet LNG will increase its volumes from the Gorgon LNG project in Australia by an extra 1 million tonnes a year to about 2.5 million tonnes a year, but at cheaper rates than initially agreed in 2009.

#### Roiled by new supply

Long-term contracts are rarely revised in the LNG market, and for a big producer to cave in shows how supply from new plants in Australia and the U.S. over the past two years has transformed the market, analysts said.

"This trend is overall a negative for sellers, as they are forced to provide more



India has been aggressive in seeking cheaper deals, also renegotiating a contract with Qatar in 2015, but the real pain for producers would come if major Asian buyers in Japan, Korea and China followed suit.

news that India has, yet again been able to address the long term price issue of LNG from Gorgon to suit Indian market," India's oil minister, Dharmendra Pradhan, said on Saturday on social media. Indian consumers would soon receive LNG at an "amicable price", Mr. Pradhan said. India started re-

ceiving Gorgon supplies

"Happy to share good

Petronet said in a stock ex-

from January.

change filing on Monday it had reached a "broad understanding of terms" with ExxonMobil, without giving further details. Citing market sources,

RBC analyst Ben Wilson estimated ExxonMobil would receive 15% less revenue per unit on its sales to Petronet under the new deal. If ExxonMobil had not agreed to renegotiate, Petronet might have scrapped the deal, leaving the major to pursue damages and resell the volumes on a weak spot market.

#### 'Lesser evil'

"They've probably taken the lesser of two evils," said Mr. Wilson, adding that it did not bode well for other LNG producers such as Australia's Woodside Petroleum which has targeted India to diversify its heavy exposure to Japan and South Korea.

Exxon has agreed to absorb shipping charges, two sources told Reuters.