

MARKET WATCH

	12-02-2018	% CHANGE
Sensex	34,300	0.87
US Dollar	64.32	0.12
Gold	31,250	0.16
Brent oil	63.26	-1.09

NIFTY 50

	PRICE	CHANGE
Adani Ports	403.35	4.35
Ambuja Cements	256.90	-2.00
Asian Paints	1144.40	13.65
Aurobindo Pharma	607.50	17.80
Axis Bank	564.20	6.65
Bajaj Auto	3154.10	54.85
Bajaj Finance	1643.80	4.40
Bharti Airtel	424.40	1.90
Bosch	19545.85	63.25
BPL	467.55	-7.85
Cipla	621.65	0.25
Coal India	300.65	0.50
Dr Reddys Lab	2204.25	10.45
Eicher Motors	27901.40	153.45
GAIL (India)	465.00	2.55
HCL Tech	939.15	-24.85
HDFC	1805.45	32.40
HDFC Bank	1876.65	27.15
Hero MotoCorp	3611.90	65.80
Hindalco	243.25	-0.25
HPCL	391.45	-4.25
Hind Unilever	1213.85	17.80
Hindustan PHL	1314.85	26.45
ICICI Bank	326.25	-0.50
IndusInd Bank	1687.80	37.95
Bharti Infratel	338.25	-3.25
Infosys	1102.80	-6.35
Indian Oil Corp	379.05	0.40
ITC	269.85	-1.50
Kotak Bank	1042.95	10.95
L&T	1350.50	21.25
Lupin	840.45	18.30
M&M	746.00	-4.05
Mauriti Suzuki	9117.85	181.75
NTPC	164.90	1.65
ONGC	191.00	3.65
PowerGrid Corp	198.50	5.30
Reliance Ind	915.50	17.65
State Bank	288.75	-7.65
Sun Pharma	589.15	6.45
Tata Motors	371.80	3.05
Tata Steel	713.10	27.80
TCS	2967.35	-4.40
Tech Mahindra	590.35	-4.90
UltraTech Cement	4200.30	47.00
UPL	726.50	18.15
Vedanta	315.55	-0.75
Wipro	288.95	3.95
YES Bank	335.40	9.85
Zee Entertainment	584.50	3.55

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 12

CURRENCY	TT BUY	TT SELL
US Dollar	64.11	64.43
Euro	78.68	79.08
British Pound	88.89	89.34
Japanese Yen (100)	59.01	59.31
Chinese Yuan	13.13	13.18
Swiss Franc	68.41	68.76
Singapore Dollar	48.35	48.59
Canadian Dollar	51.03	51.29
Malaysian Ringgit	16.27	16.37

Source: Indian Bank

BULLION RATES CHENNAI

February 12 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41	(40.9)
22 ct gold (1g)	2877	(2866)

ArcelorMittal, Numetal in race for Essar Steel

Ravi Rui's son Rewant is minority shareholder in Numetal, says a company official; Vedanta, JSW, Tata Steel keep off bid

PIYUSH PANDEY
MUMBAI

Steel baron L.N. Mittal-led ArcelorMittal and Mauritius-based Numetal, in which Rui's son Rewant is a minority shareholder, have submitted bids to buy out Essar Steel. The steelmaker is on the block under corporate insolvency resolution process.

Other potential bidders like Vedanta Resources, Tata Steel, JSW Steel did not submit any bids before the close of the deadline on Monday evening, leaving only ArcelorMittal and Numetal in the race, said sources in the know of the development.

'VTB backs Numetal'

Confirming the development, a senior official of Numetal told *The Hindu*, "We have submitted the bids for

Essar Steel and are hopeful of getting it. Numetal is backed by VTB Bank of Russia as the majority shareholder and Rewant Rui and other professionals from industry as minority shareholders."

Rewant Rui is the son of Essar Steel promoter Ravi Rui. "Numetal bid complied with all the bidding guidelines and having Rewant Rui as minority partner in the consortium does not make it ineligible," said another source, who did not wish to be identified.

ArcelorMittal has submitted its bids through its subsidiary ArcelorMittal India Pvt. Ltd. (AMIPL) and in its offer, AMIPL has set out a detailed plan for Essar aimed at improving its performance and profitability and ensuring it "can participate in the



New hope: In its offer, ArcelorMittal India has set out a plan for Essar aimed at improving its performance and profitability.

anticipated growth of steel demand in India."

Essar Steel was referred to the National Company Law Tribunal (NCLT) last year after accumulating ₹48,000 crore in debt. It is learnt that both bidders have submitted bids, each in excess of ₹35,000 crore, against the liquidation price of ₹20,000

crore set by the interim resolution professional.

"It highlights the extensive experience and track record of the group in the successful acquisition and integration of under-performing assets, which AMIPL believes would be of considerable value to Essar. Essar would also have access to the

deep bench of technical expertise and knowledge from across the group which is unparalleled in the steel industry," said ArcelorMittal in a statement.

'Can turnaround firm'

Lakshmi Mittal, chairman and CEO, ArcelorMittal, said, "The offer submitted by AMIPL includes a detailed investment plan to address operational issues in Essar's existing asset base. With our industry expertise and renowned operating prowess, we believe we are uniquely equipped to implement a successful turnaround which would be beneficial to Essar's stakeholders."

Essar Steel is an integrated flat steel producer. Its main production facility is in Gujarat. It has a nameplate crude steel capacity of 9.6 million

tonnes per annum. The current achievable crude steel production level is 6.1 million tonnes per annum due to a bottleneck in the steel-making and casting process.

L.N. Mittal's son Aditya Mittal, group CFO and CEO, ArcelorMittal Europe, said, "As the [Indian] economy grows, its steel intensity will also increase. We believe our technical experience and management know-how, gained from many successful acquisitions and integrations, will ensure success for the various steel and pelletising operations at Essar."

Investment adviser S.P. Tulsian told *The Hindu*, "I believe that Rui's will bid aggressively. After the bids, I believe across the board, stakes would be [cut] to one-fourth due to equity infusion by the new promoters."

'Industrial policy must create jobs'

SPECIAL CORRESPONDENT
NEW DELHI

The proposed new Industrial Policy, while addressing ways to incorporate the use of modern smart technologies for advanced manufacturing in India, should also look at creating more jobs as well as boosting the economic activities of Self-Help Groups (SHG), said Commerce Minister Suresh Prabhu.

Meeting economists, academicians and industry leaders for inputs regarding the formulation of the new Industrial Policy, the Minister said "we need to think about linking the economic activities of the SHGs [to the new policy to give them a boost]. These are grass-root level organisations that are both informal and a bit formal."

NPAs push Bank of India to ₹2,341 cr. loss

Lender's provision for bad loans rises

SPECIAL CORRESPONDENT
MUMBAI

State-owned Bank of India reported a net loss of ₹2,341.23 crore in the three months ended December due to a rise in provision for bad loans and lower income from treasury operations. The lender had posted a ₹101.73 crore profit in the third quarter of 2016-17.

Surge in bad loans

Gross non-performing assets (NPAs) rose to ₹64,249 crore (16.93%) in December 2017, from ₹49,307 crore (12.62%) in September 2017, and ₹51,781 crore (13.38%) in the year earlier period.

Total provisions more than doubled to ₹4,899

crore, from ₹2,303 crore in the year-earlier period. NPA provision was ₹4,373 crore as compared with ₹2,546 crore. The RBI had mandated the lender to classify ₹14,057 crore of assets as NPAs, the main reason for the rise in bad loans.

"This is a special situation and these numbers should not be the benchmark for taking the right idea about the functioning of the bank," said Dinabandhu Mohapatra, MD & CEO, Bank of India.

"In view of the last quarters' [Q1 and Q2] good performances and excluding this special situation, we are quite hopeful that things are on the right track."

Indian bourses' move on data sharing hits SGX shares

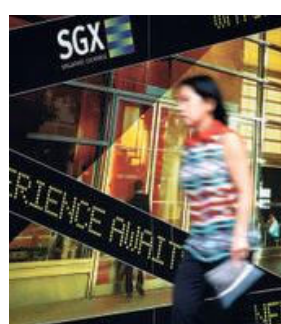
Exchange offers Nifty contracts for global investors

SPECIAL CORRESPONDENT
MUMBAI

The impact of the decision of the Indian exchanges not to share market data with any overseas bourse was visible on Monday with shares of Singapore Stock Exchange (SGX) closing at their lowest levels in nearly eight months.

On Monday – the first trading day after Indian exchanges said they would not share market data with any foreign bourse that offers derivatives contracts on Indian indices – SGX shares lost 7.35% to close at Singapore \$7.31, its lowest close since June 19, 2017.

Intra-day, the shares lost



8.75% to touch a 52-week low of S \$7.20.

10% of total volume

SGX offers the popular Nifty contracts that attract global investors due to its low trading costs and the attractive

tax regime of the country. Nifty futures contracts reportedly constitute 10% of the total derivative volume of the exchange.

In a statement on Sunday, SGX said its plans to introduce new India-specific products came after a joint initiative by Indian exchanges last week that would lead to the termination of the SGX Nifty contracts.

"SGX will... launch new India-access risk management solutions to allow global participants in SGX India equity index family of derivative products, to execute their investment activities with continuity," said a statement by SGX.

Promoters infuse ₹3,250 crore in Idea

Aditya Birla Group stake is now 47.2%

SPECIAL CORRESPONDENT
MUMBAI

The Aditya Birla Group has infused ₹3,250 crore into Idea Cellular by subscribing to the preferential allotment of shares, thereby increasing the promoters' stake to 47.2% from 42.4%.

"Idea Cellular Limited, the third-largest wireless operator in India by subscribers, [on Monday] completed the allotment of 326,633,165 equity shares to the Aditya Birla Group entities, at an issue price of ₹99.50 per share [including a premium of ₹89.50 per share] aggregating to ₹3,250 crore," the company said in a statement. Group chairman Kumar Mangalam Birla said:



"This equity infusion reiterates the Group's commitment towards the telecom business and confidence in its growth prospects."

The equity infusion, along with the proposed raising of additional funds of up to ₹3,500 crore, will reduce Idea's net debt.

RCom calls meeting of bondholders

SPECIAL CORRESPONDENT
MUMBAI

Reliance Communications has convened a meeting of holders of its bonds on March 6 in London, seeking partial redemption of bonds at face value, reduction of the coupon rate and extension of the maturity period.

The meeting is meant for holders of its \$300 million Senior Secured Notes due in 2020, the company said in a statement.

The bonds are currently trading at a discount in the range of 32%-37% and bondholders are proposed to be treated at par with other secured lenders.

The telecommunications company has sought extension of the maturity period by eight years to 2028 for the bonds remaining after redemption.

Mondelez faces India tax claim exceeding \$245 mn

U.S. confectionery major says it is 'contesting' the demand

LALATENDU MISHRA
MUMBAI

The Indian subsidiary of Mondelez International faces a tax liability of more than \$245 million, as per the multinational confectionery, food and beverages major's 10-K filing with the U.S. Securities and Exchange Commission.

"In February 2013 and March 2014... Mondelez India Foods Pvt. Ltd., and other parties received show-cause notices from Indian Central Excise Authority calling upon the parties to demonstrate why the Excise Authority should not collect a total of ₹3.7 billion (\$59 million as of December 31, 2017) of unpaid excise tax and an equivalent amount of penalties as well as interest,



related to production at the same Indian facility," Mondelez International said in the filing. It said it had contested these demands.

'\$91 mn demand'

"On March 27, 2015... the commissioner of the Excise Authority issued an order denying the excise exemp-

tion that we claimed for the Indian factory and confirming the Excise Authority's demands for a total taxes and penalties amounting ₹5.8 billion (\$91 million as of December 31, 2017)," it said.

It added, "The Authority issued additional notices [later] on the same issue but covering the periods January to October 2014, November 2014 to September 2015 and October 2015 to June 2017."

It said, "These notices added [up to] ₹4.9 billion (\$77 million)... of unpaid excise taxes as well as penalties to be determined up to an amount equivalent to that claimed... plus interest." The amount, including interest, could exceed \$154 million for the second set of notices.

'Passenger vehicle sales rise 7.57% in Jan.'

Growth driven by robust demand for utility vehicles, says auto association SIAM

SPECIAL CORRESPONDENT
NEW DELHI

Sales of passenger vehicle grew 7.57% to more than 2.85 lakh units in the last month, from 2.65 lakh units in the year earlier period, as per data released by the Society of Indian Automobile Manufacturers (SIAM).

While sales of utility vehicles shot up by almost 38% to 85,850 units, those of cars declined by 1.25% to just over 1.84 lakh units during the month under review.

'UVs to lead sales'

"The overall growth in the passenger vehicle sales in January is as per expectations and is also a reflection of the mood ahead of the Auto Expo," SIAM director general Vishnu Mathur said, adding that utility vehicles continue to be a growth driver.

The sales in the car segment were largely flat as the



No new models: Car sales were flat as the entry-level segment did not see introductions, says Vishnu Mathur of SIAM. •AFP

entry-level segment is not witnessing many new launches with the customer preference shifting towards crossovers and compact SUVs, he reasoned.

"The UV sales in January this year was the second-highest in terms of volume,

after the highest clocked in July last year at 86,874 units," Mr. Mathur said.

As per the data, total two-wheeler sales in January rose 33.43% to more than 16.84 lakh units, compared with more than 12.62 lakh units in the year-earlier period.

While motorcycle sales grew 28.64% to over 10.54 lakh vehicles, scooter sales soared 48.29% to more than 5.53 lakh units. This reflected the strong demand for two wheelers in rural as well as urban markets, he said.

CV sales rise

Sales of commercial vehicles, which are seen as an indicator economic activity, rose by almost 40% to 85,660 units in January compared with 61,305 units in the corresponding period. Sales of medium and heavy commercial vehicles increased 18.77% to 34,170 units and those of light commercial vehicles rose by 58.26% to 51,490 units.

Vehicle sales across categories registered 30.71% growth to more than 21.17 lakh units, compared with 16.2 lakh units in January 2017.

THE HINDU GROUP

THE LOST IN TIME CONTEST

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Submit your story at www.youngworldclub.com/lostintime

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Imagine you had the superpower to go back in time and meet your favourite mythological character. Who would you meet and what would you say to them? Narrate an interesting story in under 500 words, send it to us by **February 28, 2018** and stand a chance to win fabulous prizes!

For inspiration, read the book 'Lost in Time' by Namita Gokhale in which a little boy meets Ghatotkach of Mahabharata.

Contest open for kids of ages 8 - 15 years.