

MARKET WATCH		
	10-10-2017	% CHANGE
Sensex	31,924	0.24
US Dollar	65.28	0.12
Gold	30,765	0.47
Brent oil	56.61	2.07

NIFTY 50		
	PRICE	CHANGE
Adani Ports	396.85	3.15
Ambuja Cements	277.65	-2.60
Asian Paints	1163.00	4.40
Aurobindo Pharma	735.30	6.20
Axis Bank	514.55	8.60
Bajaj Auto	3134.70	9.25
Bajaj Finance	1950.80	9.50
Bharti Airtel	384.60	5.65
Bosch	2126.60	-50.00
BPCL	482.30	1.05
Cipla	590.15	4.60
Coal India	285.65	4.30
Dr Reddys Lab	2411.35	2.40
Eicher Motors	31545.15	-329.00
GAIL (India)	444.60	-1.45
HCL Tech	899.60	-3.20
HDFC	1744.75	-4.95
HDFC Bank	1802.70	7.20
Hero MotoCorp	3695.25	18.85
Hindalco	252.05	2.55
HPCL	436.55	-3.45
Hind Unilever	1209.20	-11.05
Indiabulls HFL	1281.90	9.65
ICICI Bank	269.80	-1.95
Indusind Bank	1725.15	25.65
Bharti Infratel	399.85	1.35
Infosys	935.45	11.55
Indian OilCorp	410.85	-3.30
ITC	266.20	-1.80
Kotak Bank	1055.65	5.70
L&T	1142.70	1.75
Lupin	1062.00	22.05
M&M	1305.10	0.25
Maurti Suzuki	7893.70	-3.00
NTPC	175.50	0.60
ONGC	170.35	-0.35
PowerGrid Corp	204.75	3.80
Reliance Ind	843.20	12.55
State Bank	256.95	0.10
Sun Pharma	527.20	-4.20
Tata Motors	423.60	-2.00
Tata Steel	690.80	-6.45
TCS	2459.25	5.15
Tech Mahindra	466.30	3.00
UltraTech Cement	3970.80	13.45
UPL	819.60	26.75
Vedanta	321.00	-3.00
Wipro	287.00	0.20
YES Bank	372.90	2.00
Zee Entertainment	522.90	-2.85

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on October 10		
CURRENCY	TT BUY	TT SELL
US Dollar	65.08	65.40
Euro	76.66	77.05
British Pound	85.80	86.23
Japanese Yen (100)	57.86	58.15
Chinese Yuan	9.90	9.95
Swiss Franc	66.58	66.91
Singapore Dollar	47.93	48.17
Canadian Dollar	51.99	52.25
Malaysian Ringgit	15.41	15.51
Source:Indian Bank		

BULLION RATES CHENNAI		
October 10 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	43.00	(42.70)
22 ct gold (1 g)	2,839	(2,830)

# GIFT City bourses to offer oil contracts

Trading in crude futures to start this month after SEBI permission to special financial zone's exchanges

**ASHISH RUKHAIYAR**  
MUMBAI

The Securities and Exchange Board of India (SEBI) has allowed exchanges established in GIFT City to introduce crude oil futures contracts, trading in which is set to commence later this month.

The inclusion of crude oil contracts at the International Financial Services Centre (IFSC) was one of the main demands by market participants who had wanted to be able to trade in the global commodity in dollar terms, with the added advantage of lower trading costs and also longer trading hours on Indian shores.

Currently, BSE's India INX and the NSE IFSC are the two operational bourses in the special financial zone in Gujarat. While India INX started trading in January, NSE IFSC went live in June. Further, exchanges in the IFSC offer



**Trading bonanza:** The introduction of crude oil contracts, will help boost liquidity, says India INX CEO V. Balasubramaniam.

trading facilities for 22 hours.

Currently, bourses based in GIFT City offer trading in derivatives based on indices, single stocks – both domestic and overseas – currency and bullion. All contracts are settled in dollars in IFSC. “Ever since trading started in Gift City in Janu-

ary, there has been a strong interest by investor community but there was this big gap in the form of crude and INR-USD contracts,” said a person involved in the regulatory discussions. “At least one demand has been fulfilled and that will lead to a big push in terms of trading turnover,” said the person,

## Centre to set up think tank for oil sector soon: Pradhan

Panel to advise on gas network, technology, attracting FDI

**SPECIAL CORRESPONDENT**  
NEW DELHI

The government will soon get Cabinet approval for the setting up of a high-powered think tank under the Ministry of Petroleum to look into key issues such as the setting up of a gas network across the country, Petroleum Minister Dharmendra Pradhan said on Tuesday.

Mr. Pradhan also reiterated Prime Minister Narendra Modi's commitment to the COP 21 agreement concluded at the Paris leg of the climate change conference.

“We are forming an internal think tank for advice on technology, setting up a gas network, attracting more



Dharmendra Pradhan

FDI in the sector, reducing India's oil imports by 10%, and developing innovative new models of financing projects,” Mr. Pradhan told reporters.

“The proposal and nitty-gritty will be brought before the Cabinet very soon,” he said.

The members of this think tank will include ICICI Bank MD and CEO Chanda Kocchar, New Development Bank chief K.V. Kamath, former Chairman of the 13<sup>th</sup> Finance Commission Vijay Kelkar, top officials from oil and gas majors from across the world and officials from the Ministry of Petroleum and Natural Gas, according to Mr. Pradhan.

The Minister said that there was a lot of marketing scope for gas, one of the key reasons behind the setting up of a gas trading platform.

who did not wish to be identified. India INX registered a daily average turnover of almost \$37 million in September. It witnessed a record high turnover of \$102 million on May 5.

**‘Boost liquidity’**

“There is a lot of demand for crude oil contracts globally and the launch of such contracts in GIFT City will boost the liquidity,” said V. Balasubramaniam, managing director and CEO, India INX.

India INX would offer two contracts – one with Brent crude as the underlying, and the other with WTI crude. The contract size has been fixed at 100 barrels each.

Further, DGCX (Dubai Gold and Commodities Exchange) prices would be taken into account for ascertaining the settlement price of the contracts. DGCX is the biggest derivatives exchange

in the Middle East.

Trading interest in crude oil can be gauged from the fact that it is the highest traded commodity on Multi Commodity Exchange of India (MCX), the country's largest commodity bourse in terms of market share.

In the six-month period between April and September, the average daily turnover in crude oil contracts on the MCX was ₹5,518 crore. In comparison, the average daily turnover in gold in the same period was ₹3,153 crore.

Participants are eyeing INR-USD contracts settled in dollars as the next goal.

People familiar with the development said that while regulators had expressed concerns about allowing rupee-dollar contracts in IFSC, “constructive discussions” were ongoing with all the stakeholders.

## ‘Indian IT must look past back-end work’

Firms should offer products: Alphons

**SPECIAL CORRESPONDENT**  
NEW DELHI

Indian IT companies must go beyond catering to the back-end operations of foreign clients and increase their product offerings instead to help the country cut its reliance on technology developed abroad, Minister of State for Electronics and IT K.J. Alphons said.

Speaking at a CII summit on the Internet of Things (IoT) on Tuesday, Mr. Alphons warned about the dangers of relying too much on technology from overseas as programs and gadgets could collect information.

**‘Scary world’**

“It's a very scary world, where a manufacturer can put a little code to collect in-

formation and even shut down systems,” Mr. Alphons said. “Why is our indigenous product sector so small? Can we survive just doing back end for other countries? This is deeply worrying.”

According to Mr. Alphons, Forbes estimated that there would be 25 billion IoT connected devices by 2020, while Cisco pegged that number at 50 billion.

Gartner, he said, predicts that IoT would result in an economic benefit of almost \$2 trillion by 2020 while Cisco forecasts a value of \$14.4 trillion by 2022.

“It is clear that the size of IoT industry is huge and India and Indian electronics industry must take maximum advantage of this opportunity,” he said.

## R-Infra in pact with Adani

**PRESS TRUST OF INDIA**  
NEW DELHI

Reliance Infrastructure has entered into a period of exclusivity with Adani Transmission for proposed sale of its integrated business of generation, transmission and distribution of power for Mumbai.

In a regulatory filing on Tuesday, Reliance Infrastructure said it “has entered into a period of exclusivity until January 15, 2018, in relation to discussions for the proposed sale of the integrated business of generation, transmission and distribution of power for Mumbai city to Adani Transmission.”

“Accordingly, there can be no certainty that a transaction will result,” it said.

## Coal India signs wage pact with workers’ unions

Five-year agreement may potentially cost miner ₹5,667 cr.

**PRESS TRUST OF INDIA**  
NEW DELHI

State-owned Coal India on Tuesday said it had signed a wage agreement with workers’ unions for a period of five years which would have an estimated impact of ₹5,667 crore annually to the miner.

The “Memorandum of Agreement for National Coal Wage Agreement-X has been signed on October 10 for a period of five years from July 1, 2016 to June 30, 2021,” Coal India said in a BSE filing.

“This agreement will impact 2.98 lakh coal workers and the total estimated average annual impact would be



■ AFP

₹5,667 crore,” the filing said.

S.Q. Zama, the secretary general of Indian National Mine Workers Federation told PTI, of the five central unions in the coal industry, only three – AITUC, CITU and BMS – signed the wage

pact.

The central trade unions at the coal PSU had been demanding a 25% increase in gross wages as on June 30, 2016, plus 4% as perquisites.

D.D. Ramanandan, general secretary of CITU-affiliated All India Coal Workers Federation, had earlier said that the unions had settled for a 20% minimum guaranteed benefit as the management was earlier not contributing to the medical scheme, but had now agreed to provide ₹18,000 per person.

“We have reached an understanding with the Coal India management for 20% minimum guaranteed benefit,” he had said.

## OMCs to dealers: call off strike or face action

Dealers want petro products put under GST, penalties to go

**SPECIAL CORRESPONDENT**  
MUMBAI

State-owned oil marketing companies, Indian Oil Corporation, Hindustan Petroleum Corporation and Bharat Petroleum Corporation have urged their 54,000 dealers not to go on strike on October 13 as planned, as ‘most of their reasonable demands have been met’.

The Federation of All Petroleum Traders (FAIPT), The All India Petroleum Dealers Association (AIPDA) and the Consortium of Indian Petroleum Dealers (CIPD) had called for a one-day closure of outlets on October 13 and had further called for indefinite closure of sales and supplies with effect from October 27, 2017.

“We have requested them to call off the strike as most of their demands have been



Hundreds of dealers have said they would not go on strike, according to BPCL.

met. In case of failure to call off strike, required action will be taken under the Marketing Discipline Guidelines (MDG). “Petroleum products come under the Essential Commodities and action further actions will be taken under the provisions of the said

act,” Balwinder Singh Canth, director-marketing, IOC, told *The Hindu*.

“In case of disruption, we will approach the state governments to ensure that public is not inconvenienced,” Mr. Canth said.

**‘Six-monthly revision’**

The dealers had demanded petroleum products be brought under the ambit of the GST, the removal of penalties under MDG and the revision of dealers’ commission every six months.

On bringing petroleum products under GST ambit, Mr. Singh said, “Our minister Dharmendra Pradhan has expressed desire to bring petrol and diesel under the GST and the expert committee is looking at it. It's beyond the OMCs control.”

## Facebook India MD Bedi resigns

**SPECIAL CORRESPONDENT**  
NEW DELHI

Umang Bedi, managing director (India and South Asia), Facebook has resigned from his position.

“We confirm that Umang Bedi will be leaving his role and Facebook at the end of this year,” the social networking giant said in a statement.

“He has built a really strong team and business during his time with us, and we wish him all the best,” it added.

Sandeep Bhushan, who is currently the director, consumer and media (South Asia), will be the interim managing director, as the company looks for Mr. Bedi's successor.

Mr. Bedi had joined Facebook in July 2016, taking over from Kirithiga Reddy. Prior to that, he was the managing director (South Asia) Adobe.

## Bad loans at banks hit record \$146 bn

Sour loans increase 4.5% in six months to June, unpublished RBI data shows

**REUTERS**  
MUMBAI

Indian banks' sour loans hit a record 9.5 trillion rupees (\$145.56 billion) at the end of June, unpublished data shows, suggesting Asia's third-largest economy is no nearer to bringing its bad debt problems under control.

A review of Reserve Bank of India (RBI) data obtained through right-to-information requests shows banks' total stressed loans – including non-performing and restructured or rolled over loans – rose 4.5% in the six months to end-June. In the previous six months, they had risen 5.8%.

While banks remain the main source of funding for India's companies, the stubborn bad debt problem has eaten into bank profits and choked off new lending, especially to smaller firms, at a time when an economy that depends on them is stalling.



**Dark clouds loom:** Alka Anbarasu of Moody's predicts weak quarters ahead for banks before profitability picks up. ■ REUTERS

India grew at its slowest pace in three years in April-June – a concern for the government of Prime Minister Narendra Modi, who faces elections in 2019 and has pledged to create millions of new jobs before then.

Banks are having to take higher provisions to account for more defaulters being pushed into bankruptcy. And margins are likely to be squeezed further by pro-

posed new rules to encourage commercial banks to pass on central bank interest rate cuts.

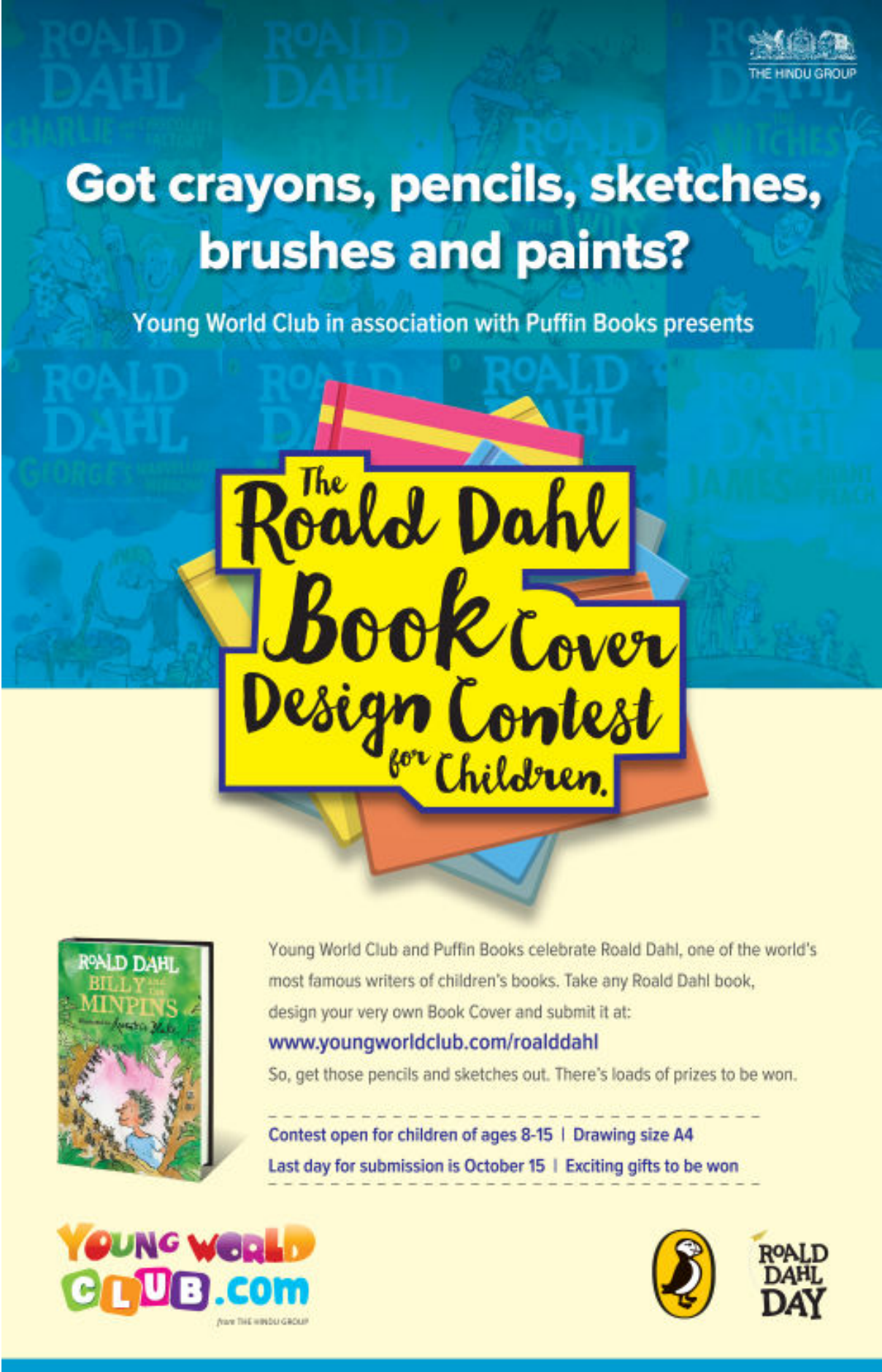
**‘Retail NPAs worrying’**

To be sure, the bulk of India's sour loans are in the state banks and stem from lending to large conglomerates, especially in steel and infrastructure. But analysts said the rise in bad loans among small firms, and even

retail borrowing, is worrying and will do little to encourage new loans to help fuel growth.

“On the corporate side, we think it's a recognition cycle which is nearing an end,” said Alka Anbarasu, senior analyst at Moody's Investors Service, referring to more bad loans being recognised as such, as banks come under pressure from the RBI and other regulators. “But it's really those data points beyond corporate that are causing some worry.”

Ms. Anbarasu forecast weak quarters ahead for banks before profitability picked up. Several senior bankers from public sector lenders, which account for more than two-thirds of Indian banking assets, agreed the months ahead would be strained. Stressed loans as a percentage of total loans reached 12.6% at end-June, according to the data, the highest in at least 15 years.



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The Roald Dahl Book Cover Design Contest for Children.

Young World Club and Puffin Books celebrate Roald Dahl, one of the world's most famous writers of children's books. Take any Roald Dahl book, design your very own Book Cover and submit it at: [www.youngworldclub.com/roalddahl](http://www.youngworldclub.com/roalddahl)

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