MARKET WATCH

	20-11-2017	% CHANGE
Sensex	33,360	0.05
US Dollar	65.11	-0.15
Gold	30,700	-0.24
Brent oil	61.82	-0.54

NIFTY 50

	PRICE	CHANGE
Adani Ports	398.60	-2.35
Ambuja Cements	264.70	-9.80
Asian Paints	1166.35	-4.95
Aurobindo Pharma	706.45	-2.35
Axis Bank	545.15	2.75
Bajaj Auto	3242.00	35.15
Bajaj Finance	1805.25	17.90
Bharti Airtel	492.65	-0.85
Bosch	19376.50	410.60
BPCL	504.45	0.45
Cipla	604.25	-4.30
Coal India	278.35	5.55
Dr Reddys Lab	2274.45	-48.15
Eicher Motors	30639.70	-67.75
GAIL (India)	460.35	15.60
HCL Tech	842.15	2.15
HDFC	1689.20	-16.30
HDFC Bank	1838.15	12.60
Hero MotoCorp	3658.60	27.45
Hindalco	261.45	2.60
HPCL	415.55	0.75
Hind Unilever	1274.50	-3.65
Indiabulls HFL	1199.50	15.50
ICICI Bank	318.55	-6.55
IndusInd Bank	1649.30	17.40
Bharti Infratel	383.70	3.55
Infosys	960.55	-10.40
Indian OilCorp	392.95	-2.20
ITC	259.20	1.20
Kotak Bank	1040.55	17.35
L&T	1229.80	7.00
Lupin	826.15	-3.40
M&M	1408.00	-8.75
Maurti Suzuki	8425.65	77.30
NTPC	180.45	2.90
ONGC	180.00	2.40
PowerGrid Corp	208.80	0.20
Reliance Ind	920.85	8.95
State Bank	333.00	-4.50
Sun Pharma	517.15	0.05
Tata Motors	423.00	1.20
Tata Steel	702.15	0.95
TCS	2703.45	-3.85
Tech Mahindra	476.80	-7.75
UltraTech Cement	4181.30	-85.75
UPL	728.90	4.70
Vedanta	313.90	6.30
Wipro	294.35	-0.80
YES Bank	313.35	7.25
Zee Entertainment	532.70	-2.80

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on November 20

CURRENCY	TT BUY	TT SELL
US Dollar	64.91	65.23
Euro	76.52	76.90
British Pound	86.01	86.46
Japanese Yen (100)	57.88	58.17
Chinese Yuan	9.78	9.84
Swiss Franc	65.56	65.89
Singapore Dollar	47.88	48.12
Canadian Dollar	50.76	51.01
Malaysian Ringitt	15.62	15.72

Source:Indian Bank

BULLION RATES CHENNAI

November 20 rates in rupees with previous rates in parentheses

Retail Silver (1g)	43.10	(43.40)
22 ct gold (1 g)	2,830	(2,836)

Infra status for logistics sector

Industry can now avail funding at competitive rates that comes with recognition

SPECIAL CORRESPONDENT
NEW DELHI

The Centre has granted infrastructure status to the logistics sector, allowing it to avail loans at competitive terms that come along with the status.

"The need for integrated logistics sector development has been felt for quite some time in view of the fact that the logistics cost in India is very high compared to developed countries," the government said in a statement.

"High logistics cost reduces the competitiveness of Indian goods both in domestic as well as export markets. Development of logistics would give a boost to both domestic and external demand thereby encouraging manufacturing and 'job creation.'

"This will, in turn, be instrumental in improving country's GDP."

Sky high: The cost of logistics is very high in India with some estimates putting it at about 13% of GDP. ▪GETTY IMAGES/ISTOCK

"The cost of logistics is extremely high in India with some estimates putting it at about 13% of GDP, which is higher than the U.S. (9) and Germany (8)," said Pirojshaw Sarkari, CEO, Mahindra Logistics, in a statement. "Hence, the logistics sector needs improvement in efficiency. We believe that the infrastructure status will reduce the cost of capital in transportation and warehousing, thereby reducing the cost of logistics."

"There are a number of benefits that the infrastructure status has," said K. Ravichandran, senior vice president, ICRA said.

Longer maturity period

"Number one, infrastructure industries get longer maturity loans compared to typical manufacturing sector. They are also eligible for slightly higher equity ratios while applying for the loans. The third is that the external commercial borrowing guidelines say that the infrastructure sector has certain advantages and flexibility, and they can also do refinancing with specialised lenders like IDFC, IIFCL, etc."

The inclusion of the logistics sector in the Harmonised Master List of Infrastructure Sub-sectors was discussed at the 14th Institutional Mechanism (IM) Meeting held on November 10, 2017, where it was approved by Finance Minister Arun Jaitley.

Bharat-22 ETF: ₹14,500 crore raised

PRESS TRUST OF INDIA
NEW DELHI

The Centre has raised ₹14,500 crore through the Bharat-22 Exchange Traded Fund (ETF), comprising 22 companies. "We have decided to retain ₹14,500 crore of the total subscription that has come in for Bharat-22 ETF," Department of Investment and Public Asset Management (DIPAM) Secretary Neeraj Gupta said. The ETF saw bids of nearly ₹32,000 crore coming in, with FIIs bidding for one-third of the money. The portion reserved for retail investors was subscribed 1.45 times; retirement funds –1.50 times and NIIs and QIBs – 7 times. With this, the Centre has raised ₹52,500 crore through disinvestment in the current fiscal.

Sharp scrutiny: The MPC views kharif production estimates and the GST roll-out as transitory setbacks, says Mr. Patra.

Inflation will rise further, says RBI

'Farm loan waiver, pay hikes to impact'

SPECIAL CORRESPONDENT
MUMBAI

Retail inflation, which has gone up by more than 200 basis points since June, is expected to rise further in the remaining part of the financial year, M.D. Patra, executive director, Reserve Bank of India, said in an October 27 speech, the details of which were put out by the central bank on Monday.

"In the MPC's [monetary policy committee] assessment, inflation will likely rise from current levels in the rest of the year, with farm loan waivers and the implementation of pay and allowance revisions by States a la the Centre, posing upside risks," Mr. Patra said in his speech on the first anniversary of formation of the monetary policy committee. Consumer price based inflation accelerated to 3.58% in October, its fastest pace in seven months.

First anniversary

The October monetary policy of the RBI marks the first year of the monetary policy committee from October 2016, when a six-member committee began deciding on interest rates – a departure from the earlier practice of the RBI governor taking the final call.

"The monetary policy statement of October 2017 was framed in quite a dramatic setting," Mr. Patra said. "Even as growth broadened globally, it slowed to below 6% for the second quarter in a row in India in April-June. At this rate, India was still among the fastest-growing large economies of the world, but the blow from the growth print was significant enough to set off a chorus of alarm," he said. The MPC had decided to hold the repo rate at 6% while maintaining the neutral stance.

Mr. Patra said the committee regarded the first estimates of kharif production (lower than last year's level and this year's target) and the GST roll-out as early, but transitory, setbacks.

He said it believed that agricultural activity would improve hereon and termed business optimism expressed by firms on prospects for the October-December quarter as reassuring. "Relative to its August assessment, the MPC lowered its growth forecast by 60 basis points which, in a rough and ready sense, measures the net lagged impact of shocks such as demonetisation and the GST," he added.

Lenders clear sale of RCom land for ₹801 cr.

Proceeds to be used for retiring debt

PRESS TRUST OF INDIA
NEW DELHI

Lenders of debt-ridden Reliance Communications have approved the sale of its real estate assets in Delhi and Chennai to Canada-based asset management firm Brookfield, said a source.

"Lenders have approved the sale of real estate assets RCom holds in Delhi and Chennai for ₹801 crore to Brookfield," a source privy to the development said on condition of anonymity. When contacted, RCom declined to comment on the development, while an email query sent to Brookfield elicited no immediate reply. The proceeds will be used for retiring debt, the source said.

As per its asset monetisation plans, RCom has been working to find buyers for prime real estate assets, including those at Dhirubhai Ambani Knowledge City, Navi Mumbai, measuring almost 125 acres and prime property of four acres near Connaught Place, New Delhi. RCom, reeling under ₹45,000 crore debt, is under a standstill period (for interest and principal repayments) till December 2018.

▪GETTY IMAGES/ISTOCK

FMCG companies told to alter prices on goods post GST cut

CBEC chairperson calls for wide publicity of revised MRP

SPECIAL CORRESPONDENT
NEW DELHI

The government has written to all major fast-moving consumer goods (FMCG) companies urging them to immediately revise the maximum retail price on all their products that have seen a reduction in tax rates as decided by the Goods and Services Tax Council.

Warning to firms

The letter comes a couple of days after Finance Secretary Hasmukh Adhia, speaking on Doordarshan, warned FMCG companies that they could attract anti-profiteering action if their retailers failed to pass on the newer prices to consumers.

The Cabinet, last week, also approved the creation of the National Anti-profiteering Authority, which is tasked with ensuring that the benefits of GST, where applicable, are passed on to the consumers.

Vanaja N. Sarna

"Ms. Vanaja N. Sarna, Chairperson, Central Board of Excise & Customs (CBEC), has addressed a letter to all the major Fast-Moving Consumer Goods (FMCG) companies pointing out the need to immediately revise the MRP on all the products in which the reduction of GST has been announced by the Council," the Finance Ministry said in a statement on Monday. "She has also requested all to give wide publicity to the revised MRP of products."

The GST Council, in its 23rd Meeting held on November 10, had slashed the tax rates on about 200 goods, including 178 that fell in the highest tax bracket of 28%. A large number of other goods saw their tax rates reduced from 18%, 12%, and even 5%.

"All these changes are effective from the midnight of November 14, 2017," the statement added.

RIL $800 mn bond issue hits market

PRESS TRUST OF INDIA
MUMBAI

Reliance Industries, the most profitable company as also the largest borrower, has hit the overseas debt market with a $800-million bond sale programme as it seeks to pare a portion of its high cost debt that stands at over ₹2.14 trillion.

"Reliance has hit the overseas debt market with a $800 million issue," an investment banker said, requesting not to be quoted as the issue was yet to be priced and closed.

Meanwhile, rating agency Moody's assigned a Baa2 rating to the proposed unsecured bond sale of RIL. The bonds will rank *pari passu* with RIL's other existing and future unsecured and unsubordinated obligations, it said assigning the Baa2 rating.

'Indian renewable energy firms among lowest rated'

Poor score on investments in Asia-Pacific region, says Fitch

SPECIAL CORRESPONDENT
NEW DELHI

Indian renewable energy companies are among the most poorly rated investment grade companies in the Asia-Pacific region, according to a report by ratings agency Fitch.

"Most of the issuers are owned by their respective sovereigns due to the strategic importance of energy supply," Fitch's 2018 Outlook on Asia-Pacific Utilities said. "These entities also have strong standalone profiles given solid and stable cash flow generation. At the bottom end are the Indian renewable issuers with ratings that reflect lower plant utilisation, limited operating history, volume risk, weaker counterparties, and weak but improving financial profiles."

The agency expects renewable energy to make up a larger portion of India's electricity generation, bolstered by untapped generation potential, strong policy support and lower tariffs.

"Tariffs for both wind and solar electricity hit a new low of under ₹3.0/kWh in mid-2017, making the two the cheapest source of electricity in the country," the report added. "Renewable energy made up 58% – its biggest share yet – of the 25 GW of generation capacity added in India in FY17."

The report added that small renewable players would remain protected from price risks due to long-term power purchase agreements, but said that production volumes would vary on the basis of climatic patterns.

Petroleum players

In a separate report, Fitch said that India's overall demand for petroleum products would grow at about 5% over the medium term, driven by strong GDP growth over the next two financial years and continued growth in auto sales.

U.K. to commit billions on 'industries of future' to ward off Brexit shocks

After 2019 E.U. exit, areas such as AI and driverless cars to drive nation's growth

REUTERS
LONDON

Prime Minister Theresa May on Monday announced £4 billion ($5.28 billion) of spending on research and development and regional growth strategies, setting out plans to help the economy grow after Brexit.

Amid stiff international competition, Britain is looking to carve out a new global role as a leader in "industries of the future" such as artificial intelligence and driverless cars after it exits the European Union in March 2019.

Badly damaged by a botched snap election and with Brexit talks running behind schedule, Ms.May is looking to stir up some economic optimism to help her fragile minority government through Britain's most uncertain period since World War II. On Monday, as part of the run-up to Finance Minister Philip Hammond's budget on Wednesday, she announced a £1.7 billion fund to help regenerate cities and a £2.3 billion boost to research and development spending, due in 2021/22. Further details of the funding were not yet available.

Mayday: The U.K. Prime Minister is looking to stir up optimism after botched polls and delayed Brexit talks. ▪REUTERS

"This is a new long-term approach to shaping a stronger and fairer economy for decades to come," Ms. May said in a *Times* newspaper article. The central challenge of Wednesday's budget will be to improve Britain's persistently weak productivity, which lags international rivals and is seen as a major limiting factor on economic growth.

'Industrial strategy'

The new funding is linked to Britain's "Industrial Strategy" – a push to create more skilled, high-paying jobs that was first announced by Ms. May after she took office last year to help fortify Britain's services-reliant economy against Brexit-related shocks. Ms. May has already set a target to increase R&D spending to 2.4% of economic output by 2027 – a level in line with Organisation for Economic Cooperation and Development (OECD) averages.