

MARKET WATCH

|           | 02-05-2017 | % CHANGE |
|-----------|------------|----------|
| Sensex    | 29,921     | 0.01     |
| US Dollar | 64.21      | 0.05     |
| Gold      | 29,350     | -0.34    |
| Brent oil | 51.27      | -0.45    |

NIFTY 50

|                   | PRICE    | CHANGE  |
|-------------------|----------|---------|
| ACC               | 1593.05  | -33.50  |
| Adani Ports       | 330.60   | 2.90    |
| Ambuja Cements    | 241.80   | -4.10   |
| Asian Paints      | 1112.10  | -8.35   |
| Aurobindo Pharma  | 596.80   | -9.95   |
| Axis Bank         | 505.55   | -4.10   |
| Bajaj Auto        | 2898.00  | 34.00   |
| Bank of Baroda    | 188.65   | 1.10    |
| Bharti Airtel     | 347.60   | -7.90   |
| Bosch             | 23112.30 | 120.70  |
| BPCL              | 739.85   | 20.60   |
| Cipla             | 555.35   | -2.10   |
| Coal India        | 274.55   | -2.10   |
| Dr Reddys Lab     | 2582.65  | -16.50  |
| Eicher Motors     | 25790.75 | -277.25 |
| GAIL (India)      | 429.50   | 5.55    |
| Grasim Ind        | 1153.15  | -1.90   |
| HCL Tech          | 822.05   | 7.95    |
| HDFC              | 1584.75  | 47.60   |
| HDFC Bank         | 1540.60  | -5.90   |
| Hero MotoCorp     | 3352.95  | 34.35   |
| Hindalco          | 200.25   | 0.90    |
| Hind Unilever     | 928.10   | -6.85   |
| Indiabulls HFL    | 1072.55  | 55.60   |
| ICICI Bank        | 275.60   | -2.90   |
| Indusind Bank     | 1445.90  | 0.85    |
| Bharti Infratel   | 354.20   | -0.50   |
| Infosys           | 922.60   | 3.65    |
| Indian OilCorp    | 443.05   | 3.00    |
| ITC               | 279.20   | 1.20    |
| Kotak Bank        | 917.90   | 15.95   |
| L&T               | 1732.05  | -17.75  |
| Lupin             | 1303.80  | -34.55  |
| M&M               | 1340.95  | 5.40    |
| Maurti Suzuki     | 6705.50  | 180.65  |
| NTPC              | 162.10   | -2.40   |
| ONGC              | 192.40   | 5.85    |
| PowerGrid Corp    | 206.00   | -2.00   |
| Reliance Ind      | 1370.55  | -24.65  |
| State Bank        | 288.30   | -1.45   |
| Sun Pharma        | 632.80   | -9.15   |
| Tata Motors       | 451.25   | -7.65   |
| Tata Motors DVR   | 272.75   | -7.25   |
| Tata Power        | 837.90   | 9.33    |
| Tata Steel        | 445.05   | -4.20   |
| TCS               | 2289.90  | 16.75   |
| Tech Mahindra     | 418.15   | 1.20    |
| UltraTech Cement  | 4206.00  | -42.95  |
| Wipro             | 494.90   | 0.65    |
| YES Bank          | 1633.90  | 3.65    |
| Zee Entertainment | 534.20   | 7.35    |

EXCHANGE RATES

Indicative direct rates in rupees a unit except Yen at 4 p.m. on 02/05/17

| CURRENCY           | TT BUY | TT SELL |
|--------------------|--------|---------|
| US Dollar          | 64.01  | 64.33   |
| Euro               | 69.84  | 70.19   |
| British Pound      | 82.68  | 83.10   |
| Japanese Yen (100) | 57.07  | 57.35   |
| Chinese Yuan       | 9.28   | 9.33    |
| Swiss Franc        | 64.35  | 64.67   |
| Singapore Dollar   | 45.89  | 46.13   |
| Canadian Dollar    | 46.83  | 47.06   |
| Malaysian Ringgit  | 14.78  | 14.88   |

Source: Indian Bank

BULLION RATES CHENNAI

May 02 rates in rupees with previous rates in parentheses

|                    |       |         |
|--------------------|-------|---------|
| Retail Silver (1g) | 42.00 | (42.80) |
| 22 ct gold (1g)    | 2,760 | (2,791) |

India to unveil new IIP series

PRESS TRUST OF INDIA  
NEW DELHI

India will unveil a new series of Index of Industrial Production with a base year 2011-12 on May 9 with an aim to map economic activities more accurately. The new series for Index of Industrial Production (IIP), which captures industrial activities on monthly basis, will be launched by Chief Statistician and MOSPI Secretary T. C. A. Anant, an official said.

A high-level panel had firmed up the methodology for the IIP with new base year of 2011-12. Currently, the IIP is calculated on base year of 2004-05.

The change in baseline for the IIP is expected to bring in more accuracy in mapping the level of economic activity and calculating other numbers like national accounts.

‘Skill councils have conflict of interests’

They are a ‘hotbed of crony capitalism,’ says a government-constituted panel

VIKAS DHOOT  
NEW DELHI

A board member of a government-funded apex skilling agency is also a training partner and a promoter of a skill council.

The son of the chairman of a sectoral skill council is a co-promoter of a training firm as well as an assessment agency that oversees the outcomes achieved on job placements by such firms in the same domain.

These are just two instances of conflict of interest among a dozen highlighted in a damning report on India’s recent skill development initiatives through 40 sectoral skill councils set up under the aegis of the National Skills Development Corporation (NSDC).

The Sharada Prasad Committee constituted by the Skill Development and Entrepreneurship Ministry to review, rationalise and optimise the functioning of sectoral skill councils has termed

Start-up firms may get idle land from PSUs

It will ‘create a landscape for ready-to-move-in businesses’

SOMESH JHA  
NEW DELHI

The Heavy Industries Ministry is deliberating on a proposal to use large tracts of unutilised land owned by central public sector companies, which government plans to divest or sell, as ready-to-move-in industrial space for start-up companies.

“Various companies under the government of India are sitting over huge tracts of land. Instead of transferring land to other public sector units and state governments, it could be utilised to create industrial space for start-up companies,” said a senior official of Ministry of Heavy Industries and Public Enterprises.

In a concept paper, the Ministry said that the idea is to “create a landscape for ready-to-move-in businesses” so that start-up companies do not have to face hurdles for setting up business and they can start work “immediately on the business opportunity without lag.”

Construction time

Till recently, the average time for getting construction permits for businesses was 372 days, the Ministry said. “There are many problems that manufacturing units face such as site selection and land acquisition.

“The PSU land will be readily available to companies looking to set up quickly,” said another Ministry official.

In the concept paper, the Ministry cited the example of the government’s loss-making auto company Scooters India Limited which it plans to divest soon.

The public sector company has land assets of around 147 acres, out of



Leg-up: The Heavy Industry Ministry’s proposal may help start-ups to begin work immediately. ■ GETTY IMAGES/ISTOCK

which around 125 acres are unutilised. “It is located in one block on the side of Kanpur-Lucknow highway. Land could be used for manufacturing and pushing employment opportunity without lag time,” the official added.

According to the proposal, Scooters India’s 125-acre unutilised land can be valued at the market rate, converted into equity shares of ₹1 each and 51% of such shares offloaded to “consortium or single partner to set up a Special Purpose Vehicle (SPV).

“This will not only increase valuation of Scooters India but also provide a manufacturing eco-system conducive to job creation,” the concept note said.

‘Commendable idea’

“This is a commendable idea because PSUs have huge unutilised land area,” said Madan Sabnavis, chief economist at CARE Ratings. “We

also have the problem of land acquisition for setting up enterprises. Leasing out land to start-up companies is a good way of monetising land. This way the government will get a higher value for the land. Most of the PSUs are located in places where land was acquired a long time ago so the appreciation would be substantial.”

The SPV will be mandated to provide modern industrial infrastructure in compliance with required regulations and construct industrial sheds to match the requirements of different manufacturing or industrial units of less than 100 employees.

“Start-up companies are attracting young professional entrepreneurs to organise products and services for the market. This SPV will fill up this gap of providing the space for incumbent ideas to be immediately implemented,” the official added.

Factory activity expands

SPECIAL CORRESPONDENT  
NEW DELHI

The country’s manufacturing activity improved for the fourth straight month in April on stronger growth of new orders and buoyant domestic demand, but the reading remained unchanged from March.

The headline Nikkei India Manufacturing Purchasing Managers’ Index – an indicator of the sector’s performance – showed that the performance in April matched March’s reading of 52.5. An index reading above 50 indicates an overall increase (or expansion), below 50 an overall decrease (or contraction).

“Manufacturing jobs rose for the second consecutive month in April, which panelists related to a combination of greater production needs and expectations of a pick-up in demand. Nonetheless, the pace of employment growth remained slight overall,” according to a statement from Nikkei IHS Markit.

Pollyanna De Lima, an economist at IHS Markit and author of the report, said: “Buoyant domestic demand coupled with the sustained growth of new orders from abroad boosted the upturn in total new business received by Indian manufacturers in April. Having recovered at the beginning of the year from December’s demonetisation-related contraction, a growth of order books has gathered pace in each month since.”

Ms. De Lima said job seekers in the sector were presented with further employment opportunities, while firms also continued to engage in purchasing activity and scaled up production again. Consumer goods producers registered the steepest expansion.

Liberty House to create 300 jobs at steel unit

It had bought Tata’s Speciality Steel arm in U.K. for £100 mn

VIDYA RAM  
LONDON

Liberty House, Sanjeev Gupta’s U.K. steel business, is to create an additional 300 jobs at the Speciality Steel unit it has acquired from Tata Steel, for £100 million and said it would invest £20 million in the business in the first year alone.

“By investing in acquiring speciality steels we are casting a big vote of confidence in the future of British industry,” said Mr. Gupta in a statement, calling for Britain to put steelmaking at the heart of its post-Brexit industrial strategy.

The company hopes to raise production from its arc furnaces to over 1 million tonnes a year, and for its bar mill to roll over 400,000 tonnes a year.

Liberty House completed the acquisition of Tata’s Speciality Steel business on Tuesday, following an agreement struck earlier this year. It covers assets in Yorkshire and service centres in Britain and China and focuses on steel in the automotive, aerospace, industrial machinery and oil and gas industries, currently employing 1,700 workers. Those jobs are now secured and



The investment is a vote of confidence in U.K.’s industry, says Sanjeev Gupta. ■ REUTERS

the business will be relaunched as Liberty Speciality Steels.

Drive expansion

“The speciality steels business is a global leader in its field, with a highly skilled and well-motivated workforce and we are eager to invest so it can grow and achieve its full potential,” said Mr. Gupta. “We are taking on strategically important capacity that will drive expansion in the years ahead.”

The deal leaves Tata Steel with its strip products business, after selling its long

products business to Greybull Capital last year as it seeks to transform and restructure its European operations.

Liberty House has made a string of purchases in the U.K. steel sector over the past couple of years, now employing around 4,500 workers in the country, and last week announced plans to buy Arcelor Mittal’s Georgetown steel plant in South Carolina, in the U.S.

Tuesday’s developments were welcomed by the Unite union, who said it ended months of “agonising uncertainty” for its members who had “done everything asked of them over the last few years to give speciality steel-making a fighting chance in the U.K.”

Tata Steel said it had invested £1.5 billion in its U.K. business since 2007, and that it would continue to transform its U.K. business to create a viable future for its strip business, which employs around 8,500 people. Discussions with the British Steel Pension Scheme trustees and the Pensions regulator over finding a structural solution to its U.K. pension scheme continued, the statement added.

Jaitley defends demonetisation

‘There was no disappearance of demand... or agrarian crisis’

SPECIAL CORRESPONDENT  
NEW DELHI

Union Finance, Defence and Corporate Affairs Minister Arun Jaitley took on critics of the Centre’s demonetisation move and said there has been no adverse impact on the economy as was predicted by many, including former prime minister Man-

mohan Singh who had expected the economy’s growth rate to shrink by 2%.

“There was no 2% dip in GDP... no disappearance of demand,” Mr. Jaitley, speaking after inaugurating an ICICI Bank initiative for digital villages. “There was no agrarian crisis. In fact, sowing in the agricultural sector

went up. And suddenly, you found the whole debate in this country taking a new turn. One great advantage of this whole exercise of demonetisation was the movement towards digitisation.” And that had “created newer technologies, a newer form of electronic modes of payments,” he said.

Sunday brunch

Monday commute

Tuesday breakfast

Wednesday lunch

Thursday coffee break

Friday dinner

Saturday midnight snack

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Start afresh: The official panel recommended that the Centre scrap all existing skill councils.

these councils a ‘hotbed of crony capitalism’ that have tried to ‘extract maximum benefit from public funds.’

Citing several instances of conflict of interest in the councils’ membership base, including those involving three NSDC board members, the panel has recommended that the Centre scrap all existing skill councils, many of which have overlapping

roles and introduce an oversight mechanism on the NSDC, preferably from a central bank, as it is registered as a non-banking finance company.

“All these public funds have been used without serving the two basic objectives of meeting the exact skill needs of the industry and providing employment to youth,” it noted.

“In many cases, the NSDC itself has promoted them as the governance mechanism of NSDC fosters such functioning...,” according to the committee, led by former Director General For Employment and Training Sharada Prasad said, adding that it appears that NSDC has failed to discharge its responsibilities and deviated from its original role.

Comprehensive review

“The Committee, therefore, recommends that the Government should review the NSDC’s role and functioning comprehensively with reference to its Memorandum of Association and create a strong oversight mechanism to ensure that such conflicts of interest do not arise in future,” it said, stressing that the situation arose because NSDC is 100% government-funded but accountable to a board that consists of a majority of private sector industry associations.