

MARKET WATCH

	10-08-2017	% CHANGE
Sensex	31,531	-0.84
US Dollar	64.08	-0.38
Gold	29,890	1.15
Brent oil	52.55	0.29

NIFTY 50

	PRICE	CHANGE
ACC	1776.70	-42.80
Adani Ports	385.65	-11.60
Ambuja Cements	267.45	-5.75
Asian Paints	1151.10	-4.45
Aurobindo Pharma	685.25	1.65
Axis Bank	485.50	-1.45
Bajaj Auto	2796.20	-34.95
Bank of Baroda	148.45	-6.75
Bharti Airtel	416.25	0.20
Bosch	23543.80	-488.20
BPCL	481.50	-14.45
Cipla	548.20	-13.65
Coal India	238.95	-3.55
Dr Reddys Lab	1944.45	-103.90
Eicher Motors	30111.70	-1377.40
GAIL (India)	365.00	-17.20
HCL Tech	882.90	4.15
HDFC	1709.80	-21.85
HDFC Bank	1760.45	-4.00
Hero MotoCorp	3889.55	5.80
Hindalco	238.00	-1.45
Hind Unilever	1170.70	-14.65
Indiabulls HFL	1156.50	-2.50
ICICI Bank	288.75	-1.85
IndusInd Bank	1629.40	-7.85
Bharti Infratel	382.45	0.75
Infosys	981.25	11.90
IndianOilCorp	410.30	-3.75
ITC	273.10	0.25
Kotak Bank	996.80	4.40
L&T	1157.70	3.80
Lupin	936.70	-16.25
M&M	1387.05	-5.25
Mauriti Suzuki	7578.75	-82.85
NTPC	172.65	-1.00
ONGC	163.70	-2.00
PowerGrid Corp	217.40	-4.50
Reliance Ind	1584.35	-14.45
State Bank	296.70	-5.60
Sun Pharma	460.80	-13.55
Tata Motors	380.20	-35.85
Tata Motors DVR	221.45	-20.80
Tata Power	76.70	-1.10
Tata Steel	604.35	-0.70
TCS	2511.45	-0.55
Tech Mahindra	404.00	10.15
UltraTech Cement	3907.60	-90.25
Vedanta	298.80	-1.40
Wipro	288.15	1.65
YES Bank	1730.10	-11.45
Zee Entertainment	520.05	-19.95

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on August 10

CURRENCY	TT BUY	TT SELL
US Dollar	63.88	64.20
Euro	74.85	75.23
British Pound	83.01	83.43
Japanese Yen (100)	58.16	58.46
Chinese Yuan	9.60	9.65
Swiss Franc	66.06	66.39
Singapore Dollar	46.80	47.05
Canadian Dollar	59.20	59.45
Malaysian Ringgit	14.88	14.96

Source: Indian Bank

BULLION RATES CHENNAI

August 10 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.90	(41.10)
22 ct gold (1 g)	2,756	(2,727)

By '20, petroleum subsidy bill to halve

Food subsidy bill estimated to shoot up to ₹1.45 lakh crore by FY'20: Centre's expenditure framework

SPECIAL CORRESPONDENT NEW DELHI
The government expects to more than halve its petroleum subsidy bill over the next three years, from ₹25,000 crore this year to just ₹10,000 crore by 2019-20. While fertiliser subsidies are expected to stay flat, the food subsidy bill is estimated to shoot up sharply from ₹1.45 lakh crore this year to ₹2,00,000 crore by 2019-20, as per the medium-term expenditure framework tabled by the finance ministry in Parliament on Thursday.

Indicating a continued thrust on public spending to spur the economy, the finance ministry expects government's capex to rise by 25% to ₹3.9 lakh crore by 2019-20, driven largely by greater spending on defence, Railways, road transport and urban development. Significantly, the finance ministry has asserted that any shocks to tax collections due to the introduction of



Cutting subsidies: Centre expects the overall proportion of subsidies to GDP to come down to 1.3%. - GETTY IMAGES/ISTOCK

the Goods and Services Tax (GST) will be absorbed in the current financial year itself, so the tax to GDP ratio may persist at the same level this year as last year - 11.3%.

But in the next two years, the government is betting on an expansion of the tax base, citing gains from GST and increased surveillance efforts post-demonetisation. "The

but the government expects the overall proportion of subsidies to GDP to come down from 1.4% to 1.3% over the same period.

Following the abolition of price controls over diesel and petrol prices, the government has set its eye on rationalising kerosene and LPG subsidies, with a March 2018 target for eliminating the LPG cylinder subsidy altogether by raising prices by ₹4 each month. Efforts are also underway to bring kerosene subsidies under the direct benefit transfer regime or while making some States 'kerosene-free'.

"Going forward, the subsidy on petroleum products is likely to see a declining trend," the medium-term expenditure framework statement noted.

On the food subsidy due to about 80 crore beneficiaries under the National Food Security Act, the government said reforms have been initiated with six States auto-

Govt. panel to probe Kingfisher dues to AAI

Defunct airline had ₹295 crore in dues

SPECIAL CORRESPONDENT NEW DELHI

The Civil Aviation Ministry has set up an internal committee to fix the responsibility for accumulation of dues worth about ₹300 crore payable by defunct Kingfisher Airlines to Airports Authority of India (AAI).

"An internal committee has been constituted in AAI, headed by the senior officer, to fix the responsibility of the officials for the accumulation of dues by Kingfisher Airlines and to strengthen the systems and procedures further to ensure prevention of recurrence of such accumulation of dues," the Civil Aviation Ministry told the Parliamentary Standing Committee on Transport, Tourism and Culture.

"On receipt of the report of the said internal committee, further action will be taken," it further added. In return, the Committee has



told the Ministry to take "strict action" against erring AAI officials.

Facing financial woes, the airline had to shut down in 2012.

The defunct airline is supposed to pay dues worth ₹295 crore towards AAI till December 2016. The national airports operator has also filed a suit against the carrier to recover the dues. The committee had pulled up AAI saying it had allowed the airline to accumulate high level of dues in "violation of existing rules."

Note ban dents RBI income

Surplus transfer to Centre lowest since 2011-12

SPECIAL CORRESPONDENT MUMBAI

Costs incurred due to the demonetisation exercise dented the Reserve Bank of India's (RBI) income resulting in the central bank transferring less than half the funds - known as surplus - to the government compared with the previous year.

For the 12 months ended June 30, 2017, the RBI will transfer a surplus of ₹30,659 crore to the Government of India, sharply lower than the previous year's ₹65,876 crore. The RBI's central board, which met on Thursday, approved the amount to be transferred.

This is the lowest-ever surplus transfer by the RBI



RBI board approved the transfer on Thursday.

to the Centre since 2011-12 when it transferred ₹16,010 crore. RBI transferred about 80% of its income as surplus in the previous three years.

"There could be a couple of reasons for this decline," said Soumya Kanti Ghosh,

chief economist, State Bank of India. "I think one reason is the cost of seigniorage, - which is higher the more the RBI printed notes."

There were costs of printing a huge amount of new notes to replace the notes rendered invalid following demonetisation.

New notes

In November, the Centre had announced that ₹500 and ₹1,000 denomination currency notes were invalid and subsequently issued a new series of ₹500 notes and ₹2,000 notes.

"It is quite possible that RBI has printed more small denomination notes like ₹100," Mr. Ghosh said.

Philips Carbon eyes T.N. for unit

SPECIAL CORRESPONDENT KOLKATA

Philips Carbon Black has shortlisted three locations for its proposed greenfield unit which will have a 1.2 lakh tonnes annual capacity, chairman Sanjiv Goenka said.

"We are evaluating options on this and Tamil Nadu, Andhra Pradesh and Gujarat are the states shortlisted for this", he informed the media.

Indications are that a coast-based location, proximity to tyre manufacturing facilities and fiscal incentives that are available may influence the company's decision on site-selection.

SAT raps SEBI for shell company diktat sans probe

Stays the market regulator's order against two companies

SPECIAL CORRESPONDENT MUMBAI

The Securities Appellate Tribunal (SAT) stayed the order passed against two companies - J Kumar Infraprojects and Prakash Industries - that challenged the SEBI decision at the tribunal, ruling that the Securities and Exchange Board of India (SEBI) did not conduct any investigation before imposing trading restrictions on 331 shell companies.

In its Thursday's order, SAT directed the stock exchanges to lift the trading restrictions on the two firms - a decision that could lead to



other companies moving the tribunal to seek immediate relief. Incidentally, SAT stayed the order even as a whole-time member of SEBI heard the arguments of the listed entities and directed

them to furnish additional information before the regulator could decide on any form of relief.

"Since the delay in disposal of the representation is causing serious prejudice to the appellants we proceed to consider the plea of the appellants for grant of interim relief," said the order. "... it is apparent that SEBI passed the impugned order without any investigation... we are prima facie of the opinion, that the impugned communication issued by SEBI on the basis that the appellants are 'suspected shell companies' deserves to be stayed," it added.

Ashok Leyland unveils Digital Market Place

CV maker eyes aftermarket revenue of more than ₹1,000 cr.

SPECIAL CORRESPONDENT MUMBAI

Ashok Leyland Ltd. unveiled Digital Market Place, a combination of four digital solutions to help its customers enhance their profitability as well as to significantly boost its aftermarket revenue.

Aftermarket revenue

The company aims to earn aftermarket revenue of more than ₹1000 crore in three years. Currently, Ashok Leyland's aftermarket revenue is only 5% of its total sales income and this ratio is expected to go up to 20%, a top company official said.

"These digital solutions



Vinod Dasari • SHASHI ASHIVAL

are an integral part of our growth plan and has the potential to overhaul our commercial vehicle ecosystem," said Vinod K. Dasari, managing director, Ashok Leyland.

"These initiatives will be a growth driver for us and will

take us closer to our goal of achieving one-third of our revenues from the aftermarket business. We estimate that these initiatives have the potential of generating ₹1000 crore in the next 3 years," he said.

The solutions have the potential to transform the commercial vehicle (CV) business by reducing the down time of trucks and enhancing efficiency, the company said. The digital solutions - i-Alert, ServiceMandi, E-Diagnostics and Laykart - will help customers manage their business on the smartphone from anywhere with ease, the company said.

DRL unit loses EU GMP tag

SPECIAL CORRESPONDENT HYDERABAD

Dr. Reddy's Laboratories on Thursday said the German regulator had not renewed GMP (good manufacturing practice) compliance certificate of its formulations manufacturing unit-2 in Bachupally, Hyderabad, following an inspection.

Pending revocation of the non-compliance notification, the plant will not be able to make any further despatch to the European Union, DRL said in a stock exchange filing.

DRL's revenue in FY'17 from export of generics to markets in Europe, including Germany and U.K., was ₹760 crore.

Britain seeks investments from India in housing, realty sector 'beyond London'

Opportunities also exist in energy infrastructure, says U.K. minister Greg Hands

VIDYA RAM LONDON

The British government is pushing for Indian investment into the country's real estate sector, beyond London, to support its drive to create more affordable housing across the country, among other things.

"We have a diverse set of opportunities for inward investment from India," Greg Hands, the Minister of State for Trade and Investment told *The Hindu* on Thursday. "We are particularly keen on getting investment beyond London as well - there are opportunities in real estate, infrastructure, particularly energy infrastructure."

Affordable housing

"I think that Indian investors could play a big role in our affordable housing agenda," he added.

While foreign investors including from China and Qatar have made big inroads into the U.K. real estate market, the country has seen



Building ties: The U.K. offers Indian property developers opportunities in northern England and the Midlands.

limited investment (beyond private investments in housing or hotels) from India. The exception is the Lodha group, which has two luxury housing projects in London and has expressed its confidence about moving to new price categories and beyond the residential sector.

At an event at the House of Lords for delegates of the Confederation of Real Estate Developers' Associations of India (CREDAI), the Department for International Trade highlighted infrastructure and property development

opportunities in northern England and the Midlands, including in and around Birmingham.

"Real estate trends across the U.K. continue to be strong from offices in London to logistics in the Midlands to urban regeneration projects in Edinburgh," Mr. Hands told the meeting. "Investors from across the U.K. are seeing stable and profitable opportunities and we are determined to see businesses seize these opportunities as we move forward towards Brexit."

With the next round of the U.K.-Indian joint economic and trade committee (JETCO) talks due to take place in London later this year, Mr. Hands expressed confidence in efforts to boost bilateral trade and investment.

"JETCO is a very practical way of reducing obstacles to each other's markets...we go through a series of specific sectors and the actual obstacles to doing trade and investment between our two countries," he said.

"We'd like to focus on the services industry and getting access. India is an enormous market and getting U.K. financial services and U.K. legal services better access is hugely important to us," the minister said.

"These issues will be a key part of those talks as well as the trade working group," he said referring to the joint working group on trade set up to look at opportunities and obstacles to post-Brexit trade, including an FTA.