

MARKET WATCH

28-06-2017 % CHANGE

Sensex	30,834	-0.40
US Dollar	64.55	-0.03
Gold	29,250	0.30
Brent oil	47.14	0.27

NIFTY 50

	PRICE	CHANGE
ACC	1580.05	1.50
Adani Ports	364.50	-3.20
Ambuja Cements	245.65	4.90
Asian Paints	1109.15	-25.00
Aurobindo Pharma	671.55	1.60
Axis Bank	492.00	-0.85
Bajaj Auto	2777.05	-2.25
Bank of Baroda	155.60	0.75
Bharti Airtel	377.20	5.75
Bosch	23309.05	61.55
BPLCL	616.70	4.65
Cipla	536.85	2.20
Coal India	245.75	1.40
Dr. Reddys Lab	2651.75	-1.35
Eicher Motors	27224.85	563.80
GAIL (India)	356.05	-3.65
HCL Tech	848.40	8.20
HDFC	1629.00	-22.05
HDFC Bank	1666.45	-1.20
Hero MotoCorp	3688.45	-6.75
Hindalco	189.85	2.10
Hind Unilever	1090.00	-2.10
Indiabulls HFL	1075.15	-4.85
ICI Bank	320.65	2.45
Indusind Bank	1490.65	0.50
Bharti Infratel	376.45	3.15
Infosys	924.70	-2.35
Indian Oil Corp	387.15	-3.25
ITC	308.35	-4.00
Kotak Bank	972.20	-2.55
L&T	1703.25	1.55
Lupin	1064.70	2.35
M&M	1356.05	-14.25
Maruti Suzuki	7225.05	41.70
NTPC	159.65	1.75
ONGC	158.10	-1.85
PowerGrid Corp	207.60	1.85
Reliance Ind.	1398.50	-38.65
State Bank	276.40	-3.25
Sun Pharma	545.45	1.40
Tata Motors	442.50	0.20
Tata Motors DVR	274.35	-2.20
Tata Power	81.65	0.55
Tata Steel	320.65	9.70
TCS	2350.05	7.20
Tech Mahindra	392.25	12.15
UltraTech Cement	3958.25	80.35
Vedanta	242.55	5.40
Wipro	258.40	1.85
YES Bank	1449.70	34.20
Zee Entertainment	484.55	-7.25

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on June 28

CURRENCY	TT BUY	TT SELL
US Dollar	64.35	64.67
Euro	73.19	73.55
British Pound	82.50	82.92
Japanese Yen (100)	57.41	57.70
Chinese Yuan	9.46	9.51
Swiss Franc	67.08	67.42
Singapore Dollar	46.46	46.70
Canadian Dollar	49.20	49.44
Malaysian Ringgit	14.97	15.05

Source: Indian Bank

BULLION RATES CHENNAI

June 28 rates in rupees with previous rates in parentheses

Retail Silver (1g)	41.80	(41.40)
22 ct gold (1g)	2,777	(2,764)

Govt. unveils new hydrocarbon policy

Open acreage rules may enable exploration of 2.8 million square kilometres of sedimentary basins

SPECIAL CORRESPONDENT
NEW DELHI

Petroleum Minister Dharmendra Pradhan on Wednesday introduced a new oil and gas block licensing policy that is expected to open up 2.8 million square kilometres of sedimentary basins to exploration and production activities.

The Minister was speaking at the inauguration of the government's Open Acreage Licensing Policy (OALP) and the National Data Repository.

The lack of seismic sedimentary basin data had been hampering the oil and gas exploration and production sector, the minister said, adding that 52% of India's sedimentary basins had not been appraised as yet.

The National Data Repository was expected to improve this situation, he said.

Option to select

The OALP, a part of the government's Hydrocarbon Exploration and Licensing



Slick move: The decision is expected to help cut import dependence and aid India's quest for energy security.

Policy (HELP), gives exploration companies the option to select the exploration blocks on their own, without having to wait for the formal bid round from the Government. The company then submits an application to the government, which puts that block up for bid.

The new policy will open up 2.8 million square kilometres of sedimentary basins for exploration and eventual production. Mr Pradhan said that initially the applications and related bids for the blocks would be held twice a year—in January and July—but said this could become more frequent as the industry becomes used to the new model.

Niti Aayog moots new regulator for coal, gas

'Energy market not fully developed'

SPECIAL CORRESPONDENT
NEW DELHI

Niti Aayog has suggested creation of regulators for coal as well as oil and gas.

"Coal and upstream petroleum sectors have lacked independent, statutory regulators. Due to several reasons, including strong presence of PSUs and limited number of private operators, it was so far not found useful to place the latter in position," it said in a draft National Energy Policy.

"But, now with increased private activity, the time is appropriate," it said in the new licensing policy unveiled on Wednesday.

"Ideally, there ought to be a single regulator to govern the energy market," the Aayog said, pointing out that in India, the market has not fully developed.

Hence, the regulators need to devote considerable attention to development of supply. "And looking to the large inherent complexities in different fuel sources, it is pertinent that there ought to be sectoral regulators," the NITI Aayog said.

The think-tank said that at the level of electricity, all fuels ultimately converge into a common product which is rightly governed by a single regulator.

duce administrative & regulatory burden, thus enhancing ease of doing business."

"A single license to explore all forms of hydrocarbons, no oil cess, reduced rates of royalty are just few of the many enabling provisions which will stimulate investments in the sector," Mr. Mathur added. "This decision will go a long way towards reducing import dependence and achieving India's quest for energy security."

Investment appetite

Mr. Pradhan added that the recently-concluded discovered small field (DSF) bid round, though small, was encouraging as it gave an insight into the investment appetite of the sector.

"The new policy environment has already started attracting investment into India's upstream sector, which could help reduce imports and increase the share of gas

in the country's energy mix," Chandrajit Banerjee, Director General, Confederation of Indian Industry said.

During his speech, Mr. Pradhan said that his Ministry was working on developing a gas trading hub to support a robust marketing network.

"Steps should be taken to develop a South-East Asian natural gas hub in India, which would provide a fair price for domestic natural gas through gas-on-gas competition and help eliminate price vulnerabilities arising from the oil-indexed nature of LNG import contracts," Mr. Banerjee said.

"About 52% of India's sedimentary basins are unappraised, with the last appraisal taking place 25 years ago," Mr. Pradhan said during his speech. "The lack of seismic sedimentary basin data was hampering the exploration and production (E&P) sector of the oil and gas industry."

China's SAIC enters India, to produce cars by 2019

Forms subsidiary MG Motors India to start operations

LALATENDU MISHRA
MUMBAI

SAIC Motor Corporation, China's largest automobile company with annual revenue of \$100 billion, has announced plans to enter the Indian market, which is projected to be among the top three automobile markets in the world by 2020.

The company also announced the formation of MG Motors India, a 100% subsidiary, for commencing its Indian operations. Production is slated in 2019.

The location of the manufacturing facility has not been finalised, but it was

most likely to come up in western India. General Motor India's closed down plant at Halol is one of the locations under consideration, analysts said.

The Maharashtra government is negotiating with SAIC to start a greenfield plant at Aurangabad. The company said it would announce the product strategy later.

MG brand

SAIC Motor said it would deliver environment-friendly mobility solutions in India under the "MG" (Morris Garages) brand in India. The MG brand originated as an

iconic British Racing Sports Brand in 1924. SAIC acquired the MG brand and its businesses in 2008.

SAIC was likely to introduce electric cars in India which would compete with Mahindra & Mahindra. "The entry of SAIC Motors into India will intensify competition and existing players will have to defend their turf by reworking their strategy. There would be pressure on margins. The entry indicates that the India market is still attractive despite the exit of some players," said Abdul Majeed, Partner & Automotive Leader, PwC.

The Maharajah's new clothes



Some facts on Air India

1932: Founded by J.R.D. Tata as Tata Airlines

1946: Tata Airlines becomes a public limited company called Air India

1948: GOI acquires 49% stake in the company; starts international operations as Air India International

1953: Air Corporation Act enacted to nationalise airline assets; Indian Airline Corporation (domestic operations) & Air India International established

1994: Air Corporation Act repealed to allow private airlines to operate on domestic routes; Air India, Indian Airlines converted into Limited Companies

2000: NDA govt. drops privatisation plan after deciding to sell 51% of equity of Indian Airlines and 60% of Air India

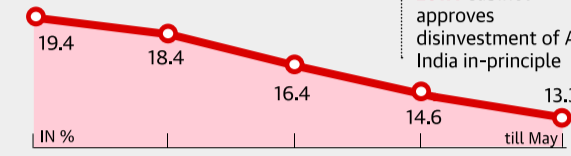
- 118 aircraft: 77 owned, 22 on sale & lease back, and 19 on dry lease
- 360 flights daily
- More than 18 million annual passengers

2007: Erstwhile Air India and Indian Airline merged into single entity named as National Aviation Company of India Limited (NACL), later renamed as Air India Ltd.

2012: UPA rules out privatisation; approves turnaround plan to infuse over ₹30,000 crore till 2021

2017: Cabinet approves disinvestment of Air India in-principle

Domestic market share of Air India



SOURCE: BSE/DGCA

Real estate key to sale

SPECIAL CORRESPONDENT
NEW DELHI

The Centre on Wednesday chalked out a possible strategy to clear Air India's debt before inviting bids for disinvestment of the national flag carrier.

The move will include forming a special purpose vehicle (SPV) housing the airline's assets and a portion of its debt and selling its profit-making subsidiaries.

"The Civil Aviation Ministry had proposed forming a SPV housing a substantial portion of its working capital loan and assets," a senior ministry official said, on the condition of anonymity. "The sale of Air India's prime real estate assets will help in meeting its liabilities," the source said.

Air India has total debt of about ₹52,000 crore which comprises ₹22,000 crore as aircraft loans and the rest as

working capital loans and other liabilities.

Some of its prime real estate properties include a building at Nariman Point and another at the old airport in Santa Cruz in Mumbai, freehold land in Chennai's Anna Salai, an office in Baba Kharak Singh Marg in Connaught Place in New Delhi and freehold land and buildings in Hyderabad. However, the airline has mortgaged some of these as security with banks for availing loans.

The Centre may also separately go for strategic disinvestment of Air India's three profit-making subsidiaries: its MRO (maintenance, repairs and overhaul) unit Air India Engineering Services Ltd., ground handling arm Air India Transport Services Ltd. and Air India Charters Ltd., which operates Air India Express.

Westinghouse's \$20 billion nuclear deal needs a reboot

The U.S. firm to explore a new model to build 6 India plants

VIKAS DHOOT
NEW DELHI

It's back to the drawing board for the six nuclear plants worth about \$20 billion that U.S.-based Westinghouse hoped to build in India following the Indo-U.S. civil nuclear co-operation deal.

Westinghouse will need to re-negotiate its pact with Nuclear Power Corporation of India Limited or NPCIL and work out a new business model for its India plans, said sources aware of the development.

While Westinghouse is going through a bankruptcy procedure announced by its Japanese parent Toshiba, the source said that the company is confident that most aspects of its operations in the United States are profitable, if the market is walled-off from 'problem areas.'



"What this means is that they need to negotiate a new business model—moving away from its original plan to construct the first two nuclear reactors for India itself," the source pointed out.

New model

Westinghouse is working out a new model with its lenders under which they will design the reactor and provide consultations, but

Indian companies would be entrusted with the actual construction of the plant. A process is underway to ascertain who will do what in the new business model and which Indian companies could be involved.

"The aspiration is that the new model will be worked out and the plan will be back on track by next year, but the timeline is flexible as the deal has been so long in the making already," the source said.

The U.S. Exim Bank that was to finance the six nuclear plants in India, would still play a role in the new arrangement, the source said. The joint statement issued after Prime Minister Narendra Modi's meeting with U.S. President Donald Trump only has a reference to "related project financing" in this context.

Aadhaar-PAN linkage must from July 1

SPECIAL CORRESPONDENT
NEW DELHI

The Income Tax Department on Wednesday issued a notification making it mandatory for all those eligible for an Aadhaar card to link it to their Permanent Account Number (PAN) from July 1, 2017.

The notification also said that the Aadhaar numbers must be submitted to the Principal Director General of Income Tax (Systems) or the Director General of Income Tax (Systems). However, the notification did not specify how this was to be done, said Sonu Iyer, Tax Partner and People Advisory Services leader at EY India.

About 2.07 crore taxpayers have already linked their Aadhaar with PAN, according to the government. There are currently about 25 crore PAN card holders in the country and 115 crore Aadhaar holders.

Sri Lanka, India to set up solar unit soon

Plans to undertake a feasibility study and do the groundwork for the project

MEERA SRINIVASAN
COLOMBO

Sri Lanka will soon kick-start the process of setting up a solar power plant in eastern port town Trincomalee after discussions with India, which is partnering the Government in the initiative.

"The next step would be to undertake a feasibility study and do the groundwork," spokesman of the Ministry of Power and Renewable Energy Sulakshana Jayawardena told *The Hindu* on Wednesday.

In April this year, the governments of Sri Lanka and India signed a Memorandum of Understanding, for co-operation in a host of development projects including the setting up of a Liquefied Natural Gas (LNG) plant in suburban Colombo and a solar power plant in Sampur, Trincomalee.



Battle for Solar: The 50 megawatt unit will come up at Sampur in Trincomalee.

"We have the required land to set up the 50 MW solar plant envisaged in the MoU. We have to now work out the process of executing the project, in consultation with India," Mr. Jayawardena said.

NTPC venture

Sri Lanka had initially planned to set up a coal power plant in Sampur,

through an international joint venture with India's National Thermal Power Corporation. However, in September 2016 the Power Ministry scrapped the project citing environmental concerns.

A month later, Prime Minister Narendra Modi met President Maithripala Sirisena in Goa, on the side-lines of the BRICS summit, where

he flagged the possibility of New Delhi partnering Colombo in LNG and green energy projects.

Sampur, where the solar plant is set to come up, is located in the strategically important port town of Trincomalee, on the north-eastern coast of the island. India and Sri Lanka have agreed to jointly operate a world warera oil storage facility in the town, with the aim of developing it into a regional petroleum hub.

The proposed solar power plant is in line with Soorya Bala Sangramaya (Battle for Solar Energy), an initiative that President Sirisena launched last year to add 220 MW of solar power to Sri Lanka's energy grid by 2020. Currently, the island relies heavily on thermal sources that meet over 70 per cent of the country's energy needs.

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