MARKET WATCH

	26-10-2017	% CHANGE
Sensex	33,147	0.32
US Dollar	64.82	0.11
Gold	30,550	0.16
Brent oil	58.58	0.39

NIFTY 50

	PRICE	CHANGE
Adani Ports	414.30	-1.15
Ambuja Cements	276.45	-5.30
Asian Paints	1191.15	-10.55
Aurobindo Pharma	749.00	14.50
Axis Bank	484.30	11.30
Bajaj Auto	3283.40	51.15
Bajaj Finance	1746.75	20.40
Bharti Airtel	511.30	-4.45
Bosch	21031.45	-227.70
BPCL	536.45	26.65
Cipla	611.50	18.85
Coal India	293.35	4.20
Dr Reddys Lab	2344.35	-4.50
Eicher Motors	31617.55	-98.85
GAIL (India)	465.30	5.95
HCL Tech	869.05	-38.00
HDFC	1692.35	14.70
HDFC Bank	1795.35	0.25
Hero MotoCorp	3750.85	-18.80
Hindalco	272.90	6.15
HPCL	481.20	18.70
Hind Unilever	1273.70	1.25
Indiabulls HFL	1248.25	-28.45
ICICI Bank	299.25	-6.45
IndusInd Bank	1617.60	25.20
Bharti Infratel	455.40	3.25
Infosys	947.35	12.05
Indian OilCorp	436.50	19.25
ITC	268.40	-0.85
Kotak Bank	1018.90	8.35
L&T	1223.50	19.30
Lupin	993.00	-10.15
M&M	1372.95	8.25
Maurti Suzuki	8068.05	197.85
NTPC	184.65	1.30
ONGC	177.35	0.50
PowerGrid Corp	212.00	-4.10
Reliance Ind	947.40	7.50
State Bank	320.50	-4.40
Sun Pharma	530.15	6.90
Tata Motors	419.40	-2.55
Tata Steel	729.20	11.60
TCS	2538.85	-21.05
Tech Mahindra	477.25	9.15
UltraTech Cement	4483.90	23.65
UPL	813.00	14.35
Vedanta	342.85	6.95
Wipro	302.30	3.40
YES Bank	331.20	4.30
Zee Entertainment	531.50	-0.65

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 26

CURRENCY	TT BUY	TT SELL
US Dollar	64.62	64.94
Euro	76.03	76.41
British Pound	85.36	85.78
Japanese Yen (100)	56.86	57.14
Chinese Yuan	9.74	9.79
Swiss Franc	65.07	65.41
Singapore Dollar	47.48	47.72
Canadian Dollar	50.51	50.76
Malaysian Ringitt	15.26	15.35

Source:Indian Bank

BULLION RATES CHENNAI

October 26 rates in rupees with previous rates in parentheses

Retail Silver (1g)	42.40	(42.40)
22 ct gold (1 g)	2,804	(2,806)

SEBI tweaks block deal norms; least order size is now ₹10 cr.

Decision taken after suggestions from market participants to review framework

PRESS TRUST OF INDIA
NEW DELHI

Markets regulator SEBI on Thursday revised the framework for 'block deals' by providing two separate trading windows of 15 minutes each and increasing the minimum order size to ₹10 crore.

Ensuring confidentiality

The move is aimed at ensuring confidentiality of the large trades and stable prices for such transactions.

The block deal window is provided for buyers and sellers to execute trades for a large number of shares. Such deals are usually negotiated before their execution.

Under the new rules, SEBI would provide two block deal windows – morning and afternoon – of 15 minutes duration each.

Besides, the regulator has increased the minimum order size for execution of trades in the block deal window to ₹10 crore. Presently, a block deal for shares worth ₹5 crore through a single transaction is allowed.

The decision has been taken as SEBI received suggestions from market participants to review the block deal framework.

The final norms have been put in place after taking into consideration views of market participants and Secondary Market Advisory Committee (SMAC).

The morning window would operate from 8:45 a.m. to 9 a.m. and the reference price for execution of block deals in this window would be the previous day's closing price of the stock.

With regard to afternoon window, the regulator said it would operate from 2:05 pm to 2:20 pm.

The pricing would be based on the volume weighted average market price (VWAP) of the trades executed in the stock in the cash segment between 1:45 p.m. to 2 p.m.

Old order changeth: Presently, a block deal for shares with ₹5 crore through a single transaction is allowed. ▪REUTERS

NHAI eyes bond issue to finance highway projects

Policies will generate investment interest, says Gadkari

SPECIAL CORRESPONDENT
NEW DELHI

The National Highways Authority of India (NHAI) will soon issue bonds to finance highway projects, Road Transport and Highways Minister, Nitin Gadkari, said on Thursday.

"Foreign and domestic investments for building roads and highways infrastructure would follow naturally because of the pro-active infrastructural policies of the government.

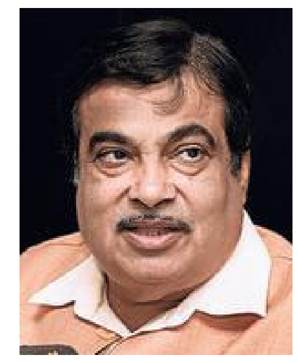
"The NHAI is preparing to issue bonds worth lakhs of rupees by way of tapping the capital market... efforts are [also] on to generate funds from other such portfolios. This is being done to make sure that funds are raised to support and finance roads and highways without any delay," he said at the 112th Annual Session of PHD Chamber.

Mr. Gadkari had said in a press conference on Wednesday that NHAI has a AAA rating that would help it tap into the capital markets. He had said that funds to the tune of ₹4-5 lakh crore can be raised from the markets for highway projects.

The Cabinet on Tuesday approved the BharatMala Pariyojana to build 34,800 km roads worth ₹5.35 lakh crore.

It would include building economic corridors, inter-corridor and feeder routes, national corridors efficiency improvement, border roads and international connectivity, coastal roads and port connectivity and greenfield expressways.

For Bharatmala, ₹2.09 lakh crore will be raised as debt from the market and ₹1.06 lakh crore will be mobilised through public-private partnership (PPP). The remaining ₹2.19 lakh crore will flow from accruals of the Central Road Funds and toll projects.



Nitin Gadkari

'Bank reforms headed in the right direction'

Ideal that IBC preceded recap: Sanyal

SPECIAL CORRESPONDENT
NEW DELHI

Banking reforms are moving in the right direction, with recapitalisation of public sector banks (PSB) following the notification of the Insolvency and Bankruptcy Code, under which bad loan resolution is already underway, according to Principal Economic Adviser in the Ministry of Finance, Sanjeev Sanyal.

Speaking at an event organised by PHD Chamber of Commerce & Industry on Thursday, Mr. Sanyal said the government brought out the IBC before the PSB recapitalisation to ensure banks begin the cleaning-up process prior to the capital infusion. He said a mere recapitalisation plan would have only resulted in 'encouraging the perpetuation of old problems'.

On the demonetisation of currency notes as well as the implementation of the Goods and Services Tax regime, he said structural changes were 'bound to create some friction'.

Mr. Sanyal said, with these measures, the Centre was trying to shift India from a rent-seeking and patronage-based economy to one based on rules and compliance.

These reforms are causing a fundamental shift in the way business was done in India, he added.

NITI bats for divestment in 34 PSUs

PRESS TRUST OF INDIA
NEW DELHI

Government think-tank NITI Aayog has recommended strategic disinvestment of 34 sick public sector units so far, its CEO Amitabh Kant said on Thursday. The Prime Minister's Office (PMO) had asked the think-tank to look into the viability of sick state-run companies.

"We have recommended 34 sick PSUs for strategic disinvestment," Mr. Kant said at the Crisil India Infrastructure Conclave here.

The Centre plans to raise funds to the tune of ₹72,500 crore through stake sale in PSUs this fiscal, including ₹46,500 crore from minority stake sale.

'Axis Bank laggard in recognising NPAs'

Loan downgrades into below-investment-grade bucket continue apace: Moody's

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender Axis Bank, that reported a sharp rise in non-performing assets for the quarter ended September 30, has been termed a 'laggard' by rating agency Moody's in terms of recognising bad loans.

The bank reported a 24% sequential increase in bad loans which resulted in gross non-performing assets increasing from 5% as at June end to 5.9% as on September 30. "We believe that the bank has been a laggard in recognising its asset quality problems, a credit negative for its credit quality," Moody's said in a report.

According to Moody's, increase in corporate bad loans drove the overall rise in NPAs. Out of the ₹8,110 crore new corporate NPAs during the second quarter, ₹4,870 crore were recognised after an inspection by Reserve Bank of India.

"Strikingly, only half of these were on the bank's watch list announced in March 2016, which identified accounts with weak credit metrics that were not yet classified as NPLs (non-performing loans)," the report said.

The report further said that according to the bank's internal credit ratings, loan downgrades into the below-investment-grade bucket continue apace.

Net migration

The report says in the quarter that ended September 2017, there was a net migration of ₹2,300 crore (excluding those loans that became NPLs) to below-investment-grade, or about 2.2% of the loan book on an annualised basis. The below-investment-grade corporate exposure, based on the bank's internal ratings, is still about 3.9% of the loan book and double its outstanding watch list accounts.

On an average, over the past five quarters, about 17% of the outstanding below-investment-grade loans at the beginning of the quarter became NPLs during the quarter, it said.

"Both these trends (i.e., the watch list including only half of the accounts identified by RBI and continuing material downgrades below investment-grade) indicate that the bank has not been prudent in identifying the extent of its asset-quality issues," the report said. As a result, Moody's expects the extent of deterioration in the bank's asset quality over the next 12-18 months may be more than what was previously expected.

Asset quality may deteriorate more over the next 12-18 months, says Moody's.

'PSU banks must be restructured'

PRESS TRUST OF INDIA
NEW DELHI

The recapitalisation programme for public sector banks is likely to boost equity market sentiment as it fuels growth recovery hopes, but should be followed up with structural changes at such banks for better results, says a UBS report.

According to the global financial services major, though the recapitalisation amount may create a supportive environment for growth, it may not drive growth by itself.

The Centre on October 24, unveiled a ₹2.11-lakh crore two-year roadmap to strengthen NPA-hit public sector banks, which includes re-capitalisation bonds, budgetary support and equity dilution.

YES Bank Q2 net rises 25.1%

Provisions soar as bad loans jump; NIM improves to 3.7%

SPECIAL CORRESPONDENT
MUMBAI

YES Bank reported 25.1% growth in net profit for the quarter ended September 30 to ₹1,002.7 crore aided by healthy growth in both interest and non-interest income.

Net interest income grew 33.5% to ₹1,885.1 crore while non-interest income grew 35.4% to ₹1,248.4 crore. Net interest margins improved 30 basis points year-on-year to 3.7%.

However, provisions rose on the back of an increase in bad loans with gross non-performing assets jumping threefold to ₹2,720.3 crore which was 1.82% of gross advances as compared with ₹916.7 crore or 0.83% a year earlier and 0.97% as on June 30. As a result, provisions shot up 176.5% to ₹447.1 crore. Provision coverage ratio declined to 43.3% as compared with 64.8% a year ago and 60% sequentially.

According to a regulatory filing, the bank said following the risk based supervision (RBS) of Reserve Bank of India (RBI) for 2016-17, which concluded in October 2017, the divergence in gross NPA was ₹6,355.2 crore.

"Bank's asset quality continues to demonstrate resilience after duly incorporating full impact of the RBI RBS observations for FY17, concluded in October 2017," said Rana Kapoor, MD & CEO of the bank.

'Stress recognised'

He called divergence as a 'temporary setback' in asset quality and said that the bank had recognised the entire stress in the quarter numbers. He added only 19% of the FY17 divergences, which relate to 19 accounts, a majority in the infrastructure or related sectors, are NPAs.

The bank reported a growth in deposits of 23.4% year-on-year driven by growth in current and savings account deposits, which constituted 37.2% of total deposits. The loan book grew 34.9% due to robust growth in both corporate and retail businesses. Retail banking advances grew by 78% year-on-year.

(With PTI inputs)

'India has to spend ₹50 lakh cr on infra'

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

SPECIAL CORRESPONDENT
MUMBAI

India would need to spend about ₹50 lakh crore between fiscal 2018 and 2022 to build its infrastructure in a sustainable manner, rating agency Crisil said.

"India will see close to ₹3,000 crore investment per day in infrastructure sector, and 56% more than the ₹37 lakh crore projected spend between fiscals 2013 and 2017," said Ashu Suyash, MD and CEO, Crisil Ltd. while unveiling the agency's Infrastructure Yearbook 2017.

"Spending of such magnitude requires expeditious resolution of the problem of stressed assets in banking, front-ending of bankable projects, comprehensive retooling of public-private partnership frameworks, and deepening of the infrastructure financing ecosystem, which is of tremendous importance," she said.

The report comes two days after the Centre announced it would spend about ₹7 lakh crore to build more than 83,000 kms of highways by 2022.

On Thursday, the agency also unveiled Crisil InfraInvex, an 'investability' index that would track, measure and assess the development, maturity and investment attractiveness of infrastructure sectors. "For years now, the government has been doing the heavy lifting in terms of infrastructure investments. However, having only the public investment cylinder firing is not good enough. Accelerating private sector investments is an essential complementarity, and the other cylinder that needs to fire," Crisil said.

'Most attractive'

"The Crisil InfraInvex scores for 2017 show power transmission sector the most attractive to invest in currently, followed by roads and highways, and renewable energy," said Sameer Bhatia, president of the Crisil Infrastructure Advisory.

NITI Aayog CEO Amitabh Kant pitched for channelling insurance and pension funds for financing infrastructure projects as also for a complete re-examination of the viability gap funding (VGF) scheme. Infrastructure sector has suffered in India due to under-investment for a long time, he said. "We need to build up environment to tap pension and insurance funds for investments in infrastructure projects... VGF scheme needs a complete re-examination," Mr. Kant said at the Crisil India Infrastructure Conclave here.

He said in the last three years, the Centre had put in place 'lots of resources' in building infrastructure such as roads and airports, almost making up for private sector investment in such projects. "You can do it in the short run but not for the long run. The challenge is to bring private investments back in the infrastructure sector."

(With inputs from PTI)

Stepping on the gas: Accelerating private sector investments is an essential complementarity, says Crisil. ▪REUTERS