MARKET WATCH

	09-02-2018	% CHANGE
Sensex	34,005	-1.18
US Dollar	64.40	-0.21
Gold	31,170	0.71
Brent oil	63.96	-1.70

NIFTY 50

	PRICE	CHANGE
Adani Ports	399.00	-6.10
Ambuja Cements	258.90	-3.00
Asian Paints	1130.75	6.70
Aurobindo Pharma	589.50	-12.35
Axis Bank	557.55	-10.90
Bajaj Auto	3099.25	-58.70
Bajaj Finance	1639.40	-22.75
Bharti Airtel	422.50	-7.30
Bosch	19482.60	-109.65
BPCL	475.40	-2.80
Cipla	621.40	8.75
Coal India	300.15	0.15
Dr Reddys Lab	2193.80	13.35
Eicher Motors	27747.95	-450.05
GAIL (India)	462.45	0.60
HCL Tech	964.00	19.65
HDFC	1773.05	-38.75
HDFC Bank	1849.50	-31.45
Hero MotoCorp	3546.10	-36.10
Hindalco	243.50	-1.70
HPCL	395.70	-4.10
Hind Unilever	1333.05	3.50
Indiabulls HFL	1288.40	-26.00
ICICI Bank	326.75	-7.10
IndusInd Bank	1649.85	-21.00
Bharti Infratel	341.50	-7.70
Infosys	1109.15	-25.10
Indian OilCorp	378.65	-6.95
ITC	271.35	-2.75
Kotak Bank	1032.00	-19.75
L&T	1329.25	-18.15
Lupin	822.15	9.70
M&M	750.05	-2.15
Maurti Suzuki	8936.10	-94.60
NTPC	163.25	-0.45
ONGC	187.35	-1.35
PowerGrid Corp	193.20	0.00
Reliance Ind	897.85	-6.70
State Bank	296.40	-5.00
Sun Pharma	582.70	-1.40
Tata Motors	368.75	-6.10
Tata Steel	685.30	13.85
TCS	2971.70	-2.50
Tech Mahindra	595.25	-13.00
UltraTech Cement	4153.30	-13.70
UPL	708.35	-9.70
Vedanta	316.30	1.85
Wipro	285.00	-4.80
YES Bank	325.55	-9.45
Zee Entertainment	580.95	-3.85

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 09

CURRENCY	TT BUY	TT SELL
US Dollar	64.20	64.52
Euro	78.60	78.99
British Pound	89.12	89.57
Japanese Yen (100)	58.88	59.17
Chinese Yuan	10.19	10.25
Swiss Franc	68.46	68.84
Singapore Dollar	48.22	48.50
Canadian Dollar	50.90	51.16
Malaysian Ringitt	16.29	16.38

Source:Indian Bank

BULLION RATES CHENNAI

February 09 rates in rupees with previous rates in parentheses

Retail Silver (1g)	40.9	(40.7)
22 ct gold (1 g)	2866	(2858)

SBI posts first quarterly loss since 1999

India's largest bank reported Q3 loss of ₹2,416 crore on higher slippages, depreciation in investments

SPECIAL CORRESPONDENT
MUMBAI

State Bank of India, the country's largest lender, reported a third-quarter loss of ₹2,416.37 crore due to a rise in bad loans and depreciation on bond investments.

While the lender reported a ₹2,610-crore profit in the same period of the previous financial year, the numbers are not exactly comparable since SBI had merged five of its subsidiaries in April 2017.

This is first time the lender has posted a quarterly loss since January-March 1999, when it recorded a loss of ₹115 crore.

The bank had to classify ₹25,830 crore worth of loans as non-performing this quarter. The Reserve Bank of India conducts an annual inspection of banks' books and directs banks to make additional provision where the regulator thinks it necessary.

The RBI had asked SBI to make an additional NPA classification of ₹23,239 crore based on its inspection. While about ₹3,000 crore of that amount was already classified as NPA in the previous quarters, the remaining amount was classified as NPA in the third quarter. About 90% of slippages in the third quarter were from the corporate loan book. SBI also had to make mark-to-market provisions of ₹3,500 crore in the period due to a rise in yields in its bond portfolio. Its treasury income fell to ₹1,000 crore from ₹3,000 crore a year earlier.

Grim outlook: No miracle possible in 45 days, says Chairman Rajnish Kumar, referring to the fourth quarter. • REUTERS

Provisioning rises

As a result, provisioning burden for the bank went up by a whopping ₹10,000 crore year-on-year to ₹18,876 crore. Provisions for non-performing assets were ₹17,760 crore in the quarter compared with ₹7,255 crore in the year earlier period.

Gross non-performing assets were at ₹1.99 lakh crore (10.35% of total advances) at December-end as compared with ₹1.86 lakh crore (9.83%) in September and ₹1.08 lakh crore (7.23%) in December 2016. Provision coverage ratio as on December 31, 2017, stood at 65.92%.

"The current quarter was disappointing," SBI chairman Rajnish Kumar said in the post earnings media interaction. "But every cloud has a silver lining."

This was the first time SBI announced its quarterly earnings since Mr. Kumar took charge in October.

He said most of the recognition of bad loans had been made and the resolution process was underway. SBI, he said, was hopeful of presenting a better financial performance in the next fiscal year.

He added the aim was to lower both slippage ratio and credit cost to below 2% – the metrics were at 4.17% and 3.18% respectively in the 9-month period this fiscal.

Asked about the Jan.-March quarter, he said, "I do not want to sound optimistic but I am not pessimistic also. But, in 45 days no miracle can happen."

'Direct tax collections up to Jan. grew 19.3%'

Refunds of ₹1.26 lakh cr. made: govt.

SPECIAL CORRESPONDENT
NEW DELHI

Net direct tax collections up to January 2018 grew 19.3% to ₹6.95 lakh crore compared with the same period of the previous financial year, according to official data released on Friday.

"The net direct tax collections represent 69.2% of the Revised Estimates of direct taxes for FY 2017-18 [₹10.05 lakh crore]," the government said. "Gross collections (before adjusting for refunds) have increased by 13.3% to ₹8.21 lakh crore during April 2017 to January 2018."

The government said it had issued refunds amounting to ₹1.26 lakh crore during April 2017 to January 2018.

Within direct taxes, net corporate tax collections grew 19.2% and net personal income tax collections grew 18.6%.

'Data analytics helped'

"This jump can be attributed to the massive information collected by the tax officers through data analytics post cash deposits post demonetisation of ₹500 and ₹1,000 currency notes," Daksha Baxi, executive director, Khaitan & Co, said.

"They followed up on this information with tax payers. This can also be attributed to the roll-out of GST. GST registration by small enterprises became beneficial to them, especially when they are providing goods and services to large organisations which insist on GST registration."

Stocks resume slide on global cues

Sensex, Nifty lose more than 1% each

SPECIAL CORRESPONDENT
MUMBAI

The gains in the benchmark equity indices on Thursday proved to be short-lived as an overall sharp fall in global markets pushed the Indian indices again in the red on Friday. Both the benchmark indices lost more than 1% each, even as many of the side counters did manage to buck the trend and gain ground. The BSE Sensex lost almost 570 points during the day, before closing at 34,005.76, down 407.40 points, or 1.18%. The broader Nifty closed at 10,454.95, down 121.90 points or 1.15%.

The Indian indices largely mirrored the global trend on Friday with the Nikkei and Hang Seng shedding 508 points and 944 points, respectively. The Dow Jones had lost more than 1,000 points overnight on Thursday - its second such fall in a week.

More volatility ahead

"Volatility and turmoil is not going to disappear in a hurry," said Arun Kejriwal of Kejriwal Research & Investment Services.

"The positive cue, however, is improved corporate earnings so far. While valuations have become cheaper because of the fall, they are not yet attractive enough to warrant a screaming buy."

NSE unveils 72 indices for MFs

SPECIAL CORRESPONDENT
MUMBAI

The National Stock Exchange (NSE) has unveiled a series of fixed income and hybrid indices that track fixed income assets including government securities, treasury bills, corporate bonds of different credit rating categories, commercial papers, certificate of deposits and overnight rate.

The exchange has introduced a total of 72 indices, which could act as benchmarks for the mutual fund industry that has to realign many of the existing schemes to comply with the recent regulatory diktat related to scheme categories and constituents.

Tata Steel net jumps fivefold

Profit rises to ₹1,136 cr. post sale of unprofitable U.K. assets

SPECIAL CORRESPONDENT
MUMBAI

Tata Steel reported an almost fivefold jump in its third quarter consolidated net profit to ₹1,136 crore on better realisations.

The company, which is in the process of bidding for distressed steel firms to double it capacity, saw its revenue increase 15% to ₹32,464 crore. The surge in profits came on the back of lower base as the steel maker sold its unprofitable assets in the U.K. and merged its European operations with Thyssenkrupp AG in the same quarter last year.

T.V. Narendran

Global trend

Commenting on the results, Tata Steel MD & CEO, T.V. Narendran said, "Globally, steel prices have been buoyant with improved trade position in China along with cost push from raw materials. Over the last nine months, we delivered strong consolidated operational performance across geographies and we expect this momentum to continue as markets are expected to remain favourable." The company's EBITDA improved 59% to ₹5,801 crore. The board has approved a 5 MTPA expansion at Tata Steel Kalinganagar at cost of ₹23,500 crore to be completed within 48 months from zero date.

"The company's Kalinganagar Plant had to shut down its Blast Furnace for unplanned major repairs following a sudden failure in the auxiliary equipment. As the downstream operations are integrated with the blast furnace, consequently, the Steel Melting Shop and Hot Strip Mill have also been shut down," the company said in a statement. Its shares on the BSE closed up 1.83% at ₹683.65 in a weak Mumbai market on Friday.

ONGC profit rises 15% on higher prices

PRESS TRUST OF INDIA
NEW DELHI

Oil and Natural Gas Corp (ONGC) on Friday reported a 15% increase in the December quarter net profit as higher prices made up for fall in output.

The net profit in the October-December quarter of the current fiscal, at ₹5,014.67 crore, was 15.2% higher than ₹4,352.33 crore in the same period a year earlier, the company said in a statement.

ONGC got $60.58 for every barrel of crude oil it produced during the quarter as compared to $51.80 in the year earlier period. Also, gas price it got was higher at $ 2.89 per million British thermal unit.

Bourses ban trading of derivatives overseas

Target SGX trade in Indian contracts

SPECIAL CORRESPONDENT
MUMBAI

The three Indian stock exchanges – the BSE, the National Stock Exchange (NSE) and the Metropolitan Stock Exchange (MSE) – have taken a joint initiative to stop trading of derivative contracts based on Indian indices on overseas bourses.

The joint action assumes significance as the last few years have seen a huge jump in the trading of Nifty contracts on the Singapore Exchange (SGX). While derivative contracts based on Nifty are traded on SGX, Sensex-based contracts are available for trading on Dubai Gold and Commodities Exchange.

"Exchanges or their subsidiaries/group entities or any other entity having licencing arrangement with exchanges shall not license/provide Indian Indices and/or the data including the price of Indian securities to any foreign exchange and/or trading platforms for trading of derivatives in any form in a foreign jurisdiction," said a joint statement issued by the three Indian exchanges.

'Migration of liquidity'

With the move, the trio has directly targeted the trading hotspot of SGX, which has been attracting many global investors due to lower margins and cost of transaction.

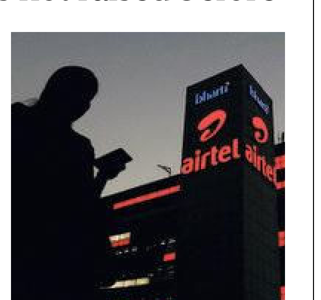
"Volumes in derivative trading based on Indian securities including indices have reached large proportions in some foreign jurisdictions, resulting in migration of liquidity from India, which is not in the best interest of Indian markets," said the statement.

Bharti urges TRAI to solicit views afresh

Seeks talks on issues not raised before

YUTHIKA BHARGAVA
NEW DELHI

Bharti Airtel has urged the Telecom Regulatory Authority of India (TRAI) to take cognisance of a TDSAT order and hold fresh consultations before framing guidelines to ensure transparent, non-discriminatory and non-predatory tariff offers.



• REUTERS

Norms for self checks

The Telecom Disputes and Settlement Appellate Tribunal (TDSAT), this month, asked TRAI to work out guidelines for telcos to perform self-checks for ascertaining consistency with the principles of Interconnection Usage Charge (IUC) compliance and non-predation.

TRAI had in March issued a consultation paper on 'Regulatory Principles of Tariff Assessment'. The consultation process had been completed before the TDSAT order.

Bharti said the issues and pricing norms with respect to which TDSAT had directed TRAI to "issue necessary guidelines had neither been dealt with in any past consultation paper, nor had the same been discussed in an open house discussion." These issues were "extremely critical" for the sector and had a significant impact on consumers, it added.

'Exempt incubators from tax, import duty'

Move will encourage growth of start-ups in food sector: YES Bank-Ficci report

SPECIAL CORRESPONDENT
NEW DELHI

To encourage long-term growth of start-ups in the food sector, the government could consider exempting incubators from taxes and customs duty levied on the goods they import, according to a joint report by industry body Ficci and YES Bank. Incubators offer hand-holding to start-ups in their developmental phase.

The report titled 'Start-Ups: Transforming India's Food Processing Economy' – released on Friday by commerce and industry minister Suresh Prabhu on the occasion of 'FICCI Foodworld India 2018' – also suggested that there should be tax breaks for start-ups procuring items essential for businesses like hardware, software and communication equipment. Besides, it recommended that "given their role in mentoring and connecting innovators to business growth opportunities, funds contributed to incubators should be treated at par with investments in Research and Development activities for businesses, and proportionally the entities that contribute funds to incubators should also be eligible for the 200% tax benefit currently applicable to R&D investments." A streamlined tax regime can remove hurdles which impact start-ups, the report said.

Food for thought: Commerce Minister Suresh Prabhu with FICCI officials at Foodworld India 2018 on Friday. • PTI

Speaking on the theme 'capitalising food processing in the digital era', Mr. Prabhu said the government was working on an agriculture export strategy that would give primacy to value addition and job creation. Referring to the potential of marine products exports, he said the emphasis is on value-added exports.

'200 start-ups'

According to the report, there are close to 200 start-ups in the food processing and allied ecosystem. The food processing sector, valued at $260 billion, and food services and retail, valued at $400 billion, provide 'immense opportunities for enterprising start-ups to address the challenges and fill in the gaps existing in the food value chain'.

They would hence help develop robust, scalable and replicable models that can transform India's food processing economy, it said.