

MARKET WATCH

	09-11-2017	% CHANGE
Sensex	33,251	0.10
US Dollar	64.94	0.03
Gold	30,450	0.00
Brent oil	63.80	0.55

NIFTY 50

	PRICE	CHANGE
Adani Ports	433.40	-3.70
Ambuja Cements	271.00	-2.50
Asian Paints	1195.60	23.40
Aurobindo Pharma	789.40	1.95
Axis Bank	540.40	-4.45
Bajaj Auto	3200.00	10.95
Bajaj Finance	1753.00	-22.70
Bharti Airtel	504.25	8.95
Bosch	21126.20	362.15
BPCL	522.15	1.95
Cipla	614.55	-8.05
Coal India	283.25	-4.80
Dr Reddys Lab	2370.10	23.50
Eicher Motors	30853.30	-342.00
GAIL (India)	451.10	-6.15
HCL Tech	875.95	-2.65
HDFC	1725.85	-21.60
HDFC Bank	1827.85	1.90
Hero MotoCorp	3597.75	-24.80
Hindalco	263.30	0.25
HPCL	431.55	-3.20
Hind Unilever	1252.90	17.60
Indiabulls HFL	1235.00	39.30
ICICI Bank	311.30	5.80
IndusInd Bank	1666.75	-7.65
Bharti Infratel	429.20	-5.95
Infosys	954.50	2.20
Indian Oil Corp	394.60	-2.40
ITC	260.05	-5.35
Kotak Bank	1005.35	-6.05
L&T	1215.90	-2.30
Lupin	830.45	-10.80
M&M	1361.30	-5.70
Mauriti Suzuki	8204.80	-27.30
NTPC	178.05	1.70
ONGC	189.60	-2.95
PowerGrid Corp	208.00	-0.15
Reliance Ind	900.50	12.70
State Bank	313.70	4.15
Sun Pharma	533.90	-3.90
Tata Motors	440.15	1.95
Tata Steel	703.40	10.25
TCS	2736.40	1.40
Tech Mahindra	490.25	0.35
UltraTech Cement	4363.35	-7.25
UPL	744.55	8.60
Vedanta	323.75	1.85
Wipro	302.50	0.10
YES Bank	304.65	0.85
Zee Entertainment	538.15	-2.40

EXCHANGE RATES

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

CURRENCY	TT BUY	TT SELL
US Dollar	64.74	65.06
Euro	75.31	75.68
British Pound	84.95	85.37
Japanese Yen (100)	57.14	57.42
Chinese Yuan	9.75	9.80
Swiss Franc	65.00	65.33
Singapore Dollar	47.60	47.85
Canadian Dollar	51.01	51.26
Malaysian Ringgit	15.47	15.56

Source: Indian Bank

BULLION RATES CHENNAI

November 09 rates in rupees with previous rates in parentheses

Retail Silver (1g)	42.80	(42.80)
22 ct gold (1 g)	2,813	(2,807)

JLR drives tripling in Tata Motors' net

Cost cuts, increase in commercial vehicle volumes help automaker narrow losses at domestic business

SPECIAL CORRESPONDENT
MUMBAI

A strong showing at Tata Motors Ltd.'s Jaguar Land Rover (JLR) unit and a significant improvement in the domestic business helped India's largest automaker post an almost threefold increase in second-quarter profit.

Consolidated net profit surged 195% to ₹2,502 crore in the three months ended September 30, from ₹848 crore a year earlier, as revenue (net of excise) rose 10% to ₹70,156 crore, from ₹63,577 crore.

JLR was a big contributor, with pre-tax profit at the luxury unit climbing 38% to ₹385 million, while revenue increased 11.5% to ₹6.3 billion. Retail sales increased 5% to 149,690 units.

Separately, cost reduction measures and higher sales volume of heavy and medium commercial vehicles



Riding strong: JLR CEO Ralf Speth, left and Tata Motors MD Guenter Butschek see continued momentum. *SHASHI ASHWAL

and passenger cars helped the domestic business narrow its net loss to ₹295 crore, from ₹631 crore a year earlier.

Revenue could have been higher by ₹2,393 crore, and profit gained an additional ₹112 crore, had the pound sterling maintained its year

earlier value against the rupee, Tata Motors said in a statement.

'Product strategy key'
"It is good that the domestic business has started showing improvements and the focus will continue to be here as JLR is performing well," said

Abdul Majeed, Partner, Price Waterhouse. "I see positive trend to continue... as long as the company has its product strategy right. The auto industry is faced with several challenges, and I hope they have got a robust product pipeline both in the commercial vehicles and passenger vehicles segment to stimulate demand."

Domestic revenue (net of excise) rose 30% to ₹13,400 crore. Sales (including exports) of commercial and passenger vehicles of the domestic business grew 13.8% to 152,979 units. Sales of passenger vehicles grew by 14.4%.

"After a challenging first quarter, Tata Motors has demonstrated impressive results with month-on-month growth in sales and market share, enabled by a slew of new product launches and customer cent-

ric initiatives," MD & CEO Guenter Butschek said at a media briefing on Thursday.

"With our turnaround plan in full action, we are seeing encouraging results and we will continue to drive sustainable profitable growth to meet our future aspirations," Mr. Butschek added.

The continued ramp-up of new models such as the Range Rover Velar, Land Rover Discovery, Jaguar XF Sportbrake, Jaguar F-PACE and, in China, the Jaguar XFL helped drive sales at JLR, Tata Motors said.

"We have delivered solid growth in quarterly profit and revenue amid rising demand for our products," JLR CEO Ralf Speth said. "Although we are facing headwinds and uncertainty in some markets, JLR is well positioned to deliver further global expansion," he added.

Data protection paper in a week: Rai

'Need to define standards, protocols'

SPECIAL CORRESPONDENT
BENGALURU

India will release a concept paper on its Data Protection Act within a week seeking stakeholders' comments as government experts grapple with issues concerning inter-operability, security and privacy of new emerging technologies such as artificial intelligence and cloud computing, said Gulshan Rai, chief of cybersecurity.

"We need to define security standards and protocols," Mr. Rai told delegates at a Internet of Things (IoT) conference here on Thursday. "Government is in the process of evolving a Data Protection Act. There is an expert committee under the chairmanship of Justice Srikrishna, of which I am also a member. The concept paper of the group will be out in a week's time."

To keep data of Indians "secure" and "protected" the Ministry of Electronics and Information Technology, on July 31, formed a committee of experts headed by B.N. Srikrishna, a former Supreme Court judge.

The experts, who include members from the government, academia and industry, will identify data protection issues and recommend methods for addressing them. It will also suggest a draft Data Protection Bill.

Technical issues

"There are technical issues such as interoperability, compatibility, privacy, security and adaptability and the cost of implementation. The other issues concern the diplomatic part of it. Also, do we have an international legal framework? How do we interpret the jurisdiction? That is another challenge," Mr. Rai said.

There are nine billion IoT



Gulshan Rai

devices worldwide and by 2020 "we expect almost an increase by factor of three." Today, the entire turnover of IoT devices is about \$150 billion and "we expect it to go up by a factor of four in the next four years," he said, quoting a report.

The committee's view was that before the technology was implemented in the smart cities one needs to have a security architecture and framework in place, Mr. Rai said.

"Who will tell us, we did not have any experience. We had some expertise of what the security systems are in the conventional systems. We did not have the experience on smart cities and other technologies. There will be a different sort of technological implementation issues in smart cities and IoT technologies. Those can be in terms of protocols, application programme interface and upgradation software," he said.

"A whole new world, not only for the development of technology, but for security will also emerge. The investment on device is much lesser as compared to the investment planned on security in both architecture or security application," Mr. Rai said. A UN Group of Governmental Experts, tasked with examining cyber-threats and making recommendations, was unable to reach a consensus on its final report in June.

No more room for rate cuts: SBI chief

Cites sharp rise in bond yields and concerns about hurting depositors' interests

SPECIAL CORRESPONDENT
NEW DELHI

The head of the country's largest bank, State Bank of India, on Thursday ruled out any possibility of interest rate cuts in the near term, citing a sharp rise in bond yields and the fear of hurting depositors' interests.

Indian Bank managing director and CEO Kishor Kharat seemed to back the SBI chief's assessment when he said that banks could provide funds at lower rates to start-ups if the government provided a subvention on such loans just as it did for farmers.

"If I have to bring interest rates down, I will have to hurt all the Buzurgs (senior citizens)... And that is my problem. Because if I don't charge my borrowers, how do I pay my depositors?" SBI



Rajnish Kumar

chairman Rajnish Kumar said, when asked about the industry's hopes of lower interest rates at a 'mentoring summit' in the capital.

Later, speaking to reporters, he said it appeared that the current cycle of rate cuts was over. "With the bond yields having gone up in the recent past, I think the headroom available for a rate cut

for both depositors and borrowers is no longer there. Unless you cut deposit rate, you can't cut the lending rate. For the time being, I think we are headed for a much more stable interest rate regime," Mr. Kumar said.

Cheaper funding

Mr. Kharat acknowledged the need to provide cheaper funding for start-ups and entrepreneurs. "We as a banker will definitely provide the funding, but the development of this segment is actually the responsibility of the government, industry and banks. Bankers will provide funds if the government also thinks of giving some subventions for the start-ups, similarly on the lines of the subvention given for farm loans, I think afford-

able rate of interest can be offered to start-ups," he said. Mr. Kumar said that the usual notion of expecting a spurt in capital spending by firms as the key to economic revival needed a rethink, and job creation in both manufacturing as well as services sectors was likely to see lower growth rates due to the advent of technology.

"That's why our typical sense of that growth in the manufacturing sector driven by capex, driven by the investment - on that, I have much less belief. The share of the manufacturing sector in the GDP over a period of time has also come down and is stuck at about 15% of GDP," he said. In the services sector, including banking, artificial intelligence, robotics and other technologies were finding traction.

HPCL Q2 net soars 147%

PRESS TRUST OF INDIA
NEW DELHI

State-owned Hindustan Petroleum Corp. Ltd. (HPCL) on Thursday reported a 147% jump in its second-quarter net profit on account of higher refinery margins and inventory gains. Net profit in July-September at ₹1,735 crore was 147% higher than ₹701 crore in the same period a year ago, HPCL CMD Mukesh K. Surana told reporters here.

The company earned \$7.61 on turning every barrel of crude oil into fuel in the quarter as compared to \$3.23 per barrel gross refining margin in the same period a year ago. "Throughput at both our refineries totalled 4.64 million tonnes as compared to 4.04 million tonnes last year," he said.

FEMA norms eased to spur investment from overseas

RBI lets investors regularise contraventions by paying a fee

MANOJIT SAHA
MUMBAI

The Reserve Bank of India (RBI) has simplified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, by putting all the 93 amendments under one notification, a move that will significantly make it easier for foreign investors to invest in the country.

The Foreign Exchange Management Act (FEMA), introduced in 1999, was amended 93 times.

'Guide to investors'

"Anyone who wants to invest in India, from this notification, he will know in which company he can invest, who can invest, how they can invest, how the money should come in, what the reporting is...everything is there," a banker, who did not wish to



be identified, said about the notification. "Earlier it was in a very disjointed manner in various places."

The new notification combines two regulations on foreign investments - one which is popularly called investment in an Indian company or a partnership, or in a limited liability partnership, or FEMA 20, and the other - FEMA 24, which is investment in a partnership firm. Another significant change is the introduction of

a late submission fee that could allow an investor to regularise any contravention due to non-reporting, by paying the fee.

"The person/entity responsible for filing the reports provided in regulation shall be liable for payment of late submission fee, as may be decided by the Reserve Bank, in consultation with the Central government, for any delays in reporting," the notification said.

'Big impact'

"It is going to impact in a very big manner because 60-70% of the contravention cases which RBI receives are due to delays in reporting," said another banker.

In addition, any transfer of investment from non-resident Indians to any non-residents has been brought under the automatic route, subject to reporting.

AAI Cargo to invest outside India

M. SOUNDARIYA PREETHA
COIMBATORE

The AAI Cargo Logistics and Allied Services Company, a subsidiary of AAI, is open to investments outside India.

"We will invest in other airports and facilities worldwide," Keku Bomi Gazder, CEO, AAI Cargo Logistics and Allied Services, said.

The firm is working on investment possibilities in the country and abroad to provide cargo handling and allied services. "A five-year vision document with details of our verticals, a blueprint on how and where the company will go forward along with the quantum of investment and timeline is being worked on," he said. The company plans to unveil international courier handling at Tiruchi and Thiruvananthapuram airports in the last quarter of this financial year.

Lower ETF inflows hit global gold demand

GST, tighter anti-money laundering regulations in India deterred buyers: WGC

SPECIAL CORRESPONDENT
MUMBAI

A combination of factors such as lower inflows into exchange-traded funds (ETFs) and introduction of the Goods and Services Tax (GST) in India led to a fall in the global demand for gold in the third quarter of the current calendar year.

According to the latest Gold Demand Trends report by the World Gold Council (WGC), global jewellery demand was down 3% year-on-year in Q3, "as the newly introduced Goods & Services Tax and tighter anti-money laundering regulations around transactions in India deterred buyers."

Weak quarter

"A weak quarter in India was the main reason for the year-on-year decline in global demand (for gold jewellery),



Dragon's appetite: Demand for gold bars and coins was driven by China as global investment demand rose by 17%. *REUTERS

down from 495 tonnes in Q3 2016 to 479 tonnes in Q3 2017. Jewellery volumes continue to languish below longer-term average levels," said the report. Further, global gold demand in Q3 2017, which was pegged at 915 tonnes, witnessed a drop of 9% compared with the

same period in 2016. This decline was led by two key factors: a softer quarter in the jewellery sector and significantly lower inflows into ETFs, as per the report.

As per the findings, while investors continued to favour gold's risk-hedging properties through ETFs, the

greater focus was on buoyant stock markets that impacted the inflows into ETFs.

Meanwhile, the demand for gold bars and coins was driven in large part by China as the global investment demand rose by 17% from relatively weak year-earlier levels. Incidentally, mainland investors in China bought on price dips, clocking up a fourth consecutive quarter of growth, as per the report. The central bank demand of 111 tonnes in Q3 was 25% higher year-on-year as Russia and Turkey together added nearly 95 tonnes of gold to global official reserves. Interestingly, volume of gold used in technology increased for the fourth consecutive quarter. Strong demand for LEDs and continued growth in the use of 3D sensors in new smartphones boosted demand by 2%.

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