



	LATEST	CHANGE
Nifty 50	11582.75	+11.85
P/E Ratio (Sensex)	24.72	-0.13
US Dollar (in ₹)	70.11	+0.30
Gold Std 10 gm (in ₹)	29570.00	-120
Silver 1 kg (in ₹)	36700.00	-310

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CATALYST

Experience design agency IBM iX combines strategy, creativity and tech to wow customers p2



AUTO FOCUS

Maruti's Ciaz gets a facelift that gives it sharper looks, an improved cabin and a smarter mild hybrid system p17



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## BIGDATA

### The Gulf connection

Migrants make up over 88 per cent of the United Arab Emirates' population of 9.3 million. Indians form the largest ethnic group, with a representation of about 2.5 million, of whom over 50 per cent are migrants from Kerala. The Malayali community is involved in various activities in the UAE, ranging from performing blue-collar jobs to running big businesses. Among the most prominent of them are Yusuff Ali MA of the Lulu Group and Sunny Varkey of GEMS Education, both of whom enjoy close ties with the country's rulers.

Migrants in Gulf Cooperation Council nations

Country	Migrant population (in millions*)	Share of population (%)
Saudi Arabia	12.2	37.0
UAE	8.3	88.4
Kuwait	3.1	75.0
Oman	2.1	44.7
Qatar	1.7	65.2
Bahrain	0.7	48.4

\*All nationalities Source: International Migrant Report, 2017

## New Industrial Policy to focus on jobs, push tech use, cut red tape

Hopes to attract \$100 b a year in FDI

AMITI SEN

New Delhi, August 23

The much-anticipated New Industrial Policy, which will replace the 27-year-old existing policy and pave the way for promotion of new technology and reduced regulations, has been placed before the Union Cabinet for approval.

"The New Industrial Policy is now just a Cabinet nod away. Its implementation will lead to job creation and modernisation of units, and will encourage entrepreneurs to experiment with new technology to improve efficiency," a government official told BusinessLine.

"All ministries and depart-

ments concerned were kept in the loop throughout the drafting process. Hence, there were no major changes proposed during the inter-ministerial consultations," the official said.

This will be the third industrial policy drafted in independent India. The first was announced in 1956, and the second, in 1991.

The draft industrial policy floated in August 2017 by the Department of Industrial Policy & Promotion aims to create jobs over the next two decades, promote foreign technology transfer and attract \$100 billion FDI annually.

While the policy does not suggest direct changes in laws such as those governing labour, it is likely to propose the establishment of a body with representa-



tion from the Centre and the States to work on changes whenever required. It also suggests strengthening of municipal bodies.

To promote the use of new technology such as robotics and artificial intelligence, the policy is expected to emphasise promoting

R&D and set up an institutional mechanism to encourage commercial utilisation of research done using government funds, the official said.

Commerce & Industry Minister Suresh Prabhu has said the policy would include steps to cut down unnecessary regulations.

"The New Industrial Policy will encourage the industry to work together with the government to improve productivity, R&D efforts, and efficiency," the official said.

The policy will focus on 'Make in India', improving ease of doing business, aligning trade and manufacturing, improving access to credit for MSMEs, industrial infrastructure creation, skill development and promotion of technology.

## L&T board gives nod for ₹9,000-cr share buyback

OUR BUREAU

Mumbai, August 23

The board of directors of engineering giant Larsen & Toubro on Thursday approved the acquisition of six crore shares at a maximum of ₹1,500 apiece. The total buyback will be worth ₹9,000 crore.

The procedure will be completed in 90 days. The L&T board also recommended a dividend of ₹16 per share. The dividend in the previous year was ₹14 per share.

In a BSE filing, L&T said the price for the buyback will be determined by the board or a committee. It will be at a premium on the daily average of the closing prices on the NSE for the two-week period prior to the board meeting, and will be capped at ₹1,500 per share.

The board's decision was ratified by the investors at the com-

pany's AGM on Thursday. L&T Chief Executive Officer & Managing Director SN Subrahmanyan told reporters after the AGM that the buyback is a positive indicator of the economy and the company.

The L&T stock settled at ₹1,352.50 on the BSE, up 2.3 per cent from the previous close. In intra-day trade, the stock had touched a high of ₹1,363.90 and a low of ₹1,320.

Shares of L&T have risen 9 per cent ever since the company announced its intention to buy back shares on Saturday (August 18).

The buyback, the first by L&T, would constitute 4.29 per cent and 4.7 per cent of the total paid-up equity share capital and market capitalisation of the company, respectively.

Trouble at AGM p10

## Panel for rollout of 5G services by 2020

Paulraj committee wants more spectrum allotted; calls for policy by December 31

OUR BUREAU

New Delhi, August 23

A panel set up by the Department of Telecom to prepare a roadmap for rollout of 5G telephony in India expects the service to be operational by 2020.

The nine-member Steering Committee, headed by AJ Paulraj, recommended releasing additional spectrum for 5G services. It submitted its report to Telecom Secretary Aruna Sundararajan on Thursday.

The report said 5G services would have a cumulative economic impact of over \$1 trillion by 2035. While the US is likely to deploy 5G services later this year, or in the first quarter of 2019, the India rollout may begin by 2020.

Globally, 5G technologies are expected to evolve to a full range of services by 2024, the report said, adding that by acting early to embrace the 5G opportunity, India can accelerate the dividends and potentially also become an innovator.

On the financial side, the committee has suggested a broad planning estimate of ₹300 crore for the first year, ₹400 crore for the second, ₹500 crore in the third year, and ₹400 crore in the fourth.

"The 5G programmes will re-

quire funding by the government. At present, there are only national figures available. The actual funding requirements can only be finalised once well-defined project proposals with budgetary justifications are submitted to DoT," the Committee said.

A high-level forum was set up by the government in September 2017 to articulate the Vision for 5G in India, followed by the constitution of a Steering Committee.

The committee has also made suggestions on regulatory policy; education and awareness promotion; application and use case labs; participation in international

standards; development of application layer standards; and major 5G trials.

Free more spectrum

Under the spectrum policy, the committee has suggested that India's spectrum allocation for public wireless services should be enhanced significantly on various frontiers to realise digital infrastructure as a core utility under Digital India. Also, the cost of spectrum relative to per-capita GDP is high and it is important that India builds a more favourable spectrum policy in the 5G era.

The committee has suggested that the government announce its policy by December 31, and issue necessary notifications. It has also asked for setting up a Standing Committee with five-year term to advise on building spectrum technology infrastructure.



## India to grow 7.7% in Apr-June, says Moody's

OUR BUREAU

New Delhi, August 23

India is expected to register 7.7 per cent growth during the first three months (April-June) of the current fiscal, Moody's Global Outlook: 2018-19 report said on Thursday.

Interestingly, the agency, in the graphics accompanying the report, forecasts a 7.3 per cent growth rate for the current fiscal and 7.5 for 2019-20. However, the text says, "We expect the Indian economy to grow around 7.5 per cent in 2018 and 2019."

Moody's had in May cut India's 2018 growth forecast to 7.3 per cent from the previous estimate of 7.5 per cent, saying higher oil prices and tighter financial conditions will weigh on expansion.

Full report on p4

## Behind the wheel, again



Union Minister Arun Jaitley arrives at North Block to resume charge of the ministries of finance and corporate affairs. Jaitley returns after a nearly 100-day gap during which he underwent a kidney transplant (report on p4) KAMAL NARANG

## PNB scam fallout: Outstanding buyers' credit shrinks by \$25 b

OUR BUREAU

Mumbai, August 23

In the aftermath of the ₹12,600-crore scam at state-run Punjab National Bank, access to overseas credit has become increasingly difficult, especially for small and medium enterprises (SMEs). In fact, the overall outstanding buyers' credit has shrunk by ₹1.72-lakh crore (or \$25 billion) since June 2017.

Most of this has run down after March 2018, when the Reserve Bank of India banned letters of undertaking (LoUs). According to data compiled by trade finance firm buyerscredit.in, overall outstanding buyers' credit (OBC) stood at ₹3.43-lakh crore (or \$49.4 billion) as of June-end 2018, compared to ₹5.15-lakh crore or \$74.2 billion as of June-end 2017.

The most affected are State Bank of India, Bank of Baroda, and Bank of India.

"There is a big gap in financing, and trade finance of less than \$1 million is hardly taking

place, which is a big problem for small and medium enterprises," said Sanjay Mandavia of buyerscredit.in.

Alternative instruments such as bank guarantees and letters of credit are expensive and time-consuming.

The RBI had barred banks from issuing letters of undertaking (LoUs) and letters of comfort (LCs) after it was found that these facilities were allegedly used by billionaire jewellery designer Nirav Modi and his uncle Mehul Choksi to make fraudulent transactions of over ₹12,600 crore.

Prior to the ban, in September 2017, the OBC was pegged at close to \$91 billion.

According to the data, which is based on banks' first-quarter results, the OBC for the overseas branches of SBI was down to 4.92 per cent of total advances, as against 24.09 per cent earlier. In fact, the OBC of the bank is estimated at ₹13,132 crore at the end of June 2018, against ₹67,218 crore a year ago.

Similarly, the outstanding buyers' credit for Bank of Baroda shrank by ₹30,244 crore to ₹16,654 crore at the end of June 2018 from a year ago.

"For overseas branches of Bank of Baroda, OBC used to contribute 42 per cent of total advance, which is down to 17.38 per cent," said the report.

For international branches of 10 other banks, including Punjab National Bank, ICICI Bank, Allahabad Bank and IDBI Bank, advances have reduced by 17.3 per cent to ₹2.41-lakh crore by June-end 2018 as compared to June 2017.

"With the available data, it is clear that buyers' credit used to be a major chunk of business of overseas branches of Indian banks. Alternative products like letter of credit and bank guarantee have failed to pick up as predicted," said the report, adding that the outstanding balance will see a further run-down in the next quarterly results as buyers' credit taken against raw material import gets repaid.

## Fine chocolate boom has idli-grinder to thank

India can lead in the bean-to-bar segment, says entrepreneur

NARAYANAN V

Chennai, August 23

A power outage on a sweltering summer afternoon left the residents of Chennai's Royapettah area fuming. But 39-year-old L. Nitin Chordia's concern was only about keeping his stone-based wet grinders running for the next 24 hours.

"These machines are helping India achieve a revolution in the global bean-to-bar chocolate-making industry," says Chordia, pointing to the white table-top wet-grinders in his living room, which have been running non-stop for 24 hours.

Chordia and his wife Poonam operate Cocotrait, an initiative aimed at promoting knowledge, production and consumption of fine chocolates in India. The couple also holds the record for being India's first chocolate tasters to be certified by the Interna-



tional Institute of Chocolate and Cacao Tasting (IICT), London.

"This is the most important process — when the cocoa brings out a natural flavour on its own without any external intervention," says Chordia, adding that like wine, even fine-flavoured cocoa beans will also help the chocolate maker deliver natural flavours without any need for additives.

Unlike industrially-made premium chocolates, bean-to-bar chocolates, also known as 'Craft', or 'Fine' chocolates, are traditionally made in home kitchens or small confectioneries. They are made in small quantities using fine-flavoured cocoa beans, and are designed to deliver natural

flavoured chocolates. While they may or may not have natural ingredients, they do not contain any artificial ingredients, flavours or colours.

India's greatest contribution to the evolution and growth of the bean-to-bar industry across the globe is the humble stone-based idli-dosa batter grinder, better known as the 'Chocolate Melangeur', or 'Refiner' among chocolate makers.

Niche segment

Although India accounts for only 1 per cent of global cocoa production, the country is poised to become a leader in the bean-to-bar chocolate-making industry, thanks to low-cost equipment and infrastructure, technical know-how and availability of raw materials, says Chordia.

"It takes more than half a million rupees to set up a complete bean-to-bar unit in India with a capacity to produce 100 kg per week, the cheapest anywhere in the world," Nitin claims. The cost covers licensing, packaging, equipment, infrastructure

and training expenses. "Even globally, there is a lateral shift across South America and Africa where cocoa farmers are increasingly forward integrating into becoming chocolate manufacturers," says Chordia, adding that India, as an early-mover, is better-positioned to leverage this phenomenon.

The bean-to-bar chocolate market in India is estimated to produce two lakh bars this year, and is likely to grow by more than 100 per cent on a year-on-year basis. The market size is expected to be worth ₹25 crore by 2022, or even earlier.

According to the India Chocolate Market Outlook — 2023, by Bonafide Research, the premium chocolate market in India was worth ₹2,754 crore at the end of FY17. The market has grown at a CAGR of over 28 per cent in the last five years.

"The expansion in the premium chocolate segment and awareness of pure foods will logically drive growth to the bean-to-bar chocolate business," asserts Chordia.

## Chanda Kochhar may not attend I-Sec AGM

SURABHI

Mumbai, August 23

ICICI Bank CEO and Managing Director Chanda Kochhar, who is on leave pending a probe into alleged irregularities in the sanctioning of loans, is unlikely to attend the Annual General Meeting of ICICI Securities.

Kochhar, who is the Chairperson of the board of directors of ICICI Securities, is up for re-appointment as a Chanda Kochhar director at the company's AGM on August 30.

"Since going on leave in late June, she has stayed away from board meetings and other functions at ICICI Securities as well as other group companies. The board will nominate some other person to chair the AGM," said a person familiar with the development.

Details p6

## RIL is first to hit ₹8 trillion market cap in India

OUR BUREAU

Mumbai, August 23

Billionaire Mukesh Ambani-led Reliance Industries (RIL) on Thursday became the first company in India to have crossed ₹8-trillion market capitalisation after the company's shares witnessed a record rally in 2018.

Many stocks also hit their lifetime highs on Thursday (see table).

RIL's m-cap stood at ₹8.04-lakh crore on the BSE and the NSE as per Thursday's closing price of ₹1,269. The stock has rallied by over 38 per cent in 2018.

Tata Consultancy Services (TCS) is the other behemoth on the Indian markets that has been giving RIL a tough fight for the top spot in the m-cap rankings. As on Thursday, TCS' m-

### Life-time highs

Stocks	Highest traded price (in ₹)
Britannia	6,944.10
Excel Industries	1,859.40
Fine Organics	989.00
GSK Consumer Health	7,695.00
Merck	3,077.75
Nestle	11,590.00
NIIT	1,394.35
Orient Electric	167.50
Varroc	1,098.90
Zenstar Technologies	1,585.00

cap stood at ₹7.79-lakh crore.

The two per cent gain in RIL's scrip on Thursday came after telecom regulator TRAI said that Reliance Jio con-

tinued to add subscribers at a stellar pace. Further, the market expects Reliance JioGiga Fibre, RIL's recently-launched broadband service, to do well.

According to Trai data, Rjio added 9.71 million users in June, taking its subscriber base above 215 million. It also recorded a market share rise to 18.7 per cent from 18.7 per cent a month ago.

According to HDFC, the gross investments by Jio and Bharti Airtel were similar; but the data carried on the Jio network was 3.5 times that on Airtel. But HDFC said it was negative on value to Rjio lapping up the beleaguered Reliance Communications' assets, as the company had already been utilising them at nominal value.

### A Monk Who Trades

Nothing great has ever been achieved without breaking the rules.

Getting off the vehicle is against the safari rules. Get back! This is not safe. There are lions in this forest.

Do not worry, lions cannot climb trees.

There is a fine line between bravery and stupidity.

But you need to be alive to be great at anything.

I should have stayed in the car!! Hope this is not my last photograph.

Rules are made for a reason. If you do not follow them, you might end up in trouble very often.

Go through the Rules, Bye-laws, Business Rules, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-a-vis those of the Member.

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