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CURRENCIES	
US \$	Rs 73.34
UK Pound	Rs 95.14
Euro	Rs 84.66

INDICES	
BSE	
Sensex	35975.63 -550.51
Midcap	14676.48 -164.26
Smallcap	14424.41 +29.18
NSE	
Nifty	10858.25 -150.05
Next 50	26959.35 -348.55
Nifty 500	9056.70 -108.80

Most active on NSE

Scrip	Price*	Traded value#
Yes Bank	212.15	2104.36
Baj Finance	2222	1256.98
IB Hsng Fin	940	1174.88
Axis Bank	571.95	1069.07
DHFL	315.80	956.01

*In Rs; #In Rs crore

COMMODITIES	
Gold (10 gram in Rs)	
Pure	31565 +555
Hallmark	30395 +535
Silver (kg in Rs)	
Bar	38700 +550
Portion	38800 +550
Crude*	5527 +26.00
Copper#	458.20 +3.25

*per barrel in Rs; # per kg in Rs

MONEY MARKET	
	Yield (%)
Call rate	4.75
91-day T-Bill	7.02
1-year Gilt	7.86
5-year Gilt	8.13
10-year Gilt	8.11

IN BRIEF

Strict e-way rules

■ **NEW DELHI:** Tightening the norms for the issuance of the e-way bill, the GST Network has made it mandatory for businesses and transporters to mention PIN codes of places of loading and unloading of consignments. Quoting of PIN codes, according to officials, will help in calculating the correct distance and determine the validity of the electronic way or e-way bill, which is used by businesses to transport goods worth over Rs 50,000 both within and outside a state. PTI

BE A SPORT



The Suzuki Swift Sport at the Paris auto show on Wednesday. (Reuters)

Import norms

■ **NEW DELHI:** The government on Wednesday relaxed import norms for about 34 chemicals used in the pharmaceuticals industry, a move which would ease inbound shipments of these items. PTI

Essar gas

■ **NEW DELHI:** Ruia family-owned Essar Group has started the supply of gas produced from coal seams at its Raniganj block to state-owned GAIL. PTI

PSU fund

■ **NEW DELHI:** The government is planning to list Bharat-22 ETF on an overseas stock exchange to unlock its value and raise foreign capital. PTI

BOTTOM LINERS



“ We have seen a spurt in off-roading and adventurous riding experiences

Suzuki Motorcycle India managing director **Satoshi Uchida**



XXCE

Soaring crude has a domino effect on markets as investors focus attention on RBI rate meet outcome

Rupee closes below 73 Stocks go into a tailspin

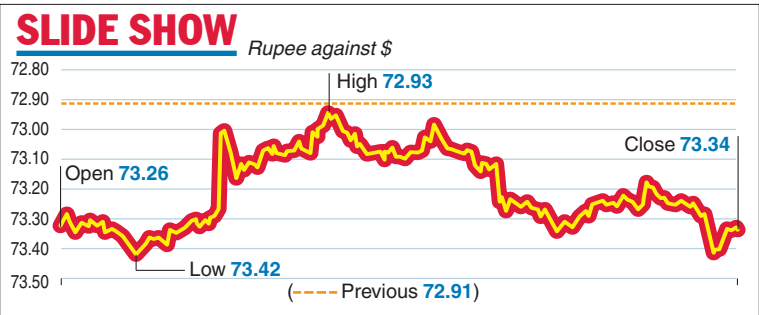
OUR SPECIAL CORRESPONDENT

Mumbai: The rupee on Wednesday reverted to its old ways of sagging against the dollar as rising crude prices pushed the currency below the 73-mark for the first time.

It ended the day at a record low of 73.34, down 43 paise amid strong demand for the dollar, with factors such as capital outflows and fears of a wider current account deficit (CAD) worsening the situation.

So far this calendar year, the rupee has been Asia’s worst performing currency as it has fallen almost 15 per cent.

Though the currency had regained its composure over the past few trading sessions because of the measures taken by the Union government, it came under fresh pressure on Wednesday, with crude oil providing the trigger. Oil prices were close to four-year highs and hovered around \$85 per barrel as sanctions imposed by the US



against Iran take effect next month.

However, the pressure on the currency cannot be solely attributed to oil — the US Federal Reserve has raised its rates that has led to a dollar rally and outflows from emerging markets, including India.

Foreign portfolio investors have already pulled out \$9 billion from the equity and bond markets. Experts have forecast the country’s CAD — differ-

ence between foreign exchange earned and spent — which hit 2.4 per cent of GDP during the first quarter of this year is set to rise further because of crude.

Recently, Bank of America Merrill Lynch has widened its CAD estimate for the year by 0.20 per cent to 2.8 per cent of GDP.

In a volatile trade at the inter-bank forex market on Wednesday, the rupee opened below the 73-mark at 73.26

against the dollar as it moved in sync with oil prices which at one time breached the \$85-per-dollar mark and settled a tad lower at \$84.86 per barrel.

Strong demand for the dollar saw the currency crashing to an all-time low of 73.42. The rupee then moved in tandem with reports of the RBI opening a dollar swap window for oil refiners that led to a recovery to 72.93 to the dollar, only to settle lower at 73.34 following the denial of the reports.

“Focus would now shift to the RBI monetary policy meeting. There is a buzz of a repo rate hike by 25 basis points and possible change in the monetary policy stance by the RBI. More importantly, its guidance will be crucial. Market will also be watching whether the RBI announces any measure to stabilise the rupee. In the near term, the rupee might trade in 72.50 and 73.80 range,” Rushabh Maru — research analyst of Anand Rathi Shares and Stock Brokers, said.

Breather for oil retailers

OUR SPECIAL CORRESPONDENT

Mumbai: The Reserve Bank of India (RBI) on Wednesday relaxed overseas borrowing rules for oil marketing companies (OMCs) — a move that could moderate their demand for dollars from the market and ease the pressure on the rupee.

On a day the rupee closed at a historic low of 73.34 to the dollar, the central bank said, in a notification, that OMCs can raise external commercial borrowings (ECBs) for working capital purposes from all lenders under the automatic route.

The RBI also waived the \$750-million cap that individual state-run refiners had earlier and has capped the overall annual foreign currency borrowing under the new norms at \$10 billion with immediate effect.

While OMCs are the largest buyers of foreign currency, current rules say that ECBs can be raised by these firms for working capital purposes if such a borrowing is done from direct and indirect equity holders or from a group company. There was another condition that the loan should be for a minimum average maturity of five years.

“It has been decided, in consultation with the Government of India, to liberalise the

EASE TENSION

- Oil marketing firms can raise ECBs from all sources. Loans can be of 3-5-year maturity
- Overall borrowing limit of refiners raised to \$10 billion a year
- Emphasis on proper risk management policy

said provision and permit public sector OMCs to raise ECB for working capital purposes with minimum average maturity period of 3/5 years from all recognised lenders under the automatic route,” the RBI said in the notification.

On its step to remove the individual ceiling of \$750 million, the RBI said that the oil marketing companies should have a forex mark-to-market procedure apart from a proper risk management policy.

Ever since the rupee has come under pressure against the dollar over the past couple of months, the buzz has been that the central bank will open a dollar swap window for oil marketing companies so as to take their dollar demand out of the market.

Under such a facility, which was done in 2013, the RBI provides dollars to these firms for equivalent rupees, which had to be returned back.

OUR SPECIAL CORRESPONDENT

New Delhi: Fire-fighting measures to bolster the rupee and arrest the widening trade deficit are likely to be discussed at a key inter-ministerial meeting on Thursday to be chaired by commerce minister Suresh Prabhu.

Representatives from the department of economic affairs, coal ministry, steel ministry, oil ministry and department of pharmaceuticals are expected to attend.

The commerce ministry has identified nine sectors — gems and jewellery, leather, textiles, engineering, electronics, chemicals, pharma, agriculture and marine products — to achieve at least 16 per cent growth in exports in 2018-19. India’s exports were \$303 billion in 2017-18.

The inter-ministerial meeting assumes significance as the rupee has hit an all-time high of 73.34 against the dollar, which would raise India’s import bill and widen the trade deficit. Crude oil prices spiked to \$85 per barrel putting pressure on imports.

The government had decided earlier last month to adopt a multi-pronged approach to tackle the continued fall in the rupee, which would involve monetary policy changes and faster interven-

ROAD MAP

- Surging oil price hits CAD. Strategy to increase exports will rein in CAD
- Focus on 9 sectors for exports, including gems & jewellery, agriculture
- Ministries concerned told to focus on sectors under their control
- Govt targets 16% export growth this fiscal year

tion in the foreign exchange market, encouragement to rupee bonds to bolster dollar reserves and trade measures to cut imports.

However, the measures have not yielded much results as foreign investors have remained net sellers of local debt and the Sensex has remained on a roller coaster.

A fear of contagion of emerging market currencies because of a massive fall in the value of the Turkish lira has seen most emerging market currencies getting battered — including Chinese renminbi, Russian rouble, South African rand, Brazilian real and Indonesian rupiah.

Officials said the commerce minister is likely to ask various ministries to select sectors that have strong export potential and focus on

services exports. The department of chemicals has sought faster environmental clearances for agrochemicals and said it wanted to set up a chemical inventory for exports.

Emphasising sector specific strategies, officials said the export of defence products which are currently at around Rs 5,000 crore can be increased to Rs 35,000 crore.

The fall in the rupee not only makes India’s energy imports costlier but also means the country has to shell out more in repaying foreign currency short-term debt. India’s oil import bill is expected to go up \$25 billion, while the cost of servicing short-term borrowings would go up \$9.5 billion.

Global connection

Ganesh Kumar Gupta, president of the Federation of Indian Export Organisations, said exports have always been influenced by the growth in global trade. The subdued global trade forecast of 3.9 per cent in 2018 and 3.7 per cent in 2019 against 4.7 per cent in 2017 would have an adverse impact.

Exports have done well in the first five months of the current fiscal but are likely to face greater challenge in months to come, he said.

Gupta said the flow of credit was critical to higher growth in exports.

OUR SPECIAL CORRESPONDENT

Mumbai: Reliance Communications (R-Com) on Wednesday said it has got relief from the telecom appellate tribunal and can now complete its planned spectrum sale, proceeds of which will be used to make payments to Ericsson India and the RITL minority investors.

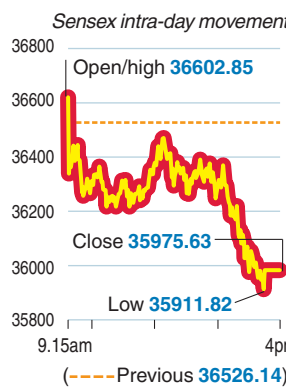
In a statement, the Anil Ambani group company said it would receive Rs 975 crore from the sale of spectrum to Reliance Jio.

Of this amount, R-Com will pay Ericsson Rs 550 crore and minority shareholders of RITL (Reliance Infratel) Rs 230 crore.

“Reliance Communications has been granted relief by the...Telecom Disputes Settlement and Appellate Tribunal (TDSAT) vide its interim order dated October 1, 2018, whereby...TDSAT has stayed the demand of bank guarantee of Rs 2,900 crore by the department of telecommunications,” it said.

The company added that it had challenged the “unjustly

FALL SEASON



Sensex losers	LTP	Fall in %
M&M	791.1	6.66
TCS	2162	4.14
Axis Bank	570.7	3.91
ICICI Bank	303.6	3.36
Maruti	7251	2.86
Kotak Bank	1099	2.24
Infosys	727.8	2.33
Airtel	318.6	2.21
Reliance	1205	2.13

MONEY METER

- Reliance Communications will receive Rs 975 crore from the sale of spectrum to Reliance Jio
- Of this amount, R-Com will pay Ericsson Rs 550 crore
- Minority shareholders of Reliance Infratel will get Rs 230 crore

sought security for the alleged demands” by the telecom department for spectrum use charges (SUC).

“After multiple hearings since August 28, 2018 the Hon’ble TDSAT, vide its interim order dated October 1, 2018, has stayed the said demand and directed DoT to expeditiously grant its approval for trading of the spectrum,” R-Com added.

The debt-laden firm pointed out that 38 secured lenders of the group have already approved the sale of the said spectrum.

This development should come as a relief to the compa-

ny which on Tuesday said it had learnt that unsecured creditor Ericsson India had filed a contempt petition on October 1, in the Supreme Court in relation to the settlement amount of Rs 550 crore to be paid by R-Com.

R-Com had also stated that it filed an application on September 28 in the apex court seeking 60 more days to repay the Swedish telecom equipment maker.

That matter is slated to be heard on October 4, it pointed out.

Last year, R-Com had signed a pact with Reliance Jio for the sale of wireless spectrum, tower, fibre and media convergence nodes assets — the proceeds of which were to be used to pare debt.

From that deal, R-Com has thus far announced the completion of the sale of optical fibre assets worth Rs 3,000 crore and the sale of its media convergence nodes worth Rs 2,000 crore to Mukesh Ambani-backed Reliance Jio Infocomm.

Shares of R-Com ended 1.09 per cent lower at Rs 11.80 on the BSE.