Could Hurt Deutsche Bank

tion and due to slow loan growth.

Deutsche Bank, in a report on SBI, said, "A 90 bps one-go rate cut is sharp and will be negative for NIMs. Though this is only for incremental loans and the immediate impact on NIMs will be gradual, but pressure will persist for at least next 4 quarters as SBI has repriced down deposits, repo rate fell 2.5% and 3Q SBI bank-level lending rate fell 2.5%. CLSA said the lending rate cuts will not credit-dilutive in nature, particularly as the loans in particular will be mainly on floating rate and the interest rate cuts will apply only to incremental loans.

"A 50bps lower NIM in FY18 could impact earnings by 4%, with a higher impact on PSU banks," said CLSA.

The implication of the lending rate cut on NBFCs is likely to be negative, said brokerages. NBFCs which particularly cater to the housing loan segment may need to almost match the cuts even though they will benefit from fall in funding costs, said CLSA. LIC Housing Finance fell 5.2% and HDFC dropped 3.4%.

Higher Utilisation of Paradip Refinery to Boost IOC

▸▸ From ET Markets

At Monday's closing price of ₹327.1, IOC was valued at 2.1 times its book, which is nearly at 13% and 34% discount to its peers, HPCL and BPCL, respectively. With over 14% jump in the expected EPS, IOC is among the few companies in the past three months to report earnings upgrades. The valuation gap with other OMCs is likely to converge in the coming months once higher GRM kicks in. Besides, a steady contribution from marketing and pipelines segments will also support earnings.

an expert selected by ET answers our readers on mutual funds

tute a portion of it. Next, you should avail of an adequate life insurance cover through a pure term plan only. This term-plan cover will give your family adequate financial protection. Also, the premium of this term plan insurance is covered u/s 80C, which will give you tax benefits as well. For the remaining amount, I suggest you start investing in an equity-linked tax saving mutual fund, or ELSS fund, which comes with a three-year lock-in. You can do a monthly SIP and stagger your investments through the year. These ELSS funds, which are also covered u/s 80C, will not only help you save tax, but also earn good returns on your investments. The tax-saving fund I suggest is Reliance Tax Saver Fund.

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TECHNOLOGY MOVES IN TO HELP MOVE THINGS

Agarwal Packers and Movers changes the face of surface logistics with the Trucking Cube

One of the biggest challenge confronting both household and corporate customers when it comes to transportation of their goods, is transshipment. Transshipment or the transfer of shipment from one conveyance to another in transit exposes the cargo to a greater probability of loss or damage. For example, pharma and food products are at a risk of losing their effectiveness even before their expiry date.

Consumers as well as brands expect a secure and dedicated space for their cargo so that the shipment reaches the destination without getting transshipped on the route. And they want to know where their shipment is at all times. Extensive research was carried out by the Agarwal Packers and Movers (APM) R & D team to change the manner in which cargo is handled, by integrating technology with an out-of-the-box idea. The result - they hit the road with an innovative solution.

THE TRUCKING CUBE

APM launched a service to offer safe-delivery of goods with technology driven zero transshipment and zero loss to customers. The cube is a container personalized for a client to ship cargo from one place to another with complete oversight. It comes in various sizes and can be customized as per the client's needs, ranging from 4 feet to 20 feet.

Key technologies driving this end-to-end visibility are centred on global positioning systems (GPS) for tracking movement; sensors; radio frequency identification (RFID); and an accompanying layer of software for information management, data storage, display, control and communications.

"All our trucks are GPS enabled and all the cubes have RFID tags. The full bouquet of RFID tags, GPS solution and a range of sensors provide real time information to the company. This helps in taking pre-emptive action in case of any emergency," says Raj Aggarwal, Independent Director & IT Consultant at APM.

In case of a breakdown, only the cube is transshipped and not the goods as they are securely locked at the origin. In addition, the cube can be transported by another vehicle and this information is updated to the system. As a result, multiple handling of the actual cargo during transit has been reduced to zero, ensuring safe transportation and peace for mind for the consignor.

"There is a 25 per cent reduction in packaging cost - on account of less ply being required. With 100 per cent online consignment tracking through GPS, a customer now has complete visibility over their cargo's transportation. As customers can self-lock and retain the key, there is zero pilferage. We also provide seven days of free storage facility at the destination in the same cube," says Ramesh.

A client now has an exclusive cube even for a part shipment. There is dust free delivery of goods; no leakage for air packed goods (especially pharma and foods); low insurance premium on account of near-zero risk; and safety features like shock absorbing pad on the floor and nets and safety belts to hold the goods intact.

The trucking cube offers several value additions for commercial businesses. Corporates don't have to pile up inventory now and they can track where the material is in real time. "They can dispatch whenever they have an order in hand, thereby reducing inventory carrying costs. There is also reduction in labor costs with flexible onsite and offsite storage and transportation capacity," explains Ramesh.

It was during our interactions with customers that we realised the urgent need to find a permanent solution for transshipment."

RAMESH AGARWAL
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