

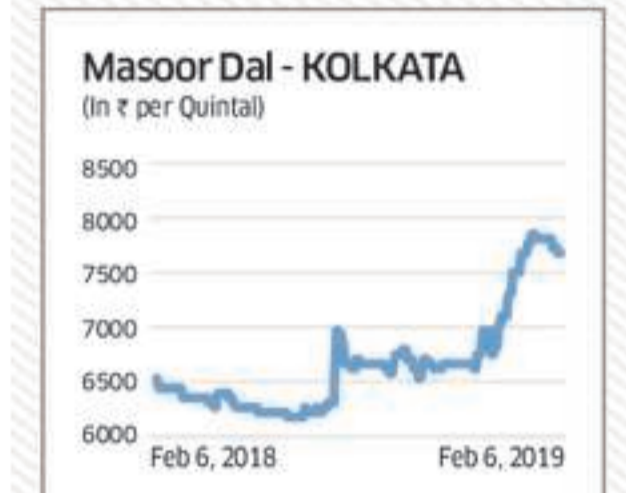
**MANAGE & PROTECT AGAINST FLUCTUATING BULLION PRICES HEDGE ON MCX**

**Tweet of the Day**

**Prof Steve Hanke**  
@steve\_hanke

Politicians buy your votes through lying prices. They sell you something for \$0 & then tax someone else to foot the bill. That's the name of the game. And this game squeezes productivity, the private sector & overall economy.

**Quarts & Ounces**



Commodity	Change	Prev Days	Last Week
<b>Bullion</b>	0.00	4929.9	4954.3
<b>Cement</b>	0.00	2048.0	2048.0
<b>Edible Oil</b>	-1.1	1637.4	1630.7
<b>Foodgrains</b>	-0.8	2318.9	2309.6

**1,311.63 MILLION KG**  
INDIA'S TEA PRODUCTION IN 2018

**Utkarsh SFB Plans to Raise ₹200 crore via Pre-IPO**

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**Mumbai:** Utkarsh Small Finance Bank (USFB) plans to raise ₹200 crore in a pre-initial public (IPO) placement in the next few months as it braces for a ₹1,000 crore equity infusion in two years time to comply with an RBI-mandated deadline. CEO Govind Singh said the lender will require around ₹2,000 crore of capital in the next three years as it steps up lending, opens new branches and hires more people in states where it does not yet have a presence. "We will need ₹2,000 crore capital in the next three years, which will include around ₹1,000 crore equity, ₹300 crore debt capital and also internal accrual, which could be around ₹700 crore. Our plan is to go public in two years. RBI's deadline is June 2021 but we want to keep some headroom and do it by January 2021. We are already talking to bankers and a full plan will be in place within three months," Singh said.

**Recovery Hope for Investors in ₹8k-cr Royal Twink Scheme**

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**Mumbai:** About 1.8 million investors who lost their savings in the ₹8,000-crore Ponzi scheme run by the Royal Twinkle Star Club and Citrus Check Inns might recover a part of their investments after the bankruptcy administrator attached more than 100 assets of the defaulter. Those assets, located across greater Mumbai and its adjacent districts, such as Thane, Palghar and Satara, would be put up for sale according to the terms set out by the Supreme Court, two people familiar with the matter said. A bench of the dedicated bankruptcy court would oversee the process. "The attachment of different group company assets should at least ₹3,500 crore, helping repay at least some money to about 18 lakh small investors," one of the persons cited above told ET.

**Be Alert on Intra-day Spikes: Sebi Tells Brokers**

**MAJOR INTRADAY FALLS IN 2019**

Stock	Date	Intraday Fall (%)
Reliance Communications	Feb 4	-48.28
Suzlon Energy	Feb 5	-42.92
Dish TV (I)	Jan 25	-38.24
Reliance Infrastructure	Feb 6	-37.61
Reliance Power	Feb 4	-37.57
Zee Entertainment	Jan 25	-33.44
Reliance Communications	Feb 5	-32.85
Reliance Power	Feb 5	-31.87
Jaiprakash Associates	Feb 4	-24.22
Dewan Housing	Feb 1	-23.92
Reliance Capital	Feb 4	-21.36

Source: ETIG Database

**Mumbai:** Sebi has asked brokers to monitor if there are any suspicious orders by clients when there is intra-day volatility due to any negative news flow. "The regulator has noticed high volatility in many stocks because of negative news flow coming in. 'Sebi will be actively looking into intra-day surveillance. On Tuesday we had a meeting with stock exchanges to strengthen surveillance measures so that there is no manipulation in the name of bad news," said a senior Sebi official. "Surveillance is to keep up with the changing times. The onus is now on brokers to tell stock exchanges if they notice any suspicious order by their client or concentration of positions. We will take stringent action on clients if any manipulation is noticed," the official said. The regulator has its own surveillance mechanism in addition to that of stock exchanges. But Sebi wants brokers to do client-level surveillance so that it is monitored at all three levels. Various shares have seen sharp slumps in recent months. Suzlon shares plunged 43% on Feb 5, on debt default buzz. Shares of Anil Dhirubhai Ambani Group (ADAG) companies plunged on Feb 4, with Reliance Communication tanking 48% intra-day to a record low of ₹6, after the company said it would file for bankruptcy as its been unable to sell assets to repay debt over the past year and half.

**Cotton Prices may Remain Firm This Yr on Low Output**

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**New Delhi:** Cotton prices are expected to remain firm this year due to lower production in the country, apart from rising consumption in both the domestic and overseas markets, exporters and analysts said. Prices may rise by March end, when market despatches will reduce. A weakening of the rupee will also help overseas demand for India's cotton exports, they said. India shipped about 25 lakh bales of cotton in the four months ended January to Bangladesh, Pakistan, Indonesia, Vietnam and China. "In 2019, due to tighter supply situation as well as robust export demand following trade tension between the US and China, cotton prices will remain firm," said Veeresh Hiremath of Karvy Consultants. He said China had offloaded most of its inventory and is importing from India. "A lot will depend on trade negotiations which India has with China. It is a growing market for Indian exporters," he said. According to Atul Ganatra, president of Cotton Association of India, prices are expected to go up by March end. "We have shipped 25 lakh bales from October to January and we have kept a target to export 51 lakh bales. This will be-

**Amazon Won't Have Directors on Cloutail, Appario Boards**

**Amazon remains committed to complete compliance with all the laws of the land, including Press Note 2. We have no equity participation in any seller company on our marketplace nor does any seller buy more than 25% of its inventory from our wholesale business,"** an Amazon India spokesperson said. Catamaran could not be reached for comment on the matter. Appario, the other large seller on Amazon, will make a comeback through the same restructuring route shortly, the people said. Appario is a subsidiary of Frontizo, which is a joint venture company in which the Patni Group holds a 51% stake and Amazon Asia Pacific Holdings holds 48%. The restructuring was necessary because the norms announced on December 26 prohibit marketplaces and their group companies from equity participation in any of their sellers or control over inventory, affecting Cloutail and Appario the most. Both companies went off Amazon.in on February 1, when the norms kicked in. According to a 2013 notification of the Reserve Bank of India with regard to FDI in India, a group company means two or more enterprises, which, directly or indirectly, are in a position to exercise 26% or more voting rights in the other enterprise or can appoint more than 50% of the members of the board of directors in the other enterprise.

**TOWARDS AN ALL-TIME HIGH Fed's dovish outlook on rates has helped Sustained Inflow Helps Nifty Cross 11-k Mark**

**Mumbai:** India's benchmark indices gained for the fifth consecutive session on Wednesday, with Nifty crossing the 11000-milestone for the first time in four months, helped by sustained flows into emerging markets. The Nifty ended up 128.10 points or 1.2% to close at 11062.45 and the Sensex ended up 358.42 points or 1% at 36975.23. The Sensex briefly crossed 37000 intraday, for the first time since September 21 last year. FPIs bought Indian stocks worth ₹695 crore on Wednesday while DIIs bought local stocks worth ₹525 crore, provisional data showed. The US Fed's dovish outlook on interest rates has provided a shot in the arm to risk sentiment for emerging markets including India. "Foreign flows have been positive in the last few days and that has helped frontline stocks. ETFs have seen a re-

cord inflow of almost \$7 billion into emerging markets year to date. Global allocation to emerging markets has increased," said Mahesh Patil, co-chief investment officer at Aditya Birla Sun Life Mutual Fund. Tata Steel, Bajaj Finance, ONGC, Bajaj Auto and ICICI Bank gained the most on Sensex, ending up 2-4%. Indus Ind Bank and Axis Bank ended weak, down 0.6% and 0.5% respectively. Index heavyweights Reliance Industries, Infosys, SBI and ITC gained 1.1-1.5%. The Sensex is now 5.2% away from its lifetime high of 38,969.65 which was hit on August 29 last year. Nifty is 5.9% away from record high of 11,760.20 hit on August 28. Although markets are near record high, the market breadth is weak. "The breadth of the market is not great," said Patil. Since October 1, when the Nifty was last seen above 11000, more than 30 Nifty constituents have declined.

**SENSEX GAINERS**

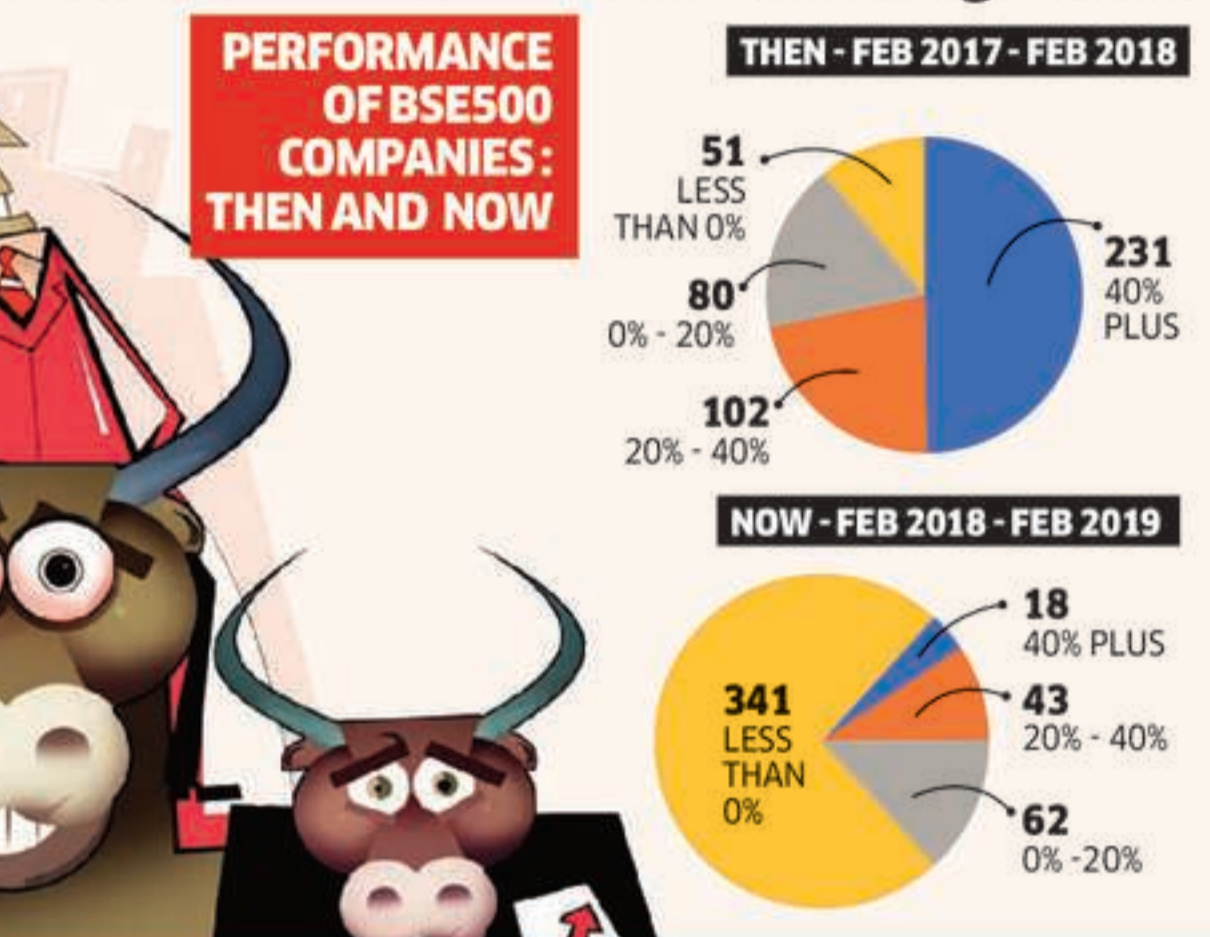
Company	CMP	% Chg
Tata Steel Ltd.	484.40	4.23
Oil & Natural Gas Corporation Ltd.	146.65	2.73
Bajaj Auto Ltd.	2771.45	2.17
Tata Motors Ltd. (DVR)	92.25	1.93
ICICI Bank Ltd.	358.90	1.86
Coal India Ltd.	220.15	1.66
Tata Consultancy Services Ltd.	2077.85	1.64
Mahindra & Mahindra Ltd.	694.55	1.58
Reliance Industries Ltd.	1309.85	1.52
Tata Motors Ltd.	178.20	1.51

**SENSEX LOSERS**

Company	CMP	% Chg
Adani Ports and Special Economic Zone Ltd.	331.15	-2.46
NTPC Ltd.	136.65	-0.98
IndusInd Bank Ltd.	1526.40	-0.64
Axis Bank Ltd.	723.90	-0.54

Compiled by ETIG Database

**Broad-based Rally till '18, Narrow Now**



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This is a tale of two markets. While Nifty has sharply clawed back after falling to 10,000 level in the second half of 2018, most key stocks have been witnessing a free fall. 32 out of 50 Nifty stocks and three out of four BSE500 stocks are in the negative. Nearly half of the stocks are down 20% or more. In fact, some of the Nifty stocks including Zee Entertainment, Indiabulls Housing Finance, Vedanta, Tata Motors and HPCL have more than halved from their 52-week highs. Other heavyweights such as DHFL and Vodafone Idea have seen over 75% fall. Only a handful of stocks, mainly Reliance, HDFC Bank and HDFC have led this rise in the index, thanks to their rising weight in Nifty quarter after quarter. Compare this to the market performance in the nearly two-year period ended January 2018. In the one year from January 2017 to January 2018 (when Nifty hit 11,000 milestone for the first time), 90% stocks in Nifty and BSE500 gained. Over 40% of the stocks in BSE500 gave more than 50% returns and 72% gave more than 20% returns.

**Vadra Summoned Again Today**

**Vadra was also questioned for allegedly owning undeclared properties in London along with Thampi and arms dealer Sanjay Bhandari, who is currently absconding. Vadra has denied owning any such property and has also refuted any association with Bhandari.**

After the questioning on Wednesday, ED sources claimed that Vadra remained evasive, especially with regard to the alleged emails between him and Bhandari. He has again been summoned on Thursday at 10:30 am. Vadra's lawyer, however, claimed the businessman was being harassed and that he had answered all questions put to him. Investigators suspect that several payments were made to Sky Light, Sharjah, within months of the 2009 petroleum deal, said people with direct knowledge of the matter. Bank details scrutinised by the ED show large amounts were transferred in dirhams to Sky Light in 2010, of which the transactions done on April 5, 2010, are specifically being probed. Incidentally, the company's namesake in India — Skylight Hospitality Private Limited — is allegedly linked to Vadra and is under the ED scanner for suspect land deals in Bikaner, Rajasthan. Thampi is being probed by the ED for alleged violations of the Foreign Exchange Management Act worth several hundreds of crores of rupees. The agency had served him a show-cause notice last year for alleged violation of laws in acquisition of agricultural and other land in and around Delhi-NCR in deals amounting to over Rs 288 crore. Investigators allege Thampi is a close associate of Vadra. Sources told ET that Vadra will also be questioned about his alleged links with Bhandari, who is accused of purchasing a mansion in London for Vadra for ₹1.9 million. The purchase was allegedly made using the shares of a company called Vortex. Bhandari, who is currently absconding, faces probes by the Central Bureau of Investigation and the ED for violating the Official Secrets Act as well as alleged financial crimes ranging from paying kickbacks to manage arms deals to laundering ill-gotten wealth. The ED, in 2017, had attached assets worth over Rs 26 crore belonging to Bhandari for alleged violation of FEMA laws. Last January, the defence ministry had suspended all business dealings with Bhandari's companies. The agency claims Vadra met Bhandari several times in London. It also claims to be in possession of emails exchanged between Vadra and Bhandari, where the former is allegedly detailing renovation work worth ₹60,000 in the London mansion. ET has learnt that Vadra may be confronted with these emails. Besides the London mansion, the enforcement agency suspects more properties, including flats, were purchased in London by Vadra's associates. Vadra has repeatedly rejected all allegations. Dubbing them political vendetta, he has alleged harassment by ED officials. He has claimed that the agency has called his company and representatives on more than two dozen occasions since June 15, 2016, but it has failed to find anything "incriminating". In response to Vadra's anticipatory bail application last week, the ED had informed the court that kickbacks allegedly paid for a "petroleum deal (2009) and defence deal (2005)" were under the scanner. The agency refused to share details of the two transactions. The court had granted Vadra interim relief from arrest till February 16.

**Draft Amendment Mandates**

**MeitY proposes to amend Information Technology (Intermediaries Guidelines) Rules under Section 79 of the Information Technology Act.**

The IT Act currently provides a legal shield for technology intermediaries. The Supreme Court has held that intermediaries should not be obliged to act suo motu without due process in removing content. In December, draft amendments to the IT Act rules, first notified in 2011, mandated companies to trace and report the origin of messages with in 72 hours of receiving a complaint from law enforcement agencies. They also sought to "disable access" within 24 hours to content deemed defamatory or against national security and other clauses under Article 19 (2) of the constitution. Besides, all platforms with more than five million users will be required to have a registered entity in India under the Companies Act. They will also have to appoint a nodal officer in the country to deal with law enforcement agencies around the clock and send communications to users once a month about their privacy policies. Activists said the guidelines would turn India into a surveillance state. Jio, one of India's largest telecom and technology companies, said there is a need to balance freedom of speech with the obligation to be responsible and accountable, so platforms do not become conduits for unlawful activities that incite hatred and spark terrorism and extremism. Without naming WhatsApp, Jio said many over-the-top (OTT) companies employ end-to-end encryption under the guise of providing better security to users. "We strongly recommended that (the) intermediary should enable tracing out of the originator of such information on its platform, which will help government agencies identify originator of such information of such misleading information in order to maintain cyber security, required for national security and prevention of offence," Jio said in its response. It said the government should ignore protests that these rules would violate freedom of speech and expression. Sharechat, a homegrown social media platform that functions in 14 languages, said it welcomed the proposal for mandatory local incorporation to "provide greater responsibility to offshore, social media applications that are gen-

**Tea Planters eye Higher Export Target**

Targetting 300 million kg of exports by 2020, tea planters have told the government that the key to this lies in incentivising production of orthodox (full leaf) tea and boosting the Merchandise Exports from India Scheme (MEIS)

**India's Tea Exports**

Period	Export Value (million kg)
Jan-Nov 2018	225.76
Jan-Nov 2017	226.04

**5%** Current incentive on orthodox tea

**29.46 million kg** Rise in exports from 2016

**11%** Tea planters demand for incentive on exports

**1.8%** Rise in global production during the first 10 months of 2018

**REASONS FOR RISING EXPORTS:** Expecting rise in shipments from UK, Russia, China, the UAE and Iran

Will help impact the farm gate level price

Source: IANS