MARKET WATCH

	10-06-2019	% CHANGE
Sensex	39,785	0.43
US Dollar	69.65	-0.27
Gold	33,730	0.33
Brent oil	63.45	1.61

NIFTY 50

	PRICE	CHANGE
Adani Ports	425.75	0.55
Asian Paints	1422.60	4.25
Axis Bank	814.15	10.15
Bajaj Auto	2989.80	28.40
Bajaj Finserv	8304.45	102.10
Bajaj Finance	3519.60	10.15
Bharti Airtel	363.45	6.35
BPCL	389.65	-13.35
Britannia Ind	2994.30	95.00
Cipla	554.55	5.05
Coal India	259.30	-6.25
Dr Reddys Lab	2629.25	48.55
Eicher Motors	20131.45	133.70
GAIL (India)	307.25	-6.60
Grasim Ind	880.95	9.50
HCL Tech	1091.20	11.60
HDFC	2194.05	-16.80
HDFC Bank	2440.20	-7.45
Hero MotoCorp	2745.00	-17.80
Hindalco	198.25	3.45
Hind Unilever	1852.50	21.75
Indiabulls HFL	733.35	2.25
ICICI Bank	416.10	-0.50
IndusInd Bank	1551.65	-0.55
Bharti Infratel	281.95	2.30
Infosys	753.50	14.40
Indian OilCorp	160.65	-3.15
ITC	279.40	4.15
JSW Steel	266.85	4.45
Kotak Bank	1502.60	-9.20
L&T	1532.10	18.25
M&M	646.95	2.90
Maruti Suzuki	6969.95	21.70
NTPC	135.00	-0.15
ONGC	164.65	-2.85
PowerGrid Corp	194.30	2.55
Reliance Ind	1319.15	4.25
State Bank	344.30	2.25
Sun Pharma	402.05	2.80
Tata Motors	166.20	-3.30
Tata Steel	486.05	3.95
TCS	2231.50	49.75
Tech Mahindra	768.20	17.45
Titan	1277.00	8.05
UltraTech Cement	4597.85	25.00
UPL	1016.40	-3.05
Vedanta	165.20	1.00
Wipro	297.10	2.05
YES Bank	135.90	-4.00
Zee Entertainment	335.35	-4.85

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on June 10

CURRENCY	TT BUY	TT SELL
US Dollar	69.45	69.77
Euro	78.47	78.84
British Pound	87.92	88.33
Japanese Yen (100)	63.91	64.21
Chinese Yuan	10.02	10.07
Swiss Franc	70.03	70.36
Singapore Dollar	50.78	51.02
Canadian Dollar	52.32	52.58
Malaysian Ringitt	16.67	16.76

Source:Indian Bank

BULLION RATES CHENNAI

June 10 rates in rupees with previous rates in parentheses

Retail Silver (1g)	39.9	(40.1)
22 ct gold (1 g)	3111	(3123)

Outflows from credit funds rise threefold

However, gilt and high quality income funds should see more inflows with RBI cutting rates: AMFI CEO

SPECIAL CORRESPONDENT
MUMBAI

Open-ended equity schemes saw a net inflow of ₹5,408 crore in May, as against ₹4,609 crore in April. • PAUL NORONHA

Net outflows from credit risk funds jumped over threefold in the month of May as investors remained wary of the segment in the light of recent downgrades and defaults.

The overall inflows into the debt funds segment also took a huge hit in May even as the overall assets under management of the mutual fund industry registered a marginal increase on the back of inflows into equity schemes.

According to data from the Association of Mutual Funds in India (AMFI), credit risk funds saw net outflows of ₹4,156 crore in May, as against ₹1,253 crore in April.

Further, the net inflows into the overall debt funds segment fell significantly from ₹1.21 lakh crore in April to ₹70,119 crore in May.

Interestingly, the debt segment took a hit amidst a slight increase in the industry's total AUM that was pegged at ₹25.43 lakh crore in May, as against ₹25.28 lakh crore in the previous month.

Industry experts believe that while investors are likely to be sceptical of investing in credit funds, the income and gilt categories could see a jump in inflows on the back of favourable macro-economic factors.

"If it [investment] is relating to credit funds, then investors will review or evaluate the opportunities," said N.S. Venkatesh, chief executive officer, AMFI.

"However, gilt and high quality income funds should see more flows with the central bank cutting rates while changing its stance from neutral to accommodative. Interest rates are expected to come down so more funds could flow towards such schemes," he added.

Equity inflows rise

Meanwhile, equity funds registered a notable rise in the net inflows with open-ended equity oriented schemes seeing net inflows of ₹5,407.75 crore in May, as against ₹4,608.74 crore in the previous month.

This assumes significance as the net inflows into equity schemes in the previous month had fallen to their lowest level since September 2016.

According to Mr. Venkatesh, the flows into equity schemes are likely to prove going forward as uncertainty related to election results are over and the recent market movement also points towards increased investor confidence.

"The market is already cheering the formation of the new government. Macro-economic factors appear to be favourable with low inflation, high reserves and balance of payments under control. Reserve Bank of India has also changed its stance, which is likely to see more flows coming into mutual funds," he said.

SEBI mulls norms to reward whistle-blowers

It seeks protection of informant from victimisation

SPECIAL CORRESPONDENT
MUMBAI

The Securities and Exchange Board of India (SEBI) has proposed establishing a framework to reward individuals who bring forward instances of violations of insider trading norms while at the same time protecting such persons from victimisation in the form of demotion or termination of job.

"... it is desirable and prudent that SEBI considers instituting a process that enables timely reporting of instances of insider trading violations and also provide for grant of reward with adequate checks and balances that could incentivise timely reporting of information relating to insider trading to SEBI at the first available opportunity," stated the discussion paper released by SEBI on Monday.

The capital markets regulator has proposed that entities that come forward with such information will have to disclose the source of information and give an undertaking that such information has not been sourced from any regulator.

Further, the regulator has proposed that if such information leads to a final order by SEBI with a minimum disgorgement of ₹5 crore, then a monetary award of 10% of the money collected by SEBI, subject to a cap of ₹1 crore, can be given to the informant.

Further, the reward will be paid from the Investor Protection and Education Fund (IPEF). SEBI also plans to establish an Office of Informant Protection, which will be independent of the investigation and inspection wings of the regulatory body.

Anonymous complaint

While the informant would be required to disclose his or her identity at the time of submission of the complaint in the official format – Voluntary Information Disclosure Form, in SEBI's parlance – an anonymous complaint can also be submitted through an authorised representative who is a practising advocate.

To protect such complainants against victimisation, the regulator has proposed that all listed companies and intermediaries would include in their code of conduct, provisions to ensure that such individuals are not "discharged, terminated, demoted, suspended, threatened, harassed, or discriminated against, directly or indirectly."

While SEBI has also proposed an amnesty for such individuals, it has also stated that if a complaint is found to be frivolous, the regulator can initiate actions against the informant.

Maruti cuts output for May also

SPECIAL CORRESPONDENT
NEW DELHI

Maruti Suzuki, one of the country's largest carmakers, has cut down production for the fourth consecutive month in May.

Last month, the company produced a total of 1,51,188 units, a decline of 18% from 184,612 units produced in the same month a year ago, it said.

In 2019, January had been the only month which had seen a growth (of 15.6%) in production. In February, it cut production by 8.3%, in March, by almost 21% and in April, by nearly 9.6%. Last month, domestic sales were also down by 23% to 1,25,552 units from 1,63,200 units in the year-ago month.

Govt. cautioned against rushing into electric vehicles

'Ill-timed decision can hit industry'

SPECIAL CORRESPONDENT
NEW DELHI

Venu Srinivasan

A day after industry bodies SIAM and CII called for a practical approach in formulating electric vehicle-related policies, two-wheeler makers Bajaj Auto and TVS Motor on Monday said "unrealistic" and "ill-timed" decisions will derail auto manufacturing in the country.

The reactions come amid reports that the government plans to ban sale of internal combustion engine (ICE) three-wheelers by 2023 along with sales of less than 150 cc two-wheelers by 2025.

"I have three execution related concerns...First that it may be impractical to target such a scale when none of the stakeholders currently possess any meaningful experience with any of the pieces of the EV puzzle," said Rajiv Bajaj, MD, Bajaj Auto. He added that it is "ill-timed" to target a date so close to BS-VI implementation.

"And finally, to target two and three-wheelers but not cars etc. makes it an incomplete initiative," he said.

Middle path

Mr. Bajaj suggested that an appropriate middle path may be put in place in the first phase to target such a changeover through corporate average fuel efficiency norms and electric vehicles for all vehicle categories from a particular date such as 2023 or 2025 starting with most-polluted cities.

Venu Srinivasan, chairman at TVS Motor Company, pointed out that automakers everywhere were supportive of the overall goal of introducing electric vehicles (EV) and as a result, have been doing serious development work to ensure a mass market EV products, while adding that supporting infrastructure for charging also needs to be as robust as conventional fuel options.

"The auto industry globally is still a long way away from all of this, as is India.

"To force an unrealistic deadline for mass adoption of electric two and three-wheelers will not just create consumer discontent, it risks derailing auto manufacturing in India that supports four million jobs," he cautioned.

On Sunday, SIAM president Rajan Wadhera warned that "such unrealistic expectations and policies would not only adversely affect the world number one two/three-wheeler industry, but may not help in making EVs acceptable to the customer and the market."

"...the [government's EV] ambition needs to be tempered with a practical approach and what is possible without needlessly disrupting the automotive industry," Mr. Wadhera, who is also president of automotive sector at M&M said.

Ajai Kumar quits Yes Bank board

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender Yes Bank has informed the stock exchanges that Ajai Kumar, non-executive director of the bank, has resigned citing personal reasons. The former chairman and managing director of Corporation Bank was appointed to Yes Bank board on January 29, 2016. Mr. Kumar was appoined as the bank's interim CEO for a month after Rana Kapoor's term ended on January 31, 2019.

After Ravneet Gill took over as the MD and CEO from March 1, 2019, Mr. Kumar ceased to be the Interim CEO of the bank.

Prior to joining Corporation Bank, Mr. Kumar was the executive director of another state-run lender, UCO Bank.

J&K Bank to split the position of CMD

Stock falls 12.5% after Ahmed removed

SPECIAL CORRESPONDENT
MUMBAI

Jammu & Kashmir Bank, which saw it chairman and CEO Parvez Ahmed removed by the government, has now decided to split the CMD post.

On Saturday, the State government, decided to remove Mr. Ahmed and appoint R. K. Chhibber as interim CMD. RBI has approved the appointment for three months, with effect from Monday.

The bank's stock fell 12.5% to close the day at ₹52.

"The board of directors, in their meeting held on 8th June, 2019, had inter alia recommended splitting of the post of chairman and managing director (CMD) of the bank in compliance to the SEBI regulations and RBI guidelines," the bank said.

The bank has also said it has taken several steps to improve transparency, governance, compliance and profitability.

It said there will be further strengthening of board's oversight of the functioning of the bank for better risk management, reduction of aggregate risks and improved compliance function so that the bank earns a better risk rating from the RBI and other rating agencies.

On the reports of raids been conducted in the bank, the lender clarified that investigation was ordered by the State government on the basis of some complaints of alleged malpractices and governance issues. "There would be no adverse financial implications of the investigations on the bank," it said.

MoSPI proposes to use big data analytical tools to improve official statistics

Ministry also mulls establishing a National Data Warehouse on Official Statistics

PRESS TRUST OF INDIA
NEW DELHI

• GETTY IMAGES/ISTOCK

The statistics ministry said on Monday that it proposes to set up a 'National Data Warehouse' with a view to leveraging big data analytical tools to further improve the quality of macro-economic aggregates.

Efforts are also on to evolve a legislative framework under which the National Statistical Commission (NSC) may function with independence and give holistic guidance for improving the national statistical system, the Ministry of Statistics and Programme Implementation (MoSPI) said.

In its release, the Ministry further said as far as the statistical reforms are concerned, it is important to note that system reforms are an ongoing process and are necessary for ensuring responsiveness to the changing needs of society.

Quality statistics

"Over a period of time, there have been increasing demands on the statistical system for the production of relevant and quality statistics.

"The Ministry has been accommodating these demands by optimising the available resources and use of technology," it said.

As in any system, it further said, the advent of technology necessitates reforms in statistical processes and products with an aim to synergise the existing resources so that the system remains responsive.

The recent step for the merger of CSO and NSSO was aimed at leveraging the strengths of the two organisations so that it can meet the increasing demands, MoSPI said.

MoSPI has been criticised in some sections for the quality of macro-economic data.

The Ministry said revision in GDP estimates occur when data coverage from administrative sources improves over time and these improvements get well documented.

Consequently, the initial estimates of GDP tend to be conservative.

To improve this, the release said it would require concomitant changes in the sectoral data flows and associated regulatory framework in the data source agencies to facilitate the use of more macro modelling techniques.

"The Ministry is also proposing to establish a National Data Warehouse on Official Statistics, where technology will be leveraged for using big data analytical tools for further improving the quality of macro-economic aggregates," it said.

IL&FS: govt. seeks ban on Deloitte, BSR

PRESS TRUST OF INDIA
MUMBAI

The Corporate Affairs Ministry Monday filed fresh applications at NCLT to debar Deloitte Haskins & Sells and BSR Associates, an arm of KPMG – auditors of IL&FS Financial Services – from auditing for five years.

It also sought to appoint a new auditor for the crippled company.

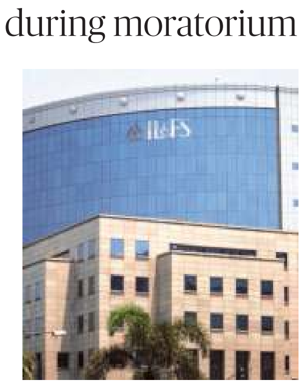
IL&FS Financial Services is one of the 348 subsidiaries of the crippled IL&FS group, which owes more than ₹95,000 crore to the lenders.

The group got into trouble after many of its subsidiaries began to default since last September and on October 1 that year, the government suspended its board and took over the company.

IL&FS mulls contempt plea against lenders

Withdrew ₹800 cr. during moratorium

PRESS TRUST OF INDIA
NEW DELHI



Debt-ridden IL&FS is likely to file a contempt plea against 11 banks and financial entities and seek refund of about ₹800 crore that was drawn out of its escrow account during the moratorium period, according to a source.

State Bank of India, Bank of Baroda, HDFC Bank, Yes Bank, Punjab & Sind Bank, Punjab National Bank, Indian Bank, Indian Overseas Bank, Federal Bank, Birla Sun Life AMC, L&T Infra Finance are among the entities that withdrew about ₹800 crore even as the company faced debt resolution under the National Company Law Appellate Tribunal (NCLAT), a person in the know of the development said on the condition of anonymity.

The NCLAT in February had prohibited banks from recognising any IL&FS group accounts as non-performing assets without first seeking approval from the tribunal. The tribunal had asked them not to initiate recovery process and debit money. "We are likely to file for the contempt because the withdrawals have been made in the moratorium period," the person said.

Realme mulls exclusive R&D centre

Currently, the mobile phone maker shares facility with parent brand Oppo

SPECIAL CORRESPONDENT
HYDERABAD

India calls: It will be sometime before Realme considers having a manufacturing facility of its own, says CEO Sheth.

The makers of Realme smartphone are considering setting up a research and development facility in the country that will sharpen focus on India-specific work as the handset brand looks to emerge from the shadows of parent brand Oppo.

"We will have our own R&D centre," India CEO Madhav Sheth said on Monday in Hyderabad, the city where Realme now shares such a facility with Oppo.

Though the location and timeline by when the facility will take shape are not yet decided, an update is likely later this year, a company executive present during the media interaction with Mr.Sheth said.

Oppo had established the R&D centre in Hyderabad last year and about 400 people are employed there, including those working for Realme and on 5G technologies. "Globally, we have 300 people in R&D team," the executive said. A chunk of them are in China doing India-specific R&D. At a global level, a separation on the R&D front was taking place, he added.

"Working on the local theme... customisation which is more Indian-centric will be the major aspect of the R&D [proposed centre] in India," Mr. Sheth said. He, however, hinted it would be some time before Realme considers having a manufacturing facility all for itself.

The smartphone brand – comprising four series and eight products – in the little over one year since launch in India, has seven million active users, he said, adding the existing manufacturing facility in Noida – of Oppo, OnePlus and Realme – has a combined capacity in excess of 60 million handsets a year.

New phone series

On other plans, a new, X series Realme phones with premium features and priced at about ₹20,000 is slated for launch in India soon. The smartphone maker is also looking to grow its offline presence through a combination of exclusive experiential stores, kiosks at malls besides growing the number of third party stores from around 8,000 now to 20,000 by December. Two variants of Realme C2 will go for sale in the offline stores from June 15, he said.

Banks can offer cheque books for no-frills accounts

No minimum balance for holders

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) has allowed banks to offer cheque book facility and other services to the no-frills account holders, but said they could not ask such account holders to maintain any minimum balance for such services.

The basic savings bank deposit account or no-frills account was designed as a savings account which will offer certain minimum facilities, free of charge, to the holders of such accounts.

"Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availment of such additional services shall be at the option of the customers," the RBI said in a notification.

As per the norms of no-frills account, account holders are not required to maintain minimum balance and can get certain minimum facilities for free. These facilities include, four withdrawals from ATMs in a month, deposit of cash at bank branch and ATM card or ATM-cum-debit card.