MARKET WATCH

	04-12-2019	% CHANGE
Sensex	40,850	0.43
US Dollar	71.53	0.18
Gold	39,299	0.85
Brent oil	62.88	3.73

NIFTY 50

	PRICE	CHANGE
Adani Ports	367.85	5.90
Asian Paints	1720.30	-16.15
Axis Bank	739.85	6.45
Bajaj Auto	3251.15	-8.60
Bajaj Finserv	9030.25	-59.50
Bajaj Finance	3990.85	26.30
Bharti Airtel	461.40	2.30
BPCL	501.20	6.70
Britannia Ind	3049.25	0.95
Cipla	470.00	5.75
Coal India	202.75	-2.85
Dr Reddys Lab	2877.85	19.50
Eicher Motors	21408.00	35.25
GAIL (India)	123.25	-0.30
Grasim Ind	785.40	3.10
HCL Tech	1125.50	0.95
HDFC	2322.40	2.70
HDFC Bank	1251.65	-3.75
Hero MotoCorp	2439.00	16.60
Hindalco	201.10	5.10
Hind Unilever	2048.00	19.55
ICICI Bank	529.25	19.90
IndusInd Bank	1544.30	-0.40
Bharti Infratel	248.95	0.50
Infosys	708.85	10.50
Indian OilCorp	126.85	-1.65
ITC	243.15	-0.90
JSW Steel	259.80	2.55
Kotak Bank	1651.25	4.50
L&T	1285.10	-28.10
M&M	525.55	2.65
Maruti Suzuki	7076.10	-62.70
Nestle India Ltd.	14306.25	-47.25
NTPC	114.80	0.25
ONGC	130.05	2.40
PowerGrid Corp	188.40	-1.00
Reliance Ind	1552.70	-26.20
State Bank	341.85	5.60
Sun Pharma	443.70	10.10
Tata Motors	169.40	11.20
Tata Steel	409.30	9.65
TCS	2078.50	27.50
Tech Mahindra	758.80	12.55
Titan	1174.65	16.50
UltraTech Cement	4197.15	-14.55
UPL	570.25	0.75
Vedanta	144.20	4.50
Wipro	242.20	5.40
YES Bank	63.00	3.50
Zee Entertainment	281.35	1.45

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 04

CURRENCY	TT BUY	TT SELL
US Dollar	71.33	71.65
Euro	78.95	79.31
British Pound	93.07	93.49
Japanese Yen (100)	65.64	65.94
Chinese Yuan	10.11	10.16
Swiss Franc	72.12	72.44
Singapore Dollar	52.30	52.54
Canadian Dollar	53.70	53.96
Malaysian Ringitt	17.08	17.17

Source:Indian Bank

BULLION RATES CHENNAI

December 04 rates in rupees with previous rates in parentheses

Retail Silver (1g)	48.5	(47.9)
22 ct gold (1 g)	3648	(3628)

Cabinet okays bond ETFs

Bharat Bond ETF would be India's first corporate bond exchange traded fund

SPECIAL CORRESPONDENT
NEW DELHI

The Union Cabinet on Wednesday approved the government's plan to create and launch India's first corporate bond exchange traded fund (ETF) – Bharat Bond ETF.

"The Cabinet Committee on Economic Affairs has given its approval for creation and launch of Bharat Bond Exchange Traded Fund (ETF) to create an additional source of funding for Central Public Sector Undertakings (CPSUs), Central Public Sector Enterprises (CPSEs), Central Public Financial Institutions (CPFIs), and other government organisations," the government said in a release.

"Bharat Bond ETF would be the first corporate bond ETF in the country," it added. The ETF will comprise a basket of bonds issued by the CPSEs, CPSUs, CPFIs, and other government organisations and all will be initially AAA-rated bonds.

"The unit size of the bond has been kept at just ₹1,000 so that retail investors can invest and it's not a matter of having crores to invest," Finance Minister Nirmala Sitharaman said at a press conference following the Cabinet meeting.

Each ETF will have a fixed maturity date and initially they will be issued in two series, of three years and 10 years.

"Bond ETF will provide safety (underlying bonds are issued by CPSEs and other government-owned entities), liquidity (tradability on exchange) and predictable tax efficient returns," the government release added.

The low unit value of ₹1,000, it said, would help deepen India's bond market as it will encourage the participation of those retail investors who currently not participating in bond markets due to liquidity and accessibility constraints.

Additional source

On the issuer side, the bond ETFs are expected to offer CPSEs, CPSUs, CPFIs and other government organisations an additional source of meeting their borrowing requirements, apart from bank financing.

"It will expand their investor base through retail and HNI [high net worth individual] participation, which can increase demand for their bonds," the government added. "With increase in demand for their bonds, these issuers may be able to borrow at reduced cost thereby reducing their cost of borrowing over a period of time."

Bonds for funds

ETF to comprise basket of bonds issued by Central public sector enterprises, other government entities

- Fund to constitute AAA-rated bonds initially; price to be kept at ₹1,000 per unit to attract retail investors
- Each ETF to have fixed maturity date, initially to be issued in two series of 3 years and 10 years

- On issuer side, bond ETFs expected to offer Central public sector enterprises, other government organisations additional source to meet borrowing requirements

Nod for Data Protection Bill

Classifies passwords, financial data as 'sensitive personal'

SPECIAL CORRESPONDENT
NEW DELHI

Safety first: Data such as biometrics can be processed only with the explicit consent of the person. • AP

The Union Cabinet on Wednesday approved the introduction of the Personal Data Protection Bill in Parliament, the government announced.

The draft bill, the Personal Data Protection Bill, 2018, was prepared by a high-level expert committee headed by Former Supreme Court judge B.N. Srikrishna. The Bill deals with the broad guidelines on the collection, storage, and processing of personal data, the consent of individuals, penalties and compensation, and a code of conduct.

The draft Bill classifies 'sensitive personal data' as including passwords, financial data, health data, sex life, sexual orientation, biometric data, genetic data, transgender status, intersex status, caste or tribe, and religious or political belief or affiliation. The draft Bill says that such sensitive personal data can be processed only with the explicit consent of the person, and this consent needs to be informed, clear, and specific, as defined by the Bill itself.

Right to be forgotten

The draft Bill also has a provision for the right to be forgotten, where the person "shall have the right to restrict or prevent continuing disclosure of personal data".

There is also a provision for the central government to notify categories of personal data as critical personal data, which will then be only processed in a server or data centre located in India.

Personal data is to be stored in India, but can be processed outside with the consent of the person.

The draft Bill also specifies penalties for not following its provisions, including a penalty of ₹5 crore or 2% of turnover, whichever is higher, if no action is taken on a data leak.

The Personal Data Protection Bill will likely be introduced in Parliament during the ongoing Winter session.

ICICI insurance arms, HDFC Life exit CSB Bank at 62% gain

Stock makes stellar debut, closes at 54% above issue price

MANOJIT SAHA
MUMBAI

The insurance arms of ICICI Bank – ICICI Prudential Life Insurance and ICICI Lombard – HDFC Life Insurance and Edelweiss Tokyo Life Insurance, which had picked up 5% each in CSB Bank three years ago, have exited the company during the initial public offering at more than 60% gain.

The old generation private sector lender – earlier known as Catholic Syrian Bank – made its stock market debut on Wednesday, closing at about 54% over the issue price, on the BSE.

The insurers picked up stake in the bank about three years ago at ₹120 per share. They have now exited at ₹195 apiece, which is a gain of 62.5%. During the comparable period, Sensex gave a return of 56% while Bank Nifty's return was 75%.

CSB shares debuted at ₹275 on the BSE or 41% higher than the issue price. During the day, it rose 57.43% to ₹307 and later closed at ₹300.10, a sharp gain of 53.90% over the issue price.

CSB's IPO, which was to raise ₹410 crore, was oversubscribed 87 times.

A total of 40.27 lakh shares of the company were traded on the BSE during the day. The company's market capitalisation stood at ₹5,205.41 crore.

The IPO was primarily to meet regulatory requirements since the bank was well capitalised. CSB reported a profit of ₹44 crore for the half year ended September 2019 compared with a loss of ₹197 crore loss for the full financial year 2018-19.

The bank has put its house in order in the last few years after Indo-Canadian billionaire Prem Watsa's Fairfax India picked up majority stake in the lender.

SEBI can take action against auditors: Tyagi

Regulator has mandate to protect investors' interests, he says

SPECIAL CORRESPONDENT
MUMBAI

Ajay Tyagi

The capital markets regulator has reiterated that it has powers to take action against auditors who act in a manner that is detrimental to the interests of public shareholders.

Speaking at a function organised by the Association of Investment Bankers of India (AIBI), the umbrella body of merchant bankers, the Securities and Exchange Board of India (SEBI) Chairman Ajay Tyagi said if those who audit listed entities do not do their job properly, then, they should not be allowed to audit listed companies.

"Our position is very simple. If they are auditing listed companies based on which investors are investing and if we find that that work has not been done properly and in investors' interest, then audit firms should not be allowed to audit listed companies for some time," said Mr. Tyagi. "It is our parliamentary mandate, I would say, to see that it is done and there is no trouble there. It goes to the basic issue of investor protection being the parliamentary mandate of SEBI," he added.

> SEBI had barred PW from auditing listed firms for 2 years for its alleged role in the Satyam Computers matter

He, however, added that SEBI was not the regulatory body that registers auditors and the capital markets regulator was not eyeing any such authority.

"It's not our case that SEBI is the agency which registers or regulates the auditors. It is nothing like that...We are not de-registering auditors. We don't have the authority and we don't wish to have that authority," he said.

SC sets aside SAT order

Interestingly, the SEBI chief's statements come close on the heels of the Supreme Court setting aside an order by the Securities Appellate Tribunal (SAT) which, while hearing an appeal filed by Price Waterhouse (PW), ruled that the capital markets regulator does not that have the authority to bar auditors.

In January 2018, SEBI had barred PW from auditing listed entities for two years for its alleged role in the Satyam Computers matter.

IN BRIEF

JLR unveils new Jaguar XE at ₹44.98 lakh

MUMBAI

Jaguar Land Rover (JLR) India, part of Tata Motors, has introduced a new version of Jaguar XE with prices starting at ₹44.98 lakh ex-showroom India. "The Jaguar XE has always been a distinctly designed executive sports saloon that provides exhilarating performance. The New Jaguar XE is an illustration of how enhancements in its design, technology and driving dynamics can rewrite the rules," Rohit Suri, president and MD, JLR India Ltd., said

Three banks file appeal at SAT in Karvy matter

MUMBAI

HDFC Bank, ICICI Bank and IndusInd Bank have filed an appeal in the Securities Appellate Tribunal (SAT) challenging the ex-parte order by the Securities and Exchange Board of India (SEBI) in the Karvy Stock Broking matter. The three banks have lent money to the brokerage on the basis of pledged securities and since the depository has transferred bulk of the shares from Karvy's account to client accounts, the banks have filed the appeal.

PrimeInvestor.in unveils mutual fund rating tool

CHENNAI

PrimeInvestor.in, an investment research as a service (RaaS) platform for retail investors, has launched its mutual fund rating (MF) tool, Prime Ratings. The tool is an attempt to overcome the limitations of other MF rating systems now available for retail investors. It uses a more diverse combination of risk and return metrics and looks at fund categories based on their characteristics and investment purpose and not just their SEBI-defined category.

Reliance Jio to increase tariff by up to 40%

New charges to take effect from Dec. 6

SPECIAL CORRESPONDENT
MUMBAI

Reliance Jio has announced an up to 40% increase in tariffs with effect from December 6, with the company claiming its customers will get 300% more benefits than its rivals' tariff plans.

Reliance Jio's 'New all-in-one plans' starts at ₹199 for a month, ₹399 for two months, ₹555 for three months and ₹2,199 for 12 months. The customers will get free 1,000 minutes, 2,000 minutes, 3,000 minutes and 12,000 minutes of talk time respectively for calls made to non-Jio network.

Besides, these plans offer unlimited free calls on Jio-to-Jio network with 1.5 GB of data per day.

"These plans will provide up to 300% more benefits to the Jio consumers, upholding the Jio promise of providing the best quality service at the lowest price globally.

"These plans will go live on December 6, 2019 and can be opted from all existing touchpoints," the company said in a statement.

On December 3, Vodafone Idea and Bharti Airtel increased their tariffs by between 20% and 47%.

IL&FS reports ₹22,527 cr. net loss for FY19

PRESS TRUST OF INDIA
MUMBAI

Infrastructure Leasing & Financial Services (IL&FS) reported a standalone net loss of ₹22,527 crore for the fiscal to March 2019, as against ₹333 crore in the previous fiscal. It reported a revenue of ₹824 crore, down from the ₹1,734 crore in the previous year.

This is the first earnings announcement after the government sacked its board in October last year.

As of end March 2019, total assets stood at ₹4,148 crore, a pale shadow of ₹23,868 crore a year ago. Liabilities rose to ₹21,083 crore from ₹18,276 crore.

As of October 8, 2018, the group has an external fund-based debt of ₹94,216 crore and an additional non-fund based debt of ₹5,139 crore.

UBL pitches for lower tax, duty to help bring down beer prices

Firm unveils first non-lager beer from Kingfisher stable

MINI TEJASWI
BENGALURU

Beer is increasingly gaining acceptance as a social catalyst in India, but their prices are not yet attractive to a large number of consumers thanks to unfriendly taxes and excise duties that now prevail in India, according to United Breweries Ltd. (UBL).

Debabrata Mukherjee, chief marketing officer, UBL, told *The Hindu*, "Some amount of tax rationalisation will bring beer prices down in the country and under such a scenario, beer consumption will go up further. Consuming beer is a socially-accepted thing in India now; however, prices come as a stopper."

Beer is a State subject and therefore each State has its own duty structure. Karnataka has the highest levies on beer.

The State charges an additional excise duty of 175% and 150% on beer brewed in microbrewery and draught beer, respectively.

UBL on Thursday forayed into the alternative beer market with the launch of Kingfisher Ultra Witbier, the first non-lager beer from the Kingfisher stable.

The craft-styled beer is brewed with authentic Belgian wheat beer recipe, offering a refreshing, light and sessionable taste. Coming with an ABV (alcohol by volume) lower than 5%, the beer is a rich blend of natural extracts of orange and coriander, spices sourced from Belgium and aromatic hops sourced from the U.S, as per the company.

Mr. Mukherjee said, "Being a lead player in beer, it is important that Kingfisher made multiple varieties of beer available in India to cater to all categories of customers.

"We will be able to quickly scale up this business through our existing supply chain and manufacturing facilities, and take the product across the country in the next six months."

Bharti board okays raising up to $3 bn

REUTERS
BENGALURU

Bharti Airtel Ltd. said on Wednesday it would raise up to $3 billion via debt and equity, as it looks for ways to pay down overdue fees it owes the Centre.

Last month, Airtel and Vodafone Idea warned that their ability to operate would depend on relief from the government, after the Supreme Court upheld a demand by the telecoms department that telcos pay overdue levies and interest. Airtel said it would raise $2 billion via qualified institutional placement and $1 billion via bonds and debentures.

Vodafone Idea and Bharti Airtel will have to pay a bulk of the $13 billion owed. Both carriers have approached the court to review the October ruling.

SEBI plugs systemic issue with new margin framework

Anomaly of penalty for 'insufficient' margins addressed

ASHISH RUKHAIYAR
MUMBAI

The new margining system for commodity derivatives markets, which was announced by the Securities and Exchange Board of India (SEBI) on Friday last, has plugged a systemic issue wherein penalties were being levied on members even though there was no shortage of margins.

Current framework

Currently, the risk management framework for the commodity segment is similar to that of the equity market, which shuts at 3:30 pm.

Thereafter, the margin requirement is computed for members and the shortfall, if any, is collected on the same day. The commodity derivatives segment is, however, open till 11:30 pm for select commodities and hence the existing framework was not managing the margin requirement effectively.

For instance, if there is a spike in volatility post 3:30 pm, a shortage in margins could be reported even though the member has sufficient funds to meet the additional margin requirement. Importantly, due to insufficient margins being reported, penalties were being levied on members.

As per last week's circular, the cut-off time for determining the margins has been fixed at 5 pm.

"The new circular issued on Friday on margining system takes care of this structural issue and it is a progressive step by SEBI for development of commodity markets," said Narinder Wadhwa, president, Commodity Market Participants Association of India (CPAI).

Sanjit Prasad, MD and CEO, Indian Commodity Exchange (ICEX), said that the new framework would help in removing a 'bottleneck'.

"Calling of margin by exchanges beyond banking hours posed a big hurdle to members and clients despite having funds available with them. The new cut-off time of 5 pm shall help in removing this bottleneck for all the bonafide members and their clients," Mr. Prasad said.

Ujjivan IPO subscribed 166 times

SPECIAL CORRESPONDENT
MUMBAI

The IPO of Ujjivan Small Finance Bank, which closed for subscription on Wednesday, was subscribed 165.7 times, with bids received for 2,053 crore equity shares as against 12.4 crore equity shares on offer in the price band of ₹36-₹37.

The category reserved for high net worth investors was subscribed a massive 486 times with bids received for 1,330 crore equity shares, as against 2.74 crore shares on offer.

The segment reserved for institutional investors was subscribed nearly 114 times while that for retail investors was subscribed a little over 50 times. Total worth of bids received was nearly ₹76,000 crore.

Steel firms to start 2020 on dull note

Profitability will decline due to soft demand, says Moody's

PIYUSH PANDEY
MUMBAI

Indian steel players led by Tata Steel, JSW Steel and Jindal Steel and Power Limited (JSPL), are likely to start the new decade on a negative footing as the profitability will further weaken due to softening demand, falling steel prices and rising prices of iron ore, a key raw material.

The profitability of the steel makers, measured by EBITDA per tonne, will decline a further 5% in 2020 following a sharp decline of around 25% in 2019 because of soft demand, according to Moody's Investors Service, which has negative outlook for the Asian steel sector in 2020. The growth pace of India's steel demand is likely to slow because of weak auto and manufacturing demand even as India's demand growth remains the strongest in Asia. However, the country will continue to remain the world's second-largest steel producer behind China, after having overtaken Japan in 2018. According to India Ratings and Research (Ind-Ra), the steel industry's net leverage and interest coverage are likely to deteriorate in FY20 due to compressed EBITDA margins. The demand for steel in India is likely to be driven by the "House for all by 2022" mission to build 19.5 million homes over the next two years and $140 billion spending on railways, roads and metros.

Global brokerage UBS has downgraded Tata Steel to 'sell' from 'buy' and slashed its target price on the stock to ₹360 from ₹675 as it expects weak India earnings to delay deleveraging. Tata Steel's net debt to increased from ₹95,000 crore in March 2019 to ₹1,07,000 crore in September 2019 in spite of commitments to cut debt by $1 billion.

"The slowdown had impact on the working capital. Capex numbers may see more reductions in the coming quarters," Tata Steel Group CFO Kaushik Chatterjee told *The Hindu*.

JSW Steel has deferred its capex of ₹4,700 crore to the next fiscal.