

THE MARKETS ON WEDNESDAY			Chg#
Sensex	40,850.3	▲	174.8
Nifty	12,043.2	▲	49.0
Nifty futures*	12,089.8	▲	46.6
Dollar	₹71.5		₹71.7**
Euro	₹79.2		₹79.4**
Brent crude (\$/bbl)**	62.8**		60.9**
Gold (10 gm)***	₹38,184.0	▲	₹73.0

\*(Dec.) Premium on Nifty Spot; \*\*Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBJA

## SAT REFUSES RELIEF TO BANKS IN KARVY CASE

The Securities Appellate Tribunal (SAT) on Wednesday denied any relief to private-sector lenders HDFC Bank, IndusInd Bank and ICICI Bank, which had moved it after the client securities that Karvy Stock Broking had pledged by misusing powers of attorney were restored to affected clients. The two-member Bench chaired by C K G Nair and Justice M T Joshi said that the appellants' plea to recall the shares transferred to close to 83,000 of Karvy's clients or to freeze these securities was "untenable".

### ECONOMY & PUBLIC AFFAIRS P6

## Kerala threatens to move top court over GST dues

Kerala on Wednesday threatened to approach the Supreme Court over delay in the payment of compensation to states under the goods and services tax (GST) regime even as Union Finance Minister Nirmala Sitharaman assured them that the amount for August and September will be released soon. Sitharaman, however, did not specify a timeline.

### THE SMART INVESTOR P10

## CSB Bank shares soar 54% on market debut

Shares of CSB Bank soared 54 per cent during their stock market debut on Wednesday. The stock closed at ₹300.4, up ₹105.4, over its issue price of ₹195. The listing follows the successful initial public offering backed by Canadian billionaire Prem Watsa's Fairfax. The lender's ₹400-crore offering had garnered 87 times subscription. The IPO was largely an offer for sale by existing shareholders such as ICICI Lombard General Insurance, HDFC Life Insurance, and ICICI Prudential Life Insurance.

### ECONOMY & PUBLIC AFFAIRS P14

## Services sector rebounds in Nov, PMI rises to 52.7

Growth returned to the services sector as activity increased in November, following two straight months of contraction, according to a global survey released on Wednesday. The widely tracked Nikkei India Services Purchasing Managers Index (PMI) stood at 52.7 in November, up from 49.2 in October and 48.7 in September. In PMI parlance, the 50-mark threshold separates expansion from contraction.

### THE SMART INVESTOR P10

## Tyagi: Not in a turf war over regulating auditors

Ajay Tyagi, chairman of the Securities and Exchange Board of India (Sebi), on Wednesday said that the market regulator did not want to get into a "turf war" over regulating auditors. He said that Sebi could not allow entities to audit listed companies if they did not perform their duties properly.



## PERSONAL FINANCE: Enter mid-caps if you have staying capacity

Since a lot of due diligence is required, most investors should take the mutual fund route in this segment, writes SANJAY KUMAR SINGH



### COMPANIES P2

## IN PROFIT, COKE HAS THE FIZZ OVER PEPSICO

PUBLISHED SIMULTANEOUSLY FROM AHMEDABAD, BENGALURU, BHUBANESWAR, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

### COMPANIES P2

## DOWNTURN CAN OFTEN COME AS A BLESSING: ROYAL ENFIELD CEO



# Data protection Bill eases storage rules

Cabinet clears the Bill, proposes penalty up to ₹15 cr for data misuse

NEHA ALAWADHI  
New Delhi, 4 December

The government is learnt to have relaxed the mandatory storage and processing requirement for all kinds of personal data and made a case for the collection of anonymised data from companies for planning government schemes in its long-awaited draft data protection Bill, which was approved by the Union Cabinet on Wednesday.

The Bill categorises data as sensitive personal data and critical personal data. Sensitive data includes passwords, financial data, health data, sexual orientation, biometric data, genetic data, transgender status, and caste. Critical data will be defined by the government from time to time.

All companies will have to store the critical data of people within the country, but they can transfer sensitive data overseas after explicit consent of the data owner to process it only for purposes permissible under law once the Bill is approved by Parliament, government sources said.

There is a relaxation on storing a copy of all personal data in India, or mirroring. "The government will have the right to direct a data fiduciary to share anonymised or non-personal data for better targeting of service, policy-making, relief work, etc," said a source. All other aspects of non-personal data will be handled by a committee headed by Infosys co-founder Kris Gopalakrishnan. The Cabinet's approval paves the way for the Bill to be tabled in Parliament in the ongoing winter session. The Bill has left the penalties unchanged



### DATA DEBATE

■ Data-mirroring requirement done away with for some categories of data, say govt sources

■ Confusion over inclusion of one aspect of non-personal, anonymised data in the Bill

■ Draft proposes identifying fiduciary by threshold of data handled

■ Threshold based on parameters like volume & sensitivity of personal data processed, number of users

■ All eyes on text of final draft, likely to be introduced in Parliament next week

— up to ₹15 crore or 4 per cent of an entity's global revenue if it is found guilty of a major violation under the Bill, while ₹5 crore or 2 per cent of the global turnover will be the penalty for minor violations. Turn to Page 17 ▶

## GOVT APPROVES LAUNCH OF BHARAT BOND ETF

The Union Cabinet on Wednesday approved the launch of India's first bond exchange-traded fund which can be bought and sold like any listed security on the bourses.

## ESIC MAY COVER GIG ECONOMY WORKERS SOON

Workers employed in the gig economy may soon be eligible for insurance benefits provided by the state-run Employees' State Insurance Corporation. ▶

## CITIZENSHIP (AMENDMENT) BILL GETS GREEN LIGHT

The Union Cabinet approved the contentious Citizenship (Amendment) Bill, with government strategists exuding confidence of ensuring its passage in both Houses of Parliament. ▶

# I-T cracks whip on F&O trade manipulation

Conducts searches at over 150 places linked to brokers, investors for alleged tax evasion

SHRIMI CHOUDHARY  
New Delhi, 4 December

A large number of brokers and investors are under the scanner of the income-tax (I-T) department for allegedly executing fraudulent trades in illiquid stock options.

According to sources, I-T officials on Wednesday conducted surveys and search operations at about 150 locations across the country, including Delhi, Mumbai, Hyderabad, and Kolkata. "We have launched a probe in the matter following information from the market regulator about irregularities in the equity derivative segment," said a tax official privy to the development. The official added that this was a fresh probe based on the inspection of certain derivative contracts both on the BSE and the National Stock Exchange (NSE).

The probe covers trades of the last five years, starting 2014, and will continue for a few more days, sources said.

The I-T department suspects the involvement of over 20,000 entities, including trading members and investors, in the matter, which could have led to tax evasion of about ₹80,000 crore.

Early this year, the Securities and Exchange Board of India (Sebi) levied a total penalty of over ₹55 lakh on nine entities for fraudulent trading in illiquid stock options of



### UNDER SCANNER

■ Investors who have bought securities worth ₹5 lakh or more are under tax scrutiny

■ Probe covers trades of the last 5 years

■ Sebi found huge discrepancies in trading, KYC, surveillance data

■ Suspects allegedly used illiquid stocks to take benefits of long-term capital gains

■ I-T suspects over 20,000 entities evaded tax to the tune of ₹80,000 cr

the BSE. The action had come after the regulator conducted an investigation into the trading activity in the segment from April 2014 to September 2015, after observing large-scale reversal of trades.

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# IL&FS posts ₹22k-cr net loss

SUBRATA PANDA  
Mumbai, 4 December

Infrastructure Leasing & Financial Services (IL&FS), whose defaults on its payment obligations led to a liquidity crisis in the shadow banking sector, has posted a staggering net loss of ₹22,527 crore in 2018-19 (FY19) on a standalone basis, as against a net profit of ₹333 crore in the previous year, according to the company.

The company's revenue declined 52.5 per cent to ₹824 crore in FY19 from ₹1,734 crore in FY18. Similarly, its assets

### KEY FINANCIALS

(in ₹ crore)	FY18	FY19
Net profit/loss	333	-22,527
Total income	1,734	824
Total assets	23,868	4,148
Net worth	5,592	-16,935
Total liabilities	18,276	21,083

Source: IL&FS

declined 81.5 per cent to ₹4,148 crore compared to ₹23,868 crore in 2017-18. Liabilities of the company increased 15.3 per cent in

FY19 to ₹21,083 crore. In FY18, these stood at ₹18,276 crore.

The company also reported a negative net worth of ₹16,935 crore in FY19, compared to a net worth of ₹5,592 crore in the previous year. The entity, on a consolidated level, has debt to the tune of over ₹94,000 crore.

"The board adopted prudent provisioning on loans/impairment of investments and took a conservative view on fair market value and recovery estimates," the company said in a statement on Wednesday.

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## CHIDAMBARAM GRANTED BAIL



Senior Congress leader P Chidambaram with party workers after he was released from Tihar jail after 106 days in custody. The Supreme Court granted him bail on Wednesday in the INX Media money-laundering case.

PHOTO: PTI

106 DAYS LATER, CHIDAMBARAM OUT OF TIHAR JAIL  
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# Era ends for Google as founders step aside

JACK NICAS AND DAISUKE WAKABAYASHI  
San Francisco, 4 December

Larry Page and Sergey Brin, the Stanford graduate students who founded Google over two decades ago, are stepping down from executive roles at Google's parent company, Alphabet, they announced on Tuesday.

Sundar Pichai, Google's chief executive, will become the chief of both Google and Alphabet.

The move is an end of an era for Google. Page and Brin have personified the company since its founding and have been two of the technology industry's most influential figures, on a par with the founders of Apple and Microsoft, Steve Jobs and Bill Gates.

Their early work on the Google search engine helped corral an unruly cloud of information on the World Wide Web. And their ideas about how to run an internet company — like offering generous employee perks like free shuttle buses to the office and making rank-and-file employees feel as though they have a stake in the company — became a standard for Silicon Valley.



THE MOVE CONFIRMS THE ASCENDANCY OF PICHAI, 47, AS ONE OF TECH'S MOST POWERFUL PEOPLE. WHILE HE HAS RUN THE CORE GOOGLE BUSINESS FOR FOUR YEARS, HE HAS STILL REPORTED TO PAGE, ALPHABET'S CHIEF EXECUTIVE, AND BRIN, ITS PRESIDENT

Page and Brin took lesser roles in day-to-day operations in 2015 when they turned Google into Alphabet, a holding company that includes the self-driving car company Waymo under its umbrella. Since then, they have spent more time overseeing a variety of so-called other bets, like life-extension technology, while Pichai ran Google and its enormous search and advertising business. The business has continued to grow and Alphabet is

among the most valuable companies in the world, but the internet giant is entering one of the most turbulent periods in its history, with antitrust scrutiny, employee walkouts and growing public skepticism of its power.

Page and Brin, who are both 46, will remain directors on Alphabet's board and the company's two largest individual shareholders. They retain a majority of the company's voting shares, which will give them effective

control over the board and ensure they maintain a say over the company's future.

"Today, in 2019, if the company was a person, it would be a young adult of 21 and it would be time to leave the roost," the founders wrote in a public letter on Tuesday. "While it has been a tremendous privilege to be deeply involved in the day-to-day management of the company for so long, we believe it's time to assume the role of proud parents — offering advice and love, but not daily nagging!"

The move confirms the ascendancy of Pichai, who is 47, as one of tech's most powerful people. While he has run the core Google business for four years, he has still reported to Page, Alphabet's chief executive, and Brin, its president.

Now he is the sole executive in charge of a company that has giant businesses in search, advertising, maps, smartphone software and online video, as well as a variety of fledgling bets in far-off areas like drone deliveries and internet-beaming balloons.

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