

MARKET WATCH

	02-04-2018	% CHANGE
Sensex	33,255	0.87
Gold	31,460	0.35
Brent oil	68.40	-2.11

NIFTY 50

	PRICE	CHANGE
Adani Ports	369.70	15.60
Asian Paints	1150.15	29.75
Axis Bank	499.05	-11.45
Bajaj Auto	2808.95	64.25
Bajaj Finserv	5267.40	95.85
Bajaj Finance	1818.60	51.05
Bharti Airtel	395.10	-3.60
BPCL	423.40	-4.05
Cipla	576.25	30.80
Coal India	277.50	-5.80
Dr Reddys Lab	2132.10	51.55
Eicher Motors	28288.75	-83.90
GAIL (India)	324.80	-3.75
Grasim Ind	1089.25	38.35
HCL Tech	979.50	10.90
HDFC	1838.05	12.45
HDFC Bank	1931.20	45.10
Hero MotoCorp	3646.00	103.20
Hindalco	211.25	-3.30
HPCL	344.50	-0.35
Hind Unilever	1351.30	17.95
Indiabulls HFL	1243.85	6.60
ICICI Bank	261.85	-16.50
IndusInd Bank	1804.60	7.85
Bharti Infratel	337.65	1.50
Infosys	1137.15	5.35
Indian OilCorp	170.45	-6.15
ITC	258.25	2.75
Kotak Bank	1096.55	48.75
L&T	1335.95	25.05
M&M	777.10	41.25
Maurit Suzuki	9008.20	147.10
NTPC	170.40	0.70
ONGC	179.95	2.15
PowerGrid Corp	194.90	1.65
Reliance Ind	892.95	10.25
State Bank	246.15	-3.75
Sun Pharma	507.85	12.75
Tata Motors	339.15	12.30
Tata Steel	578.80	7.75
TCS	2909.65	60.50
Tech Mahindra	640.30	1.60
Titan	944.10	1.80
UltraTech Cement	3978.50	28.50
UPL	752.40	22.15
Vedanta	282.30	4.45
Wipro	289.65	8.50
YES Bank	306.25	1.40
Zee Entertainment	578.95	3.45

BULLION RATES CHENNAI

	April 02 rates in rupees with previous rates in parentheses
Retail Silver (1g)	41.3 (41.4)
22 ct gold (1 g)	2928 (2926)

'RBI probed ICICI Bank's loan to Videocon Group in 2016'

Central bank did not find conclusive evidence of any conflict of interest: sources

MANOJIT SAHA
MUMBAI

The Reserve Bank of India (RBI) had, in 2016, probed ICICI Bank's loan processes following allegations from whistleblower Arvind Gupta about the potential conflict of interest in the credit facilities extended by the bank to the Videocon Group, according to banking industry sources.

The central bank had discontinued the probe – after ICICI Bank submitted a detailed response to its queries – as it was unable to find conclusive evidence of any conflict of interest at that point in time, the industry sources, who did not wish to be named, said.

Last week, the Central Bureau of Investigation (CBI) disclosed that it had started a preliminary inquiry into a ₹3,250 crore-loan given by ICICI Bank to Videocon Group and is probing an alleged nexus between Videocon Group chairman Venugopal Dhoot and Deepak Kochhar, the husband of ICICI Bank CEO and MD Chanda Kochhar. In March 2016, Mr. Gupta, also an investor in Videocon Industries, wrote a letter to the Prime Minister alleging a quid pro quo that led the ICICI Bank to provide loans to the company.

The complaint was also marked to the Finance Minister, the then RBI Governor Raghuram Rajan, the then SEBI Chairman U.K. Sinha, the CBI and the Enforcement Directorate.



Under a cloud: ICICI Bank had extended a loan of ₹3,250 crore to the Videocon Group. •REUTERS

CI Bank CEO and MD Chanda Kochhar. In March 2016, Mr. Gupta, also an investor in Videocon Industries, wrote a letter to the Prime Minister alleging a quid pro quo that led the ICICI Bank to provide loans to the company.

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With the allegations resurfacing over the past month, the ICICI Bank's board reviewed the bank's internal processes for credit approval and said they were robust. The board also reposed full faith and confidence in Ms. Kochhar.

Board meeting

On Monday, the bank had informed the stock exchanges that its board met to review cases pending before the Na-

tional Company Law Tribunal under the Insolvency and Bankruptcy Code.

The bank also clarified that the meeting was pre-scheduled and that the board had been meeting regularly in the first week of April in the previous years too, to review the progress in the resolution of large accounts. ICICI Bank had said last week that its exposure to Videocon Industries was ₹3,250 crore, which was less than 10% of the total loans given by a consortium of 20 banks in April 2012.

The total loan extended by the lenders' consortium to the Videocon Group, including Videocon Industries and 12 of its subsidiaries, was about ₹40,000 crore.

"We have satisfactorily replied to all the questions of the regulators, which is an on-going process for a regulated entity like a bank and the regulator of government departments," ICICI Bank chairman M.K. Sharma had said during a media interaction last week.

'Roll-out of e-way bill smooth, no glitch so far'

GST collections for Feb. touch ₹89,264 cr.: Finance Secretary

PRESS TRUST OF INDIA
NEW DELHI

The Centre on Monday said the re-introduction of the e-way bill system under GST had been "very successful" with no technical glitches.

The GST provision, requiring transporters to carry an electronic waybill when moving goods between States, was implemented from Sunday to check tax evasion and boost revenues.

"E-way roll-out has been very successful and so far there have been no glitches," Finance Secretary Hasmukh Adhia said. On the first day, 2.59 lakh e-way bills were generated and another 2.89 lakh were generated till 4 p.m. on Monday, GST-Network Chairman Ajay Bhushan Pandey said.

'System now stronger'

When the e-way bill was first introduced on February 1, the systems had collapsed, following which its implementation was deferred.

The system now had capacity to take more load and there were technical teams



Gathering steam: The system saw 2.89 lakh bills generated till 4 p.m. on Monday, says the GSTN Chairman. •K.K. MUSTAFAH

working on this to ensure that the e-way bill works smoothly, said Mr. Adhia.

He added the schedule for the roll out of e-way bill for intra-State movement of goods would be announced after a week.

Mr. Adhia said ₹89,264 crore revenue had come in from GST for the month of February, taking the total GST collection for the full fiscal to ₹7,17,638 crore.

Asked if the Centre had met the estimated collection from GST as given in revised estimates, he said 98% of the target had been met.

Besides, the Centre had sanctioned GST refunds to exporters to the tune of ₹17,616 crore, he said.

Separately, Oil Minister Dharmendra Pradhan said, "I appeal to the GST Council that [fuel] products be included in the GST framework." In the context of rising oil prices, he did not mention any possible move to delink prices in India from international oil prices, nor did he say the Centre would consider cutting excise duties on fuel.

(With TCA Sharad Raghavan in New Delhi)

Bond loss: RBI eases provisioning norms

To tackle sharp rise in bond yields

K.T. JAGANNATHAN
CHENNAI

The Reserve Bank of India (RBI) has decided to ease the provisioning norms for bond losses for third and fourth quarters of 2017-18.

It has now allowed banks to spread bond losses, incurred in these two quarters, over four quarters.

"It has been decided to allow banks the option to spread provisioning for mark-to-market (MTM) losses on investments held in AFS (available-for-sale) and HFT (held-for-trading) for the quarters ended December 31, 2017 and March 31, 2018. The provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss is incurred," the RBI said of the move aimed at addressing the systemic impact of sharp increase in the bond yields.

The RBI, however, has set certain terms. Banks that use the option must make suitable disclosures in their notes to accounts/quarterly results providing details of the provisions for depreciation of the investment port-



Banks can now spread bond losses over four quarters.

folio for the quarters ended December 2017 and March 2018 made during the quarter/year and the balance required to be made in the remaining quarters.

'Little impact'

"There won't be much impact for the banks for the fourth quarter due to the relaxation as bond yields had softened during the end of the quarter.

"Banks, if they choose, can reverse half of the provision made in third quarter as they can now spread it over four quarters," said Karthik Srinivasan, group head, financial sector ratings, ICRA about the RBI's move.

(With Manojit Saha in Mumbai)

'SEBI can probe ICICI Bank for disclosure, listing breach'

'Regulator can look into violations of only its own norms'

SPECIAL CORRESPONDENT
MUMBAI

While investigative agencies such as the Enforcement Directorate and the Central Bureau of Investigation are probing various aspects of the ICICI Bank matter, capital market regulator Securities and Exchange Board of India is said to have a limited scope in terms of its probe.

According to securities market experts, the market watchdog can only look into non-compliance with respect to disclosure guidelines and the conduct of the board members, especially the independent directors.

"SEBI's role, if any, would be confined to any violation of its regulations and in this particular case, the only relevant regulation is SEBI Listing Obligations and Disclosure Requirements and if there is any violation then SEBI would be looking into it," said J.N. Gupta, managing director, Stakeholders Empowerment Services (SES), a proxy advisory firm.

"From the fact available in public domain as of now, there does not appear to be any indication of violation of



SEBI can probe and take remedial steps if there appears any fraud. •REUTERS

LODR," added Mr. Gupta, who had earlier served as an executive director of SEBI.

The private sector lender has been in the news with allegations that it had sanctioned ₹3,250 crore of loans to Videocon Group as its chairman Venugopal Dhoot supposedly had dealings with NuPower Renewables Ltd., founded by ICICI Bank's MD and CEO Chanda Kochhar's husband Deepak Kochhar.

The bank, however, denied the allegations and its board defended Ms. Kochhar. The regulator can seek information on board minutes and the disclosures

made by directors and whether there was any conflict of interest.

As per SEBI regulations, any such conflict of interest has to be disclosed and the interested entity should recuse himself from the proceedings.

'Wide powers'

Interestingly, a section of experts believe that the capital market regulator has wide powers over listed companies and can take action in cases where a fraud is proved.

"SEBI has clear jurisdiction over listed companies," said Sandeep Parekh, founder and managing partner, Finsec Law Advisors, and a former executive director of SEBI. "Where there appears any kind of fraud or misconduct, SEBI is empowered to investigate and take both remedial and punitive measures as appropriate," Mr. Parekh added. Meanwhile, Monday saw ICICI Bank shares recording their worst single-day fall of 5.93% in over two and a half years, to ₹261.90, even as the Sensex rose 0.87% or 287 points.

Crisil, ICRA differ on stressed asset outlook

Credit quality remains point of debate

SPECIAL CORRESPONDENT
MUMBAI

Two major rating agencies – Crisil and ICRA – have painted differing pictures on stressed asset outlook. While the former said there had been an improvement in credit quality sustained through fiscal 2018, the latter claimed that pressure on credit quality persists.

In its review of financial year 2017-18, ICRA said while there were more upgrades than the downgrades, these trends did not imply that the credit quality pressures on India Inc had subsided.

Volume of debt

"When the above data is juxtaposed with the volume of debt that underwent a rating change and the number of notches by which the ratings shifted, a somewhat different portrayal emerges. The volume of the debt downgraded rose sharply to almost ₹3 trillion in FY2018, significantly higher than the debt of ₹1.7 trillion, downgraded in the previous fiscal," ICRA said.

Crisil, on the other hand divided the country's credit



landscape into two categories – 'good one' which is improving and 'bad one' that is with stressed assets worth ₹11.5 lakh crore, where resolution has begun.

Crisil's credit ratio, that is, the number of upgrades as compared to downgrades, continues to reflect the improvement in the 'good loan-book', though it has moderated from the levels seen in the first half. There were 14,023 upgrades to 8,393 downgrades in fiscal 2018.

"Upgrades outnumbered downgrades in the good loan-book on the back of better financial indicators due to lower capital expenditure (capex) and record equity issuances," Crisil said.

Core sector grows 5.3% in February

Refinery, fertilizers, cement aid rise

PRESS TRUST OF INDIA
NEW DELHI

Eight infrastructure sectors grew by 5.3% in February, mainly helped by a robust performance of refinery products, fertilizer and cement segments.

The eight infrastructure sectors – coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity – grew by just 0.6% in February 2017. The core sectors expanded by 6.1% in January.

Petroleum refinery production spurred 7.8% in February against a negative growth rate of 2.8% in the year-ago month, according to official data released on Monday. Fertilizer and cement production rose 5.3% and 22.9%, respectively, during the month under review.

Electricity generation, too, grew by 4% in February against 1.2% expansion in February 2017, according to the data.

Expansion slows

Coal and steel production growth slowed to 1.4% and 5% respectively during February against 6.6% and



Coal and steel production, however, slowed down to 1.4% and 5%.

The eight infrastructure sectors rose by just 0.6% in February 2017 and 6.1% in January 2018

8.7% respectively in the same month last year.

Cumulatively, the eight core sectors grew by 4.3% in April-February 2017-18 against 4.7% in the same period last fiscal. The core sector would have an impact on the Index of Industrial Production (IIP) data as these eight segments account for about 41% of the total factory output.

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