

MARKET WATCH

	11-12-2017	% CHANGE
Sensex	33,456	0.62
US Dollar	64.37	0.12
Gold	29,580	-0.24
Brent oil	63.87	0.98

NIFTY 50

	PRICE	CHANGE
Adani Ports	391.75	-1.65
Ambuja Cements	269.10	1.00
Asian Paints	1125.85	-9.65
Aurobindo Pharma	690.85	18.35
Axis Bank	545.10	2.60
Bajaj Auto	3210.85	-1.80
Bajaj Finance	1707.80	5.55
Bharti Airtel	532.70	7.55
Bosch	19927.30	377.05
BPCL	514.20	-0.25
Cipla	603.65	0.55
Coal India	269.85	5.00
Dr Reddys Lab	2192.90	7.45
Eicher Motors	29247.90	247.95
GAIL (India)	481.20	-1.30
HCL Tech	880.00	9.55
HDFC	1709.95	27.00
HDFC Bank	1846.40	6.00
Hero MotoCorp	3514.85	-4.70
Hindalco	238.10	-1.60
HPCL	432.55	4.10
Hind Unilever	1324.05	-2.60
Indiabulls HFL	1198.60	-6.95
ICICI Bank	311.45	0.70
IndusInd Bank	1670.10	-0.95
Bharti Infratel	368.05	-5.65
Infosys	1005.30	3.45
Indian Oil Corp	404.40	-0.45
ITC	266.25	4.05
Kotak Bank	1008.50	-0.50
L&T	1221.85	1.50
Lupin	839.15	16.30
M&M	1418.25	30.10
Maurit Suzuki	9133.80	91.55
NTPC	178.35	-2.05
ONGC	178.90	-1.35
PowerGrid Corp	204.30	1.20
Reliance Ind	916.15	-4.85
State Bank	318.40	5.30
Sun Pharma	529.60	7.75
Tata Motors	410.15	-1.00
Tata Steel	699.55	1.75
TCS	2661.10	59.60
Tech Mahindra	500.65	4.55
UltraTech Cement	4240.55	75.00
UPL	745.55	17.50
Vedanta	291.35	0.15
Wipro	289.40	6.50
YES Bank	311.60	-1.10
Zee Entertainment	568.00	5.00

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 11

CURRENCY	TT BUY	TT SELL
US Dollar	64.16	64.48
Euro	75.68	76.07
British Pound	85.92	86.36
Japanese Yen (100)	56.58	56.87
Chinese Yuan	9.69	9.74
Swiss Franc	64.79	65.12
Singapore Dollar	47.48	47.72
Canadian Dollar	49.91	50.16
Malaysian Ringgit	15.73	15.82

Source: Indian Bank

BULLION RATES (CHENNAI)

December 11 rates in rupees with previous rates in parentheses

Retail Silver (1g)	39.40	(39.30)
22 ct gold (1g)	2,722	(2,737)

# FRDI: 'Depositors will be protected'

In case of bank failure, government will fully protect customers' deposits, statement cites FM as saying

SPECIAL CORRESPONDENT  
NEW DELHI

Finance Minister Arun Jaitley has categorically asserted that depositors would be "fully protected" in the event of a bank failure, the third clarification the government has made on the issue in less than a week as it seeks to allay mounting concerns about a proposed 'bail-in' clause in a draft legislation on financial resolution.

"The Union Minister for Finance and Corporate Affairs Arun Jaitley said that the Financial Resolution and Deposit Insurance Bill 2017 is before the Joint Committee of Parliament," the Finance Ministry said in a statement on Monday. "Whatever are the recommendations of the Committee, the Government will consider them. But rumours are being spread about the Bill."

In the backdrop of criti-



Allaying fears: About ₹2.11 lakh crore is being pumped in to strengthen PSU banks, says the Finance Minister. •PTI

cism in the media and on social media about the 'bail-in' clause, which allows for the cancellation or modification of bank deposits to shore up bank finances, the Ministry of Finance had on December 7 issued a statement saying that the provisions of the

FRDI Bill do not hurt depositors' interests.

**Committed to PSU banks**  
"Mr. Jaitley said that the Government has already clarified and said it is committed to strengthen the PSU banks and the financial institu-

tions," the ministry added in its statement on Monday. "Removing any misgivings and rebutting false rumours being spread about the provisions of the FRDI Bill 2017, the Finance Minister said that about ₹2.11 lakh crore is being pumped in to strengthen the public sector banks. So no such question arises (regarding the failure of banks)."

"If such a situation arises, deposits made by the customers, the Government will fully protect them. The Government is very clear about it," Mr. Jaitley was cited as saying in the statement.

The government could consider removing the controversial clause from the legislation if it was committed to protecting bank deposits in all eventualities, suggested a former banker.

"If this is the intent of the government, to protect the

deposits fully, then what is the need for the bail-in clause, they should just scrap it," Sanjay Bhattacharya, former managing director at the State Bank of India said.

"If the clause is included in the Bill, then one of the impacts will be on the price of gold, which will shoot up," Mr. Bhattacharya added.

"The provisions contained in the FRDI Bill, as introduced in the Parliament, do not modify present protections to the depositors adversely at all," the ministry added in the statement. "They rather provide additional protections to the depositors in a more transparent manner."

Earlier, Mr. Jaitley had himself tweeted that the "objective of the Government is to fully protect the interest of the financial institutions and the depositors."

# 'Growth may rebound to 7.2% in FY19'

Anaemic private investment, a key macroeconomic concern: U.N. report

SPECIAL CORRESPONDENT  
NEW DELHI

India is set to see growth accelerating to 7.2% in 2018-19 and 7.4% in 2019-20, up from the 6.7% in 2017-18, according to the United Nations' World Economic Situation and Prospects 2018 report.

However, it said, while the outlook for India remained positive on the back of strong private consumption and public investment, the poor state of private investment remained a key concern. "Despite the slowdown observed in early 2017 and the lingering effects from the demonetisation policy, the outlook for India remains largely positive, underpinned by robust private consumption and public in-



Credit growth in industrial sector has remained subdued. •REUTERS

private investment remains a key macroeconomic concern," the report added. "Gross fixed capital formation as a share of GDP has declined from about 40% in 2010 to less than 30% in 2017, amid subdued credit growth, low capacity utilisation in some industrial sectors and balance sheet problems in the banking and corporate sectors."

"The GDP growth projections for 2017-18 reflects a sharp downward revision by 1% (as compared with the projection made for the year in last year's report)," said N.R. Bhanumurthy, professor, National Institute of Public Finance and Policy, while presenting his comments on the report. "Ho-

wever, despite the two major disruptions in the year, only 1% has been shaved off. I think this will be a short term phenomenon, and growth will rebound."

The report also said credit growth in India had remained subdued, especially in the industrial sector.

**Monetary policy**  
"Looking ahead, there exists some degree of uncertainty over the monetary policy stance in India," the report said. "Subdued inflation, coupled with a good monsoon season, offers scope for additional monetary easing. However, if inflation accelerates faster than anticipated, the loosening cycle could end abruptly."

# Ex-RBI chiefs oppose farm loan waiver

PRESS TRUST OF INDIA  
NEW DELHI

Former RBI Governor Y.V. Reddy said farm loan waiver was not good for "economic or credit culture" and insisted that ultimately it was a political decision and cannot be justified in the longer run.

Another former RBI chief C. Rangarajan took a similar line, saying the alternative is to offer farmers a longer window to pay off.

Dr. Reddy said that every political party had offered such waiver in some State or the other or at an all-India level. Punjab, Uttar Pradesh and Maharashtra recently announced farm loan waivers.

# WTO: India hardens stand on e-commerce

Refuses to negotiate on binding rules

ARUN S  
BUENOS AIRES

India has taken a hard stand at the World Trade Organisation (WTO) meeting here on e-commerce, investment facilitation and norms for small firms' access to the global marketplace.

On e-commerce, India has laid preconditions for giving its consent for extension of a 'moratorium' that constrains member nations from levying customs duties on electronic transmission.

The 'moratorium', which was included in the 1998 'Declaration on Global E-commerce', at the trade body's second Ministerial Conference (MC), stated that "member countries will continue their current practice of not imposing customs duties on electronic transmission". This moratorium - which is 'temporary' in nature - gets extended at every biennial MC.

**Protecting generics**

In a communication to the WTO, India said its decision will be subject to the other members agreeing to extend a similar ('temporary') moratorium on Non-Violation Complaints (NVC) under TRIPS (Trade-Related Aspects of Intellectual Property rights agreement). NVC covers situations where a "government can go to the WTO Dispute Settlement Body even when an agreement (of the WTO) has not been violated (by another country)." Some countries, particularly from the developed world, are demanding a 'permanent moratorium' on imposing duties on electronic transmissions. India contends that such a move could reduce the negotiating leverage for developing countries to seek a 'permanent moratorium' on NVC.



Suresh Prabhu

Such a scenario would hurt the global generic pharmaceuticals industry, including in India. However, for the time being, WTO members have agreed not to use NVC, and this 'temporary moratorium' too keeps getting extended. India's decision on granting its nod to the moratorium on electronic transmissions will also be subject to other members agreeing to continue the e-commerce discussions under a 'Work Programme' based on the existing mandate as well as guidelines in the relevant WTO bodies as set out in the Work Programme.

Commerce Minister Suresh Prabhu said, "India's view is that gains from e-commerce must not be confused with gains from negotiating binding rules in this area. It is for this reason that we support continuation of the 1998 Work Programme with its non-negotiating mandate." Objecting to attempts to include 'non-trade' items, Mr. Prabhu said, "shifting the priority from the Doha Development Agenda issues to non-trade issues like investment facilitation and small firms, for which there is no mandate, is difficult to accept."

(This writer is in Buenos Aires at the invitation of India's Commerce Ministry)

# Primary market: SEBI rejigs panel

PRESS TRUST OF INDIA  
NEW DELHI

Capital markets regulator SEBI has reconstituted its primary market advisory committee (PMAC) which advises it on issues related to the regulation and development of IPOs and other such segments.

The 24-member panel is chaired by T.V. Mohandas Pai, chairman of the Manipal Global Education Services. PMAC also advises SEBI on matters required to be taken up for changes in legal framework to introduce simplification and transparency in systems and procedures in the primary market. The other members include BSE CEO Ashish Chauhan, NSE chief Vikram Limaye and ICAI president Nilesh Vikamsey.

# Govt. sets up NIC-CERT centre to detect, prevent cyberattacks

NIC's networks handle 500 GB of data at given point in time

SPECIAL CORRESPONDENT  
NEW DELHI

The Centre on Monday unveiled the NIC-CERT centre that would monitor and help in early detection and mitigation of cyberattacks on government networks.

"All communications between government departments - Centre, State and district, as well as interactions between the government and the citizens takes place through NIC's network," said Electronics and IT Minister Ravi Shankar Prasad.

"The NIC-CERT will help us in our pursuit of a safe cyberspace by early detection of any attack on India's systems," he said.

NIC's (National Informat-



Ravi Shankar Prasad

ics Centre) networks handle about 500 GB of data at any given point in time.

NIC-CERT currently has a team of about 30 cybersecurity professionals working in two shifts. This is in addition to the more than 300 people in the cybersecurity

team who already work at the NIC, NIC Director General Neeta Verma said.

**Working in tandem**

NIC-CERT will operate in close co-ordination and collaboration with other sectoral CERTs and more so with CERT-In, she added.

The government had already announced setting up of sectoral CERTs (computer emergency response teams) for sectors such as finance and power.

"Using various tools, the team at NIC-CERT will be able to identify vulnerabilities and possible exploits and the intelligence gathered will give CERT the ability to predict and prevent attacks," Mr. Prasad added.

# Bitcoin futures surge 21% on U.S. debut

Contracts based on cryptocurrency's auction price in dollars on Gemini Exchange

REUTERS  
NEW YORK/SYDNEY

Bitcoin futures jumped more than 20% in their eagerly anticipated U.S. debut, which backers hope will encourage wider use and legitimacy for the world's largest cryptocurrency even as critics warn of the risk of a bubble and price collapse.

The introduction on Sunday night may have caused an early outage of the Chicago-based CBOE Global Markets' website. The exchange said that due to heavy traffic on the CBOE Global Markets website, the site "may be temporarily unavailable."

The one-month bitcoin contract opened trade at 6 pm (2300 GMT) at \$15,460, dipped briefly and then rose to a high of \$18,700.

As of 0630 GMT, it was up 17% from the open at \$18,140, with 2,368 contracts traded. On the Luxembourg-based Bitstamp, bitcoin price



Boom or bust: Backers hope the move will spur wider use and lend legitimacy while critics warn of a bubble risk. •REUTERS

surged 9.6% to \$16,100. It is up more than 1,400% so far in 2017, and its gains in the past month have been rapid.

Experts had worried that the risks associated with the currency's Wild West-like nature could overshadow the futures debut. Bitcoin tumbled 20% in 10 hours on Friday.

"Even if there is an institution or institutional-sized

trader out there, they are going to want to make sure that the mechanics work first, just for the futures," said Ophir Gottlieb, CEO of Capital Market Laboratories.

"I think the excitement will come when the futures market is established. That can take a few days," Mr. Gottlieb added.

The futures are cash-settled contracts based on the auction price of bitcoin in

U.S. dollars on the Gemini Exchange, which is owned and operated by virtual currency entrepreneurs and brothers Cameron and Tyler Winklevoss. Bitcoin was quoted at \$16,355 on the Gemini exchange.

Market participants said the introduction of the futures contract wouldn't necessarily reduce volatility in the cryptocurrency.

**'No ways to arbitrage'**

"There are no ways to arbitrage between the market and other exchanges, CBOE cannot settle Bitcoin as far as I know," said Leonhard Weese, president of the Bitcoin Association of Hong Kong, referring to sharp differences in bitcoin prices worldwide.

"Regular bitcoin traders don't have access to it, and the trading desks that use the futures market don't have access to bitcoin."

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