



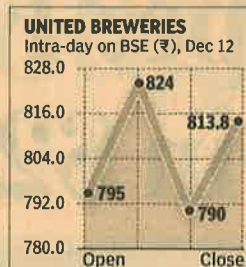
TATA MOTORS
Scrip falls on buzz of JLR raising capital spending for FY15

Close 360.60
% ch 4.55



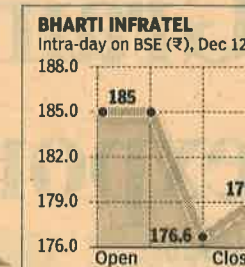
GUJARAT PIPAVAV
Share hits 52-week high on twin bulk deals

Close 61.60
% ch 3.97



UBL
Scrip extends gains triggered by reports of Heineken hiking stake in co

Close 813.80
% ch 2.85



BHARTI INFRATEL
Stock slips on profit booking after gaining for 9 consecutive sessions

Close 179
% ch 3.19

WORDS THAT MATTER



Caution is seen in the market ahead of inflation and IIP numbers and also due to revived concerns over US tapering programme. Economic concerns, profit booking and global cues are primary reasons for this fall

RAKESH GOYAL,
Bonanza Portfolio senior vice-president

Quick view

Tata Motors stock falls 5% on JLR capex plans

Shares of Tata Motors fell 5% amid reports that UK unit Jaguar Land Rover (JLR) has expanded its capex guidance for the fiscal year ending March 2015, raising concerns that it may strain the company's cash flows in short-term. The auto major's scrip tanked 4.55% to close the day at ₹360.60 on BSE. In intra-day, the stock declined 4.88% to ₹359.35. At the NSE, the stock dived 4.69% to settle at ₹360.10. The scrip was the top loser on both Nifty and Sensex.

Srei Infra seeks Sebi nod to raise ₹100 cr via NCDs

New insider trading norms will add to compliance costs, hit hard smaller cos

Ashley Coutinho
Mumbai, Dec 12

THE new insider trading norms proposed by a Sebi-appointed committee are likely to add to the compliance cost of companies, especially small and mid-sized firms. Experts also pointed out that while the norms are a step in the right direction, enforceability will be a challenge.

"The new norms will definitely add to the compliance and procedural costs as the companies will have to monitor the trades and have a dedicated compliance team to adhere to the regulations. They will also need to have a contractual agreement with third parties, which will be a challenge for the management," said Rupali Sharma, senior resident partner, Kochhar & Co. According to the new norms, companies will require third-party connected persons, who are not employees, to disclose their trading and holdings in securities of the company. Also, every listed company and market intermediary will need to prepare a code of



REGULATION, AT A COST

■ According to the new norms, companies will require third-party connected persons, who are not employees, to disclose their trading and holdings in securities of the company.

■ Every listed company and market intermediary will need to prepare a code of conduct to regulate, monitor and report trading in securities by employees and connected persons

conduct to regulate, monitor and report trading in securities by its employees and other connected persons.

"These norms seem to be rigorous and the provisions will be difficult to comply with. I am not so sure how many companies will opt for such trading plans under the current guidelines," said a partner in a lawyer firm. "The implementation will be slightly complicated," added Sandeep Parekh, founder, Finsec Law Advisors. "For example," he says, "if a person plans to sell 'X' amount of shares under the trad-

ing plan and the stock price falls by 30%, the concerned person will be reluctant to sell these shares. In that case, how do you stick to the plan or is there a way out?"

According to the new norms, insiders liable to possess unpublished price sensitive information (UPSI) have the option to formulate pre-scheduled trading plans. "In such cases, the new UPSI that may come into their possession without having been with them when formulating the plan would not impede their ability to trade. Trading plans would, however, be

required to be disclosed to the stock exchanges and have to be strictly adhered to," the new guidelines said. "There is no clarity on how much information will have to be disclosed to the exchanges with regard to the trading plan in terms of volumes, specific trades, etc.," said Sharma.

Under the new norms, due diligence for companies not under an obligation to make an open offer under the Takeover Regulations would be permitted if the diligence findings constituting UPSI are made available prior to the proposed trading. "Disclosures can work against the company, especially if used by competitors," said Parekh.

"The new norms are a step in the right direction, but enforcement is the key. They will only act as a deterrent if there is conviction in a few high-profile cases," said Shriram Subramanian, founder and managing director, InGovern, a corporate governance research firm. "Even in the US, proving insider trading is always a challenge even when the authorities resort to measures such as tapping phone wires."

ANALYST CORNER

BHEL target revised to ₹205

Standard Chartered

We maintain our non-consensus outperform rating on Bharat Heavy Electricals (BHEL) and raise our price target to ₹205 (₹182 earlier) given improving order inflow visibility and emerging tailwinds in the power sector. We value the stock at 1.5x price-to-book (P/B) FY14 BV. Historically, BHEL has traded at an average P/B of 1.5x during cyclical inflection points (FY03-04).

BHEL seems well-placed to beat our FY14 power order inflow estimate of ₹18,000 crore. It has won orders worth ₹6,300 crore in H1FY14, is L1 for ₹10,500 crore and favourably placed in ₹5,000 crore. Projects where BHEL is L1 are Darapalli 1,600 megawatt (MW) STG, 206 MW HEP, and the 700 MW Pranhita Andhra Pradesh irrigation project.

Several large projects are to be finalised in the next 12 months and they could generate orders worth ₹50,000 crore for BHEL, in our view.

Planned UMPPs and coal block auctions could improve order inflow visibility, in our view. The two UMPPs (ultra mega power projects) in Odisha and Tamil Nadu have attracted many bidders given the power ministry's recent change in bidding norms. We expect these UMPPs (total capacity of 8GW) to order pow-

Sensex falls 246 pts over inflation woes

Mumbai, Dec 12: The benchmark Sensex retreated for the third day in a row from an all-time high, dropping 246 points to close below the 21,000 level on Thursday ahead of inflation and indus-



Govt raises nearly ₹2,100 cr from NHPC share buyback

Ankit Doshi

Mumbai, Dec 12: The government's FY14 disinvestment drive got a boost on Thursday, with the buyback plan of National Hydroelectric Power

NHPC

Share price on BSE (₹)

35

30