10-yr govt bond yield

Intra-day (%), April 5

MOVE MAY DRY UP VOLUME IN DERIVATIVES MARKET

Some 'misusing' currency derivatives rules, says RBI

SACHIN KUMAR Mumbai, April 5

RESERVE BANK OF India deputy governor Michael Patra, while reiterating the regulator's position on currency derivatives, said there was no provision for trading in currency derivatives without the existence of underlying exposure. However, given that there was no requirement for documentary evidence on the underlying hedge of up to \$100 million, it could have been misused by some market participants.

"Some market participants have been misusing this to mean a relaxation in documentary evidence is tantamount to no underlying, which is not the case, and which is a violation of the law," said Patra said in the post-policy media briefing.

The RBI on Thursday delayed the implementation of its consolidated directions for exchange-traded currency derivaby tives month,

traders rushed to exit unhedged positions ahead of the measure which were supposed to kick in from Friday.

Market participants say the move will dry up volume in the derivatives market as proprietary traders and individual investors comprise the bulk of the market. Open interest in rupee derivatives on the National Stock Exchange more than halved to 3.5 million this week.

The Reserve Bank in 2014

allowed traders to take positions of up to \$10 million, which was later raised to \$100 million, without having to provide evidence on the underlying hedge.

RBI governor Shaktikanta Das said there was no change in central bank's policy on exchange-traded currency derivatives (ETCDs) and reiterated that underlying foreign exchange exposure is necessary for transacting in rupee derivatives on the

SHAKTIKANTA DAS,

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UNDERLYING HAS

RBI GOVERNOR

TO HAVE AN

has always been a part of the RBI's policy for many years," Das said in the post-policy

"There has been no change

in the RBI's policy. This policy

of need to have an underlying

exchanges.

media briefing on Friday. "Because of the request that we received from several from market players that they need more time, we extended the time for the implementation of the January 5 circular."

The central bank has also allowed small finance banks (SFBs) to use rupee derivative products to hedge interest risks. So far, small finance banks were permitted to use only interest rate futures for hedging. The central bank will shortly release a circular in this regard.

tory announcement of allowing SFBs to utilize rupee interest derivative products for hedging interest rate risks as this will impart greater flexibility for our hedging operations and help boost the balance sheet resilience," said Sanjay Agarwal, founder, MD and CEO, AU Small Finance Bank.

"We welcome the regula-

CS Ghosh to step down as Bandhan MD & CEO in July

PIYUSH SHUKLA Mumbai, April 5

BANDHAN BANK FOUNDER, managing director and CEO Chandra Shekhar Ghosh on Friday said he will retire from his position at the end of his third tenure on July 9, 2024. He

would, however, continue to

have a "larger strategic" role at

the bank after retirement.

"After leading the bank for almost a decade, including three consecutive tenures as MD & CEO, I feel that the time has now come for me to assume a larger strategic role at Bandhan group level. Hence,

I have decided to retire from

the services of Bandhan Bank

as MD & CEO, i.e. on July 9, 2024,"he said. Bandhan Bank's board in November 2023 approved re-appointment of Ghosh as MD and CEO for a period of three years.

Chandra Shekhar Ghosh

NGO in 2001

had set up Bandhan as an

at the end of my current tenure

In his resignation letter to

the board of the bank, Ghosh said he had set up Bandhan as an NGO in 2001 to achieve the dual objectives of "women empowerment and poverty alleviation".

an NBFC and named the entity as Bandhan Financial Services, which became the largest microfinance institution in 2010. In 2014, the Reserve Bank of India issued an inprinciple approval to Bandhan Bank to become an universal commercial bank.

Bandhan Bank garnered ₹1.35 trillion in deposits and ₹1.28 trillion in advances as on March 31, thanks to depositors'trust, he said.

close 7.09 In 2006, Bandhan acquired Close Benchmark yield's weekly

7.11

in 4 months **BHAKTI TAMBE** Mumbai, April 5

GOVERNMENT BOND YIELDS rose on Friday and for the week with the benchmark yield posting its biggest weekly jump in four months, tracking a spike in US Treasury yields amid concerns over the Federal Reserve's interest rate cuts.

jump biggest

The benchmark 10-year yield ended at 7.1232%, following its previous close of 7.0934%. It rose seven basis points this week after easing four bps last week. Yields rose during the session after the Reserve Bank of India (RBI) maintained its main lending rate and stance as widely - REUTERS expected.

INTEREST-RATE SENSITIVE

PRESS TRUST OF INDIA New Delhi, April 5

BANK, NBFC and real estate stocks gained on Friday after the Reserve Bank kept the benchmark interest rates unchanged at 6.5% for the seventh time in a row.

Among the banking counters, Kotak Mahindra Bank jumped 2.09% to end at ₹1,785.25 and HDFC Bank went 1.41% higher to finish at ₹1,549.40 apiece on the BSE.

Bank, NBFC, realty stocks gain

State Bank of India grew 0.67% to end at ₹764.35, IndusInd Bank climbed 0.66% to settle at ₹1,554 and ICICI Bank rose 0.51% to close at ₹1,082.35. Among the realty pack, Godrej Properties jumped 3.92% to close at 2,502.30, Mahindra Lifespace Developers climbed 2.59% to end at Rs 640.80, Macrotech Developers rose 1.99% to settle at ₹1,160.10 and DLF went up 1.98% to finish at ₹905.95 on the BSE. Oberoi Realty gained 0.96% to settle at ₹1,550.60 and Brigade Enterprises rose 0.86% to close at ₹963.90 on the exchange. On the other hand, Prestige Estates Projects declined 1.14% to end at ₹1,290.35,Sobha fell 0.53% to settle at ₹1,555.70 and the Phoenix Mills went down 0.22% to close at ₹2,844.70 per piece on the BSE.

FROM THE FRONT PAGE

Cong's Nyay Patra: Income support, health cover for all

SUCH A MOVE, aimed to wipe out poverty in the country, would bring down the poverty level to 0.5% in the country but would cost 4-5% of the gross domestic product, the Survey had noted. From 70% at the time of Independence, India's poverty has come down to about 20%. It had said that the idea was for UBI to replace all subsidies and provide direct cash benefits to individuals to push them out of poverty. Attacking the Narendra

Modi government, the Congress said the unemployment rate is 8% and among graduates, the unemployment rate is over 40%. "Despite the claim that India is the fastest growing large economy in the world, our growth rate has fallen from an average of 6.7% (new series) during the UPA period of 2004-14 to an average of 5.9% during 2014-24," the Congress said. The Congress party promised to fill the nearly 3 million vacancies in sanctioned posts at various levels in the central government. Going by the exorbitant



Rahul Gandhi and Congress president Mallikarjun Kharge display the party's election manifesto in Delhi

pay and allowances cost of ₹3 trillion/annum to the exchequer of the current civilian staff strength of 3.56 million, the additional recruits could significantly inflate revenue expenditures of the Centre.

The Congress' promise of health insurance is modelled on Rajasthan's cashless insurance up to ₹25 lakh for universal healthcare. Under the scheme, which was launched by the previous government by the party in the state, health insurance cover is provided to all families below the poverty line, and under NFSA to EWS & SECC categories for free.

Families not falling under the eligibility criteria can also get insured by paying a nominal premium of ₹850 per annum. If it were to be rolled out nationwide for SECC poor families, the cost could be over ₹50,000 crore/annum, including the Centre's share of ₹30,000 crore compared with ₹7,000 crore that the Centre spends now for ₹5 lakh free health cover under PM Jan Arogya Yojana.

Byju's stake sale in Aakash gets blocked

A"CASE OF breach of the loan agreement" has been made out, Ritin Rai, the emergency arbitrator, wrote in his order, which is being reported for the first time by Reuters.

Byju's did not respond to a request for comment. A source close to Byju's said the order is not detrimental to Byju and the company is in talks with MEMG to resolve the matter.

During the arbitration proceedings, Byju's said it could not not obtain approvals from certain investors in time which were necessary to transfer the shares to MEMG, the order said. Byju's has also been unable to pay staff in recent months because it can't access recently raised funds due to a legal dispute with some of its investors, Raveendran said in an internal memo last month, Reuters has reported.

In February, a US unit of Byju's filed for Chapter 11 bankruptcy proceedings in a court in Delaware, listing liabilities in the range of \$1 billion to \$10 billion.

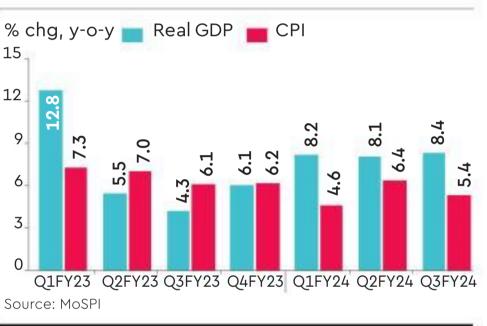
For RBI, the elephantine task is still far from over

ECONOMISTS ARE STARTING to push back their expectations for rate cuts to later in the year. Pranjul Bhandari, chief India and Indonesia economist, HSBC, said "the continued emphasis on using the current policy space to sustainably lower inflation to 4% makes us believe that it may decide to wait some time longer, even after the US Fed moves."

Abheek Barua, chief economist, HDFC Bank, said, given the recent global resilience in economic activity, there has been a tendency to keep monetary policy tight to take on the last-mile challenge on inflation by global central banks. The RBI seems to be moving in lock step with that. Top bankers also felt that

the space for policy to focus on inflation has been helped significantly by strong growth. Dinesh Khara, chairman, SBI, noted that the monetary policy statement is an affirmation of goldilocks for India with high growth and low inflation in FY25 and FY26. Ashu Khullar, CEO, Citi India, said that that RBI committed policy focus on inflation target has been made possible by a robust GDP backdrop which is firing on all cylinders.

Bhandari added that to balance the hawkish tilt, the RBI unveiled its model inflation forecast for the next year -4.1% in FY26 (45 for Q4FY26)



giving a sense that the space for slight easing does exist. And the RBI may use the opportunity to ease rates to align real rates with neutral rates. "The last time inflation was in target (2015-2019), real rates were at 2%. A similar real rate over the next year, as the RBI achieves its 4% target, would imply a 50 bps cut in the nominal repo rate," added Bhandari.

The RBI governor also spoke about the record forex reserves at \$645.6 billion as of March 29 and said that there has been an improved resilience of the external sector. According to Barua, with the RBI reiterating its preference for a stable rupee, any significant depreciation due to recent global volatility seems unlikely. On the other hand, the RBI also signalled that it has enough appetite for building forex reserves and therefore expected rupee appreciation in the coming quarters (due to bond inflows among other things) could also face resistance. In addition, the RBI governor cautioned banks, non-banking financial companies (NBFCs) and other financial entities on 'quality of governance' and 'adherence to regulatory guidelines'. This statement comes against the backdrop of action against both banks and NBFCs in the recent months.

Additional announcements included a comprehensive review of liquidity coverage ratio or LCR. RBI plans to issue a draft circular shortly on LCR for discussion with banks.

The main fear for banks, due to latest technological developments, is the ability of a large number of depositors to

suddenly withdraw money simultaneously - a situation that can cripple banks, as was witnessed in the US last year. "The review of the LCR framework with the advent of 24/7 payment systems could act as a positive enabler to address frictional liquidity mismatches," added Khara.

Two key measures were announced in the unified payment interface or UPI to deepen the space. One, enabling of cash deposit through cash deposit machines (CDMs) using UPI. Also, third-party UPI apps would be allowed to make UPI payments through PPI (prepaid payment instruments).

Among others, the RBI plans to allow trading of sovereign green bonds in International Financial Services Cen tre (IFSC). Also, a mobile app will be launched for RBI Retail Direct Scheme to deepen the G-Sec market.

While reiterating its existing stand on currency derivatives, it has allowed small finance banks will be allowed to deal rupee interest rate derivative products for hedging their risk.

It has also proposed to make the Central Bank Digital Currency(CBDC)—retail accessible to a broader segment of users by enabling non-bank payment system operators to offer CBDC wallets.

Mutual Fund

Expect normalcy by May: Vistara CEO

THE AIRLINE IS in the process of merging with Air India. Over the weekend of March 31 to April 1 period, Vistara had a number of disruptions. Earlier this week, aviation regulator DGCA asked the airline to submit a daily report on flight cancellations and delays.

"Over the last few months, we have added a number of aircraft, we have grown significantly and therefore, we have been pushing our resources quite to the limit.

"From a rostering perspective, we have stretched the rosters for pilots quite significantly... it means that when there were disruptions like...bird strikes, engineering issues, there was not enough buffer or resilience which we can call on," Kannan said.

From the planning perspective, he said it was okay, but there were several disruptions in one round in early March and then again towards the end of March.

whole roster to go haywire... that is the main reason (for flight disruptions),"the Vistara chief said.

contracts that will also result in pay revision were the main reason for many pilots calling in sick, resulting in flight disrup-

"Therefore, this caused the

Sources had said that new

Kannan said the new contracts for pilots were not the main critical reason for the flight disruptions, and the key



reason was the stretching of

"To be fair to my pilots, we had to call pilots on short notice, pilots on standby, off, and many of them actually rallied, and we could operate some of these flights.

"Otherwise, the situation would have been even worse... we did receive a lot of support from the pilots," Kannan said. "On behalf of all the 6,500

staff, we are very sorry for what happened. We all stand ready to bring the situation back to normal and it is happening quite fast," he added.

Vistara is apologising to customers, who have been affected by the flight disruptions, Kannan said and stressed that is not the kind of service that the airline provides.

"I don't think there is an apology to the pilots but customers of course... It is a question of more being aware about what their feedback is, we are reviewing their concerns and will discuss it.

"We have been reaching out to all customers (affected), apologise for the disruptions," Kannan said.



Shakti for enabling multimodal connectivity. Together will accelerate our GDP growth and reduce logistic costs," Sitharaman had said recently.

The announcement in the last Budget was, however, seen as a deviation by the Narendra Modi government's previous plan in this regard. In her Bud-

2021-22 speech, Sitharaman had announced generic East Coast, East-West and North-South Ιf corridors.

implemented, these three proposed corridors would have a combined length of 4,315 kms. As per DPRs, the 1,078km East Coast corridor will connect Kharagpur to Vijaywada, and 931-km North-South corridor will connect

Itarasi to Vijaywada. The third East-West corridor is divided into two sub-corridors: 2,106-km Palghar to Dankuni section and 200-km Rajkharswan to Andal section. The proposed corridors aim to slash the transit time of freight trains, bring down the overall logistics costs, and further enhance the railways' share in

"The commodity-specific corridors make more sense because there will be existing with DFCs, these three eco- customers for them. The nomic corridor programmes DFCCIL has been hard selling the eastern and western dedicated freight corridors.. there are issues with the network planning of these projects," said the official.

The capacity utilisation levels of the 1,337-km EDFC and 1,506-km WDFC remain fairly low. For instance,

the fully-com-

pleted EDFC has a

capacity to run

If implemented, these three proposed corridors would have a combined length of 4,315 km

about operated at the moment. EDFC connects power plants in the northern states of UP, Delhi, comprises finished steel, food grains, cement, fertilisers and limestone. WDFC, which still has a 109-km stretch under construction, is running just 40-45 trains per day (each way) against the capacity of

120 trains each way per day but due to low demand, just 75-80 trains are being Haryana, Punjab and parts of Rajasthan with Eastern coal fields. Traffic on EDFC also

120 trains. This stretch is used primarily for export-import container traffic and transporting milk from Gujarat to northern India.

Zee to lay off 15% of workforce, eyes leaner organisation



HEALSO PLANS to take direct oversight of key business areas to encourage cross-functional collaboration.

While Zee will disclose the specifics of the new operational framework after obtaining the necessary approvals from the board, Goenka did put a broad blueprint in place on Friday. He said that the new structure would include the broadcast business, including Zee's portfolio of channels across genres, apart from digital, the movie studio and the music vertical whose focus will be to fortify its stronghold in the marketplace.

Shares of Zee ended down 0.49% at ₹152.30 on the BSE on Friday.

Last month, the Zee board had institutionalised a monthly mentorship programme to help the management team achieve key performance metrics, including the targeted 18-20% Ebitda margin that Goenka had proposed earlier. The special committee will review the management's business performance and provide the required directional guidance, Zee said.

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Email: customercare@taurusmutualfund.com A copy of SAI, SIDs and KIMs of the schemes of Taurus Mutual Fund along with application form may be obtained from Fund's.

Website: www.taurusmutualfund.com NOTICE CUM ADDENDUM TO THE STATEMENT OF ADDITIONAL INFORMATION ('SAI' SCHEME INFORMATION DOCUMENTS ('SIDs') AND KEY INFORMATION MEMORANDUM

('KIMs') OF ALL SCHEMES OF TAURUS MUTUALFUND ('THE MUTUAL FUND')

Change in Base Total Expense Ratio of Scheme(s) of Taurus Mutual Fund NOTICE IS HEREBY GIVEN and it is proposed to change the Base Total Expense Ratio ("TER") i.e. TER excluding additional expenses provided in Regulation 52(6A)(b) and 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996) for the following schemes offered by Taurus Mutual Fund "the Fund") w.e.f. Monday 15th April 2024.

Scheme Name(s)	BASE TER	
	Direct Plan - Existing (%)	Direct Plan - Proposed (%)
Taurus Flexi Cap Fund	2.16	2.18
Taurus Large Cap Fund (Formerly known as Taurus Largecap Equity Fund)	2.11	2.14
Taurus Mid Cap Fund (Formerly known as Taurus Discovery (Midcap) Fund)	1.62	1.85
Taurus ELSS Tax Saver Fund (Formerly known as Taurus Tax Shied)	1.35	1.62
Taurus Infrastructure Fund	1.27	1.81
Taurus Banking & Financial Services Fund	1.67	1.46
Taurus Nifty 50 Index Fund	0.80	0.74
Taurus Ethical Fund	0.45	1.00

Investors may also visit our website www.taurusmutualfund.com for disclosure(s) relating to TER appearing under sub-section titled "Total Expense Ratio of Mutual Fund Schemes" appearing under Section "Statutory Disclosures". The said information about change in base TER is provided in accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/18 dated February 05, 2018 for "Total Expense Ratio - change and disclosure".

Place: Mumbai Date: April 05, 2024 For Taurus Asset Management Company Ltd. (Investment Manager for Taurus Mutual Fund)

Authorised Signatory

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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