

MARKET WATCH		
	27-03-2019	% CHANGE
Sensex	38,133	-0.26
US Dollar	68.88	-0.03
Gold	33,060	-0.33
Brent oil	67.63	-0.57

NIFTY 50		
	PRICE	CHANGE
Adani Ports	366.30	-2.30
Asian Paints	1472.05	-13.00
Axis Bank	759.30	2.20
Bajaj Auto	2980.10	27.30
Bajaj Finserv	6980.35	-7.50
Bajaj Finance	2945.25	10.90
Bharti Airtel	322.50	-5.30
BPCL	378.95	-4.95
Cipla	525.50	-3.80
Coal India	234.45	-2.00
Dr Reddys Lab	2765.05	-17.30
Eicher Motors	20974.15	-407.85
GAIL (India)	355.85	-3.50
Grasim Ind	828.60	-8.10
HCL Tech	1043.15	8.55
HDFC	1919.90	-26.40
HDFC Bank	2299.45	-11.90
Hero MotoCorp	2543.20	-31.25
Hindalco	207.65	-0.85
HPCL	269.20	-7.85
Hind Unilever	1680.80	-3.00
Indiabulls HFL	750.40	20.70
ICICI Bank	393.20	-0.90
IndusInd Bank	1804.25	89.60
Bharti Infratel	316.20	3.35
Infosys	729.70	1.95
Indian Oil Corp	161.45	-0.35
ITC	293.10	-0.30
JSW Steel	287.50	6.15
Kotak Bank	1332.85	-10.10
L&T	1366.45	-6.35
M&M	660.05	-9.55
Maurit Suzuki	6518.00	-67.70
NTPC	137.00	-3.80
ONGC	160.10	0.05
PowerGrid Corp	200.20	-2.65
Reliance Ind	1349.25	-18.00
State Bank	308.80	5.30
Sun Pharma	464.85	-4.95
Tata Motors	169.85	-3.25
Tata Steel	515.80	-3.55
TCS	1967.90	-14.75
Tech Mahindra	764.95	-5.80
Titan	1116.50	0.75
UltraTech Cement	3901.95	-23.65
UPL	901.90	-1.40
Vedanta	175.45	1.85
Wipro	254.55	-0.45
YES Bank	268.45	14.75
Zee Entertainment	423.05	2.05

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on March 27		
CURRENCY	TT BUY	TT SELL
US Dollar	68.67	68.99
Euro	77.41	77.77
British Pound	90.81	91.24
Japanese Yen (100)	62.19	62.48
Chinese Yuan	10.21	10.26
Swiss Franc	69.07	69.40
Singapore Dollar	50.70	50.94
Canadian Dollar	51.19	51.43
Malaysian Ringgit	16.86	16.94

Source: Indian Bank

BULLION RATES CHENNAI		
March 27 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	41	(41.3)
22 ct gold (1g)	3064	(3064)

NRIs can take part in rupee rate derivatives

PRESS TRUST OF INDIA
MUMBAI

The Reserve Bank of India (RBI) on Wednesday allowed non-resident Indians (NRIs) to participate in rupee interest rate derivatives segment with a view to deepen the rupee interest rate swap (IRS) market.

The non-residents can undertake rupee interest rate derivative transactions on recognised stock exchanges, electronic trading platforms and over the counter markets (OTCs).

"These directions shall come into force with immediate effect," the RBI said in a notification.

A non-resident will be allowed to undertake transactions in the rupee interest rate derivatives markets to hedge an exposure to rupee interest rate risk and other specified purposes, the central bank said.

India in pact to ease U.S. firms' compliance

Agreement provides for automatic exchange of CbC reports filed by parent entities of MNEs

SPECIAL CORRESPONDENT
NEW DELHI

India and the U.S. signed an inter-government agreement for the automatic exchange of country-by-country (CbC) reports, which will reduce the compliance burden for Indian subsidiary companies of U.S. parent companies. This is a key step in making India compliant with the Base Erosion and Profit Shifting (BEPS) project, of which it is an active participant.

"This Agreement for Exchange of CbC Reports, along with the Bilateral Competent Authority Arrangement between the two competent authorities, will enable both the countries to automatically exchange CbC reports filed by the ultimate parent entities of multinational enterprises (MNE) in the respective jurisdictions, pertaining to the years com-



The move is a key step in making India compliant with the Base Erosion and Profit Shifting project. •GETTY IMAGES/ISTOCK

mencing on or after January 1, 2016," the government said in a release.

The Base Erosion and Profit Shifting (BEPS) Action Plan adopted by the Organisation for Economic Co-operation and Development (OECD) and G20 countries in 2013 recognised that the way

forward to mitigate risk from base erosion and profit shifting was to enhance transparency. Against this background, a template was released in 2014, which outlined how MNEs could report the required information for each tax jurisdiction in which they do business.

These are called the country-by-country reports.

MNEs are also required to identify each entity within the group doing business in a particular tax jurisdiction, and to provide information about the business activities each entity conducts. This information is to be made available to the tax authorities in all jurisdictions in which the MNE operates. This was seen as placing a huge compliance burden on the subsidiary companies of these MNEs.

"It [the inter-governmental agreement] would also obviate the need for Indian subsidiary companies of U.S. MNEs to do local filing of the CbC reports, thereby reducing the compliance burden," the government release added.

"The much awaited India-U.S. agreement for exchange

of CbC information has been signed," Vijay Iyer, national leader, Transfer Pricing at EY India said. "It's a huge respite for subsidiaries of U.S. head-quartered companies. The signing of the agreement further revalidates the keen willingness of Indian and U.S. tax authorities to engage and amicably resolve issues for taxpayers."

Base erosion and profit shifting refers to the activities of multinational corporations to shift their profits from high tax jurisdictions to lower tax jurisdiction, thereby eroding the tax base of the high tax jurisdictions and depriving them of tax revenue. In order to combat this, many countries entered into agreements to share tax information with each other to enhance transparency and make such profit shifting that much harder.

Vedanta finds oil in Krishna Godavari basin

Further appraisals required, says firm

SPECIAL CORRESPONDENT
MUMBAI

Anil Agarwal-led Vedanta Limited has discovered oil in the Krishna Godavari basin on India's east coast.

The company has notified the management committee, Directorate General of Hydrocarbons and Ministry of Petroleum and Natural Gas of an oil discovery in the second exploratory well H2, located in block KG-OSN-2009/3, Krishna-Godavari Basin, east coast of India, said the company in a statement.

Vedanta Limited holds 100% participating interest in the block.

"Multiple reservoir zones were encountered in the well H2 within the Mesozoic sequence between the depths of 3310m to 4026m with hydrocarbon indica-



tions during drilling and down hole logging. The zone from 3403m to 3431m was tested through conventional well testing (drill stem test) and flowed oil to surface," said the statement.

Further appraisal will be required to establish the size and commerciality of the oil discovery. The first exploration well, A3-2, drilled in the block was a gas discovery.

Soonawala to retire from Tata trusts

Had served group for over 5 decades

SPECIAL CORRESPONDENT
MUMBAI

Tata Group's N. A. Soonawala, 84, a close confidant of Tata group patriarch Ratan Tata, has decided to retire as a trustee of the Sir Dorabji Tata Trust and Sir Ratan Tata Trust, citing health and advanced age.

Mr. Soonawala expressed his gratitude to the trustees for providing him with the privilege of working with them and the directors of the Tata group who had been his colleagues during his long career, said a statement from Tata Trusts, adding that the trustees acknowledged the significant contribution Mr. Soonawala



N. A. Soonawala

had made as a trustee and to the group over the years.

Mr. Soonawala had been with the Tata group for over five decades. He was director, finance, Tata Sons, for 11 years before being elevated to non-executive vice-chairman of Tata Sons in 2000.

'Deposits ordinance does not cover gold schemes'

Unregulated deposits banned to save investors from losing money to Ponzi, fake schemes

N. ANAND
CHENNAI

The Centre's recent ordinance banning unregulated monthly deposit schemes will not affect the ongoing monthly schemes operated by jewellery and chit fund firms, said tax practitioners.

Called the 'Banning of Unregulated Deposit Scheme Ordinance', it was promulgated by President Ram Nath Kovind during the last week of February 2019 to save gullible investors from losing money to Ponzi and fake deposit schemes. The ordinance makes such unregulated deposit schemes punishable, among other things.

Initially, the ordinance sent shock waves among the



•GETTY IMAGES/ISTOCK

investors as most of them continue to invest their hard earned money in the monthly gold/silverware purchase schemes being operated by leading jewellery outlets.

"This ordinance is meant to take on fraudulent individuals and unregistered partnership firms from accepting

deposits or services from gullible investors either in the form of advance or loan with or without interest. This would also include monthly chits and Diwali gift schemes among others. It is better to avoid any firm that is unregistered," said R. Sapthagiri, a tax practitioner.

Tanishq has been operating the 'Golden Harvest Scheme' for a while now. It is a regulated scheme and hence the Ordinance would not affect its business model or its customers, said its regional outlet representative.

Kalyan Jewellers India Ltd. feels that this move would lead to a 25% revenue growth via its Dhanvarsha and Akshaya Scheme.

The consumption of gold

by buyers in Tamil Nadu accounts for 400 tonnes, of which monthly schemes account for 140 kg, which translates to ₹4,600 crore. If these schemes are discontinued, then household savings would be diverted to buy luxury items, which would be of no long-term value to investors, argued Jayantilal Challani, president, The Madras Jewellers and Diamond Merchants' Association.

On its part, the Chennai Jewellers Association took the help of legal counsel and decided to continue with its ongoing schemes.

"It is a well-planned purchase scheme in which our customers pay money in instalments and collect gold or

silverware at the end of 11th month. It is not a monthly deposit and we don't have any hassles in continuing it," said Uday Vummidi, vice president, Chennai Jewellers Association.

Gaurikanthan, director, Balussery Benefit Chit Fund, said its investors are not affected by the latest ordinance as the fund only accepts chit investment and cannot accept deposits.

The ordinance states that those who solicit deposits for an unregulated scheme can face jail time of 1-5 years and a fine of ₹2-10 lakh; 2-7 years with a fine of ₹3-10 lakh; 3-10 years and a fine of not less than ₹5 lakh and that could extend to twice the amount of deposits collected.

SEBI exempts govt. from open offer for PNB

Moots cut in non-public shareholding

PRESS TRUST OF INDIA
NEW DELHI

SEBI on Wednesday exempted the government from making an open offer for the shareholders of Punjab National Bank (PNB) but directed reduction in non-public shareholding in the lender post capital infusion.

In February, PNB filed an application on behalf of the Centre seeking exemption from open offer requirement under takeover regulations. After capital infusion, the government's stake in PNB would rise by 5.19% to 75.41%.

Under SEBI norms, entities are required to make an open offer if their shareholding goes beyond a certain threshold. Against this backdrop the bank sought SEBI's exemption from the open offer requirement for the government.



According to SEBI, there would be no change in control of the bank pursuant to the proposed acquisition as the change would only be in the quantum of shares held by the government.

"I am of the considered view that exemption as sought for in the application made by the target company, be granted to the proposed acquirer/ GOI..." SEBI Whole-Time Member G. Mahalingam said in an order on Wednesday.

Only demat share transfer from April 1

PRESS TRUST OF INDIA
NEW DELHI

SEBI on Wednesday said transfer of shares of listed companies can be done only in dematerialised form from April 1 but investors are not barred from holding shares in the physical form.

In December 2018, the capital markets watchdog extended the deadline for transfer of shares of listed companies only in dematerialised (demat) form to April 1.

Now, it has been decided not to extend the deadline.

The decision that transfer of shares has to be compulsorily in demat form was taken way back in March 2018.

In a statement on Wednesday, SEBI said the measure would be come into effect from April 1, 2019.

GAIL sells U.S. LNG cargo to Europe

High stocks, low delivery prices spur move to divert commodity bound for India

REUTERS
LONDON

Full storage tanks of liquefied natural gas (LNG) in India have prompted Gail India to sell a U.S. cargo bound for the Asia nation to northwest Europe, industry sources said on Wednesday.

The sale of a cargo already on the water is the latest example of an oversupplied LNG market that has resulted in Asian spot LNG prices falling to an almost three-year low of around \$4.30 per million British thermal units (mmBtu) this week.

Weak demand in India

It also signals that India's LNG demand, considered substantial compared to northeast Asia, is weaker than expected.

Europe has become a top destination this year for cargoes that cannot find a home



Problems of oversupply: Gas Authority has 20-year deals to buy 5.8 million tonnes a year of U.S. LNG. •MEETA AHLAWAT

in Asia because of high stock levels and low delivery prices. The cargo on board of the Meridian Spirit that loaded at the U.S. Cove Point plant on March 20 was offered in a tender on March 25 when it was crossing the Atlantic Ocean. It was sold at about \$4.30 per mmBtu, three industry sources said. The cargo will be delivered to Belgi-

um's Zeebrugge terminal, one of them added.

The vessel turned to northwest Europe on March 26 when the tender was closed, Refinitiv Eikon data showed. There is a tank top situation at India's west coast terminals, meaning the storage facilities were full, the industry source said, adding this had led to the cargo

being sold to a European destination.

Prices in India are at a slight discount to those in northeast Asia. But sources said that, even if the prices were going down further, it did not mean that India would be able to buy significantly more LNG.

Gail has 20-year deals to buy 5.8 million tonnes a year of U.S. LNG. The Meridian Spirit is expected to be used by Gail to load a new cargo in the U.S. Gulf in mid-May.

There are at least two tenders from other Indian companies, trade sources said. Indian Oil Corp (IOC) is looking to buy a mid-May delivery cargo.

Petronet is looking for three cargoes for delivery between July and December. Regasification capacity has constrained LNG imports in India in recent years.