

MARKET WATCH		
	13-08-2019	% CHANGE
Sensex	36,958	-1.66
US Dollar	71.40	-0.87
Gold	38,370	-0.25
Brent oil	60.68	3.62

NIFTY 50		
	PRICE	CHANGE
Adani Ports	360.55	-16.05
Asian Paints	1573.35	-2.15
Axis Bank	649.45	-11.35
Bajaj Auto	2670.55	-37.05
Bajaj Finserv	7089.15	-414.85
Bajaj Finance	3221.85	-197.85
Bharti Airtel	351.65	-19.50
BPCIL	343.10	-3.35
Britannia Ind	2511.90	-76.25
Cipla	475.75	-8.75
Coal India	203.75	-3.85
Dr Reddys Lab	2556.35	-17.10
Eicher Motors	16645.00	-942.25
GAIL (India)	126.00	2.15
Grasim Ind	709.65	-36.85
HCL Tech	1072.50	-13.80
HDFC	2100.10	-111.55
HDFC Bank	2220.35	-61.65
Hero MotoCorp	2566.80	-55.45
Hindalco	176.25	0.05
Hind Unilever	1824.75	-16.60
Indiabulls HFL	573.10	67.85
ICI Bank	413.70	-9.90
IndusInd Bank	1373.45	-39.95
Bharti Infratel	246.65	-5.40
Infosys	764.75	-25.10
Indian Oil Corp	125.90	-4.60
ITC	246.30	-7.90
JSW Steel	220.15	-0.45
Kotak Bank	1511.40	-20.70
L&T	1313.25	-51.35
M&M	512.40	-33.15
Maruti Suzuki	5815.45	-284.45
NTPC	117.15	-6.75
ONGC	127.75	-3.20
PowerGrid Corp	202.00	0.00
Reliance Ind	1274.75	112.65
State Bank	283.35	-8.00
Sun Pharma	439.25	17.25
Tata Motors	121.95	-0.10
Tata Steel	348.70	-13.65
TCS	2199.45	-46.80
Tech Mahindra	639.15	-24.20
Titan	1063.85	-3.15
UltraTech Cement	4181.15	-100.20
UPL	503.10	-30.35
Vedanta	139.75	-1.75
Wipro	258.50	-5.00
YES Bank	73.60	-8.55
Zee Entertainment	327.30	-0.80

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on August 13		
CURRENCY	TT BUY	TT SELL
US Dollar	71.20	71.52
Euro	79.87	80.23
British Pound	86.05	86.44
Japanese Yen (100)	67.68	67.99
Chinese Yuan	10.07	10.12
Swiss Franc	73.59	73.93
Singapore Dollar	51.29	51.52
Canadian Dollar	53.65	53.91
Malaysian Ringgit	16.96	17.04
Source:Indian Bank		

BULLION RATES CHENNAI		
August 13 rates in rupees with previous rates in parentheses		
22 ct Silver (1g)	49	(47.5)
Retail gold (1 g)	3627	(3569)

## Brokerages upbeat on RIL after AGM

PIYUSH PANDEY  
MUMBAI

Seven brokerages, including Kotak Securities, Spark Capital, Antique Securities, Macquarie, Motilal Oswal and BOB Capital, have given ratings upgrade on the stock after the Reliance Industries' AGM, in which chairman Mukesh Ambani committed to making the company zero debt.

Eight brokerages – Credit Suisse, Kotak Securities, Spark Capital, Antique Securities, Macquarie, BOB Capital, Bernstein and IIFL Securities – increased the target price, while Elara Capital reduced its target price on RIL stock to ₹1,359 after the company announced plans to sell strategic stake in the consumer facing businesses of Jio and Retail and list them in the future.

## Birla Corp. to invest ₹5,000 cr., raise capacity

Company eyes 25 million tonnes

SPECIAL CORRESPONDENT  
KOLKATA

Birla Corporation Ltd. (BCL), an M.P. Birla Group company, will invest around ₹5,000 crore by fiscal 2025, to increase its cement capacity to 25 million tonnes from 15.5 million tonnes now.

Announcing this at a post AGM press meet, Sandip Ranjan Ghose, chief operating officer, and Pracheta Majumdar, chief management advisor, said that this phased investment would include a greenfield grinding unit in Bihar.

BCL chairman Harsh V. Lodha said that in 2018, the cement industry came out of its worst-ever cycle.

The capex financing would be through loans and internal accruals.

BCL saw a 66 % rise in

# GST Council may discuss rate cut for auto

Debate on lower tax for certain vehicles and input tax credit for premium housing likely on agenda

TCA SHARAD RAGHAVAN  
NEW DELHI

The government is likely to debate lowering the rates on certain categories of automobiles in the next GST Council meeting, according to a Finance Ministry official.

It is also likely to look at increasing the rate on premium real estate, but also restore the provision of input tax credit for the segment.

**Sectoral representation**

Finance Minister Nirmala Sitharaman last week completed a number of consultation meetings with representatives of various sectors including banking, non-banking finance companies, auto, financial services, foreign portfolio investors, steel and real estate.

“The industries have all



**Counter productive:** In February, the council lowered GST on premium houses under construction to 5% from 12%. • V. RAJU

made their recommendations,” the official told *The Hindu*. “Some of these issues with the council in the next meeting.”

“One of the things the industry requested and could be discussed in the council

nance Minister is looking into to whether she will raise these issues with the council in the next meeting.”

Real estate representatives who met Ms. Sitharaman on Sunday not only asked for an increase in the tax rate applicable to premium housing, but also restora-

## Retail inflation remains flat in July at 3.15%

CPI-based inflation slows from June

SPECIAL CORRESPONDENT  
NEW DELHI

Retail inflation in July snapped a five-month accelerating trend to ease marginally to 3.15%, according to official data released on Tuesday.

Growth in the Consumer Price Index slowed slightly in July from 3.18% in June. Within the index, food prices bucked an eight-month accelerating trend to ease to 2.33% in July, compared with 2.37% in the previous month.

Notably, fuel price inflation eased the most drastically among the major groups in the CPI.

The sector saw a contraction of prices by 0.36% in July, compared with a growth



of 2.24% in June.

The clothing and footwear segment also saw inflation quickening marginally to 1.65% in July from 1.52% in June.

The housing sector registered inflation of 4.87% compared with 4.84% over the same period.

## CSR expenditure may be made tax deductible, says committee

Panel also favours treating non-compliance as civil offence

SPECIAL CORRESPONDENT  
NEW DELHI

The High Level Committee on Corporate Social Responsibility (CSR) has recommended making CSR expenditure tax deductible and that compliance violations be treated as a civil offence that attracts penalties.

Corporate Affairs Secretary Injeti Srinivas on Tuesday presented the report to Finance Minister Nirmala Sitharaman.

The main recommendations include making CSR expenditure tax deductible, allowing the carry-forward of unspent balance for a period of 3-5 years, and aligning Schedule 7 of the Companies Act (which outlines the

**Some demands have to do with GST. So, only the GST Council can take a call on them**  
FINANCE MINISTRY OFFICIAL

meeting is whether the tax rate on certain automobiles can be reduced from the current 28%, to encourage people to buy,” the official added.

“The other is to look into the demands of the real estate sector and see if ITC [input tax credits] can be restored for the premium housing sector.”

Real estate representatives who met Ms. Sitharaman on Sunday not only asked for an increase in the tax rate applicable to premium housing, but also restora-

tion of the provision of input tax credits, which would effectively reduce their tax incidence compared to the current system.

The GST Council had, in its 33rd meeting in February, reduced the rates on the under-construction premium housing segment to 5% from the previous 12% but also removed the input tax credit provision.

**14% rise**

This, according to the industry, has meant that the effective tax rate on the sector had risen to about 14% as key inputs such as cement are taxed at 28% and the sector cannot avail of input tax credits for them.

The date for the next Council meeting has not been announced yet.



Injeti Srinivas (left) presents the report to Finance Minister Nirmala Sitharaman.

amount below ₹50 lakh may be exempted from constituting a CSR Committee,” the release added. “The Committee has also recommended that violation of CSR compliance may be made a civil offence and shifted to the penalty regime.”

**Balancing priorities**

The report also recommends balancing local area preferences with national priorities when it comes to CSR, and also introducing impact assessment studies for CSR obligations of ₹5 crore or more.

It also recommends the registration of implementation agencies on the Ministry of Corporate Affairs portal.

## Fairfax India gets 15 years to lower stake in CSB Bank to 15%

Lender plans to go public by Sept.

MANOJIT SAHA  
MUMBAI

Prem Watsa's Fairfax India Holdings Corporation, which has 51% stake in CSB Bank (erstwhile Catholic Syrian Bank), will get 15 years to reduce its stake to 15%, sources said.

According to a road map prepared by the old generation private sector lender submitted to the Reserve Bank of India (RBI), Fairfax will have to cut its stake to 40% in the next five years, to 30% in the subsequent five, and to 15% by the end of 15 years.

The latest RBI norms on private sector banks mandate that promoters should cut stake to 15%.

In February, the Thrissur-based lender had announced that Fairfax would pick up 51% stake at a price of ₹140 per share.

The lender, which has started the process to position itself as a new generation bank, recently filed the draft red herring prospectus with the Securities and Exchange Board of India for an initial public offering.

The Reserve Bank of India had mandated that the lender list its share on the exchanges by September this year. “The net proceeds from the fresh issue are proposed to be utilised to augment the bank's Tier-1 capital base to meet future capital requirements that are expected to arise out of growth in our bank's assets – primarily our bank's loans/advances and investment portfolio – and to ensure compliance with Basel III and other RBI guidelines,” the bank said.

Axis Capital Limited and



**RBI norms for private sector banks mandate that promoters cut stake to 15%**

IIFL Securities Limited are the Book Running Lead Managers (BRLMs) to the issue.

According to the bank's annual report, its capital adequacy ratio significantly improved from 9.9% as at end March 2018, to 16.7% as at end March 2019, following a ₹720-crore investment by Fairfax.

The bank expects remaining funds towards share capital and warrants of ₹487 crore from Fairfax India this financial year to further boost the capital base.

The bank had reported a net loss of ₹197.42 crore in FY19 as against net loss of ₹97.47 crore in FY18.

While gross NPA reduced from 7.9% to 4.9%, net NPA reduced from 4.5% to 2.3% during the previous financial year. Provisioning Coverage Ratio improved from 62% to 78%. CSB Bank has a strong base in Kerala and significant presence in Tamil Nadu, Karnataka and Maharashtra, with a customer base of 1.3 million as on March 31, 2019.

## H-1B dependence coming down over the years: Wipro

‘Only 2,000 visas sought this year from over 8,000 in 2015’

MINI TEJASWI  
BENGALURU

Tech major Wipro said it had significantly reduced its dependence on H-1B visas. The company has sought only 2,000 H-1B visas this year compared with more than 8,000 in 2015, indicating a 75% reduction over four years.

Explaining the rationale behind the drastic reduction in visa requirements to *The Hindu*, Wipro president and chief human resources officer Saurabh Govil said there wasn't a significant difference between the landed cost of a person going from India to the U.S. and a fresher hired in that country.

**Localisation up**

Wipro's localisation (number of people hired in the



Saurabh Govil

U.S. market as a percentage of the headcount there) has gone up significantly, from 40% a few years ago to 65.4% in the first quarter ended June 30. “We continue to invest and move up the localisation ratios in all our major markets like the U.S., U.K., Australia, Canada, Singapore, Africa and the Middle East. In the U.S., we have

reached new high of over 65%, up by 1% from March quarter,” Mr. Govil said. Wipro currently has over 15,000 employees in the U.S.

The company recruited more than 6,000 fresh graduates in a combination of on-campus and lateral hiring, globally during the April-June quarter. The company also set up a Digital and Technology Centre at Minneapolis, an Automation Lab at Melbourne and a Cloud Transformation Centre at Sydney.

“We are very focussed on building talent and capabilities internally, rather than hiring more laterals. Over 1 lakh of our employees have already been trained for digital platforms and web based capabilities in the last few years,” Mr. Govil added.

## RBI issues final norms for regulatory sandbox

‘FinTech should highlight existing gap’

SPECIAL CORRESPONDENT  
MUMBAI

The Reserve Bank of India (RBI) on Tuesday issued the final framework for regulatory sandbox in order to enable innovations in the financial technology space.

A regulatory sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain regulatory relaxations for the limited purpose of the testing.

RBI said the objective of the sandbox was to foster responsible innovation in financial services, promote efficiency and bring benefit to consumers.

“The proposed FinTech solution should highlight an existing gap in the financial ecosystem and the proposal

should demonstrate how it would address the problem, and bring benefits to consumers or the industry and/or perform the same work more efficiently,” the banking regulator said.

**Minimum network**

RBI will launch the sandbox for entities that meet the criteria of minimum net worth of ₹25 lakh as per their latest audited balance sheet.

The entity should either be a company incorporated and registered in the country or banks licensed to operate in India.

While money transfer services, digital know-your customer, financial inclusion and cybersecurity products are included, crypto currency, credit registry and credit information have been left out.

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