

MARKET WATCH		
	08-08-2019	% CHANGE
Sensex	37,327	1.74
US Dollar	70.69	0.28
Gold	38,470	1.45
Brent oil	57.55	1.48

NIFTY 50		
	PRICE	CHANGE
Adani Ports	373.95	1.70
Asian Paints	1565.90	6.70
Axis Bank	660.10	0.15
Bajaj Auto	2703.75	98.65
Bajaj Finserv	7290.45	138.00
Bajaj Finance	3334.70	68.90
Bharti Airtel	372.15	6.05
BPLCL	343.50	12.40
Britannia Ind	2577.60	37.05
Cipla	503.05	-15.25
Coal India	211.85	5.75
Dr Reddys Lab	2571.95	15.15
Eicher Motors	16811.65	355.00
GAIL (India)	121.95	0.25
Grasim Ind	737.45	-0.50
HCL Tech	1088.25	65.60
HDFC	2182.30	7.10
HDFC Bank	2233.15	49.15
Hero MotoCorp	2587.90	82.65
Hindalco	181.05	4.65
Hind Unilever	1803.10	25.85
Indiabulls HFL	444.35	-1.05
ICIICI Bank	414.40	6.00
IndusInd Bank	1414.05	-12.30
InfraT	250.25	4.70
Blrati Infrat	788.75	12.65
IndianOilCorp	130.85	1.85
ITC	257.75	4.10
JSW Steel	221.70	9.45
Kotak Bank	1502.75	26.45
L&T	1360.65	0.60
M&M	539.55	21.25
Maruti Suzuki	5902.25	127.25
NTPC	124.65	1.60
ONGC	130.85	0.35
PowerGrid Corp	202.70	3.85
Reliance Ind	1152.35	42.95
State Bank	294.35	4.45
Sun Pharma	426.45	5.40
Tata Motors	124.05	6.65
Tata Steel	367.40	-14.50
TCS	2258.10	44.65
Tech Mahindra	680.20	5.75
Titan	1041.10	12.65
Ultra Tech Cement	4233.15	-108.50
UPL	532.85	0.05
Vedanta	138.70	2.05
Wipro	265.75	3.20
YES Bank	89.20	2.35
Zee Entertainment	331.45	3.55

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on August 08		
CURRENCY	TT BUY	TT SELL
US Dollar	70.49	70.81
Euro	79.02	79.38
British Pound	85.34	85.73
Japanese Yen (100)	66.84	66.75
Chinese Yuan	10.00	10.05
Swiss Franc	72.20	72.53
Singapore Dollar	50.95	51.19
Canadian Dollar	53.00	53.25
Malaysian Ringgit	16.83	16.93

Source: Indian Bank

BULLION RATES CHENNAI		
August 08 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	47.6	(45.7)
22 ct gold (1 g)	3558	(3473)

+ Future dues may not be paid: DHFL

SPECIAL CORRESPONDENT MUMBAI

Mortgage lender Dewan Housing Finance Corporation Ltd. (DHFL), which is facing a cash crunch and is negotiating with lenders for a debt recast, said that the company may not be able to meet immediate future payment obligations.

DHFL had prepared a draft resolution plan, which has been submitted to banks for their approval.

Most lenders have signed the inter-creditor agreement (ICA), as mandated by the Reserve Bank of India (RBI), to execute a resolution plan for the troubled firm.

“Given the ongoing discussions on the resolution plan with the lenders who have signed the ICA, the company believes that its payment obligations falling due in the immediate future may not be met as per their existing schedule,” the mortgage lender said in a communication to the exchanges.

Mutual fund SIPs at 3-year high

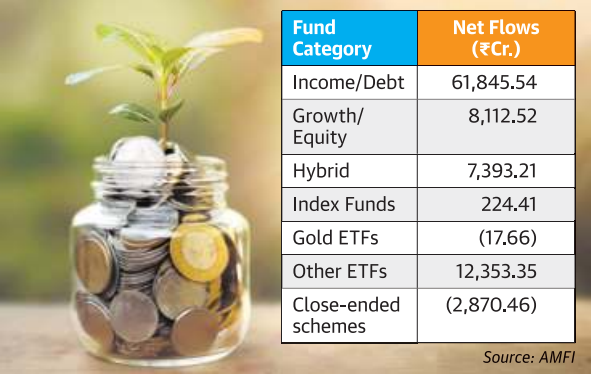
Net retail inflows for July almost doubles month-on-month to ₹15,561 crore

SPECIAL CORRESPONDENT MUMBAI

Mutual funds registered strong inflows, especially through systematic investment plans (SIPs), in July even as the stock markets registered extreme volatility with a downward bias during the month.

According to the Association of Mutual Funds in India (AMFI), July saw net inflows of ₹8,324 crore by way of SIPs, which was the highest such monthly inflows in the last three years. In the previous month, SIP net flows were pegged at ₹8,122 crore.

Further, the number of folios also registered a marginal increase to 2.78 crore in July from 2.73 crore in the previous month. Corroborating the strong retail interest in mutual funds, the month also saw net retail inflows of



₹15,561 crore, which was nearly double that of last month, when such flows were pegged at ₹8,367 crore.

“Despite a difficult month and volatile market conditions, the overall sentiment towards debt, equity and hybrid mutual fund schemes has been positive, and equity SIP contributions are at all-time high over last three

years,” said N.S. Venkatesh, chief executive, AMFI.

“This conveys signs of maturity on the part of retail investors and is reflective of continued investor trust in the Indian MF Industry,” he added.

On an overall basis, the assets under management (AUM) of the mutual fund industry rose to ₹24.54 lakh

Sensex soars on reports of roll-back of tax on FPIs

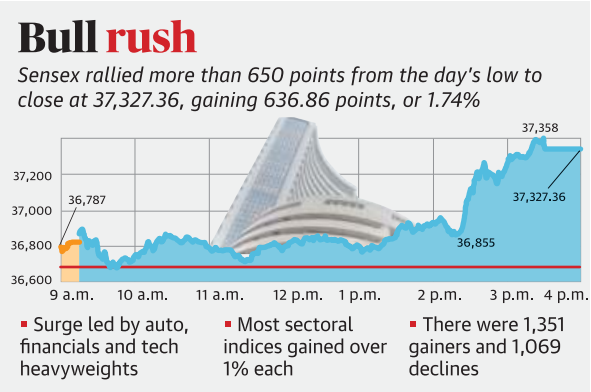
Reports hinting at government reviewing long-term capital gains tax also act as catalyst

SPECIAL CORRESPONDENT MUMBAI

Equities staged a strong rally in the second half of the trading session after reports poured in that the government is likely to roll back the higher tax on foreign investors. The levy was introduced in the recent Budget.

The benchmark Sensex rallied more than 650 points from the day's low to close at 37,327.36, gaining 636.86 points or 1.74%. Incidentally, the first half of the trading session saw the indices staying range-bound due to the absence of strong positive triggers.

The broader Nifty reclaimed the psychological 11,000-mark to close at 11,032.45, gaining 176.95 points or 1.63%.



Earlier in the day, reports suggested that the government was likely to withdraw the tax surcharge that was introduced for entities earning more than ₹2 crore.

Most foreign portfolio investors (FPIs) who have structured themselves as

trusts and not corporate entities, would be liable to pay the tax.

“Such a move will be strongly welcomed by the markets reeling under unprecedented selling avalanche from the FPIs after the Union Budget due to a

Yes Bank QIP floor price at ₹87.9 a share

SPECIAL CORRESPONDENT MUMBAI

Private sector lender Yes Bank, which has hit the market to raise funds through qualified institutional placement (QIP) on Thursday, fixed a floor price of ₹87.9 per share.

The lender is looking to raise capital to support growth. It had a capital adequacy ratio of 15.6% as at end June as compared to 16.9% a year earlier.

The bank also informed the exchanges that it is currently in the process of appointing certain new key managerial personnel, including the chief financial officer, chief compliance officer and chief operating officer.

Yes Bank shares rose 2.65% to close at ₹89.15 on the BSE on Thursday.



In one voice: Sanjiv Puri, Rishad Premji and Balesh Sharma at a collective meeting with the Finance Minister. ■PTI

‘No action even if CSR norms aren’t followed’

‘FinMin to ensure rate cuts passed on’

SPECIAL CORRESPONDENT NEW DELHI

The government has given an assurance that it will not initiate punitive action against companies not following the Corporate Social Responsibility (CSR) norms as mentioned in the recent amendments to the Companies Act, industry leaders said, following a meeting with Finance Minister Nirmala Sitharaman on Thursday.

The Finance Ministry will also be looking into ways to ensure that the rate cuts undertaken by the Reserve Bank of India are passed on to consumers by banks.

“A lot of discussion took place on the availability of credit, but any decision taken will be done after the government finishes its consultations,” Sajjan Jindal, chairman and managing director of the JSW Group, told reporters following the meeting. “The Minister has categorically mentioned that the RBI cut will be passed on entirely.”

“On CSR, it was discussed that the punitive action will not be taken, that was the assurance that was given,” Mr. Jindal added.

The recent amendments to the Companies Act man-

date a jail time of up to three years and a possible fine for those companies and its officials that do not comply with the stated CSR norms.

The other issue that was discussed extensively in the meeting was the transmission of the central bank's interest cuts by the banks to the customers.

‘Cut small savings rates’

“Government needs to look at the small savings rates and reduce them in line with the market rates,” T.V. Narendran, Global CEO and managing director of Tata Steel and vice-president, CII, said following the meeting. “If that does not happen, then the ability of banks to reduce deposit rates and hence ease the lending rates will be at best limited.”

The meeting was attended by senior Finance Ministry officials. Industry leaders present included Sanjiv Puri, chairman and managing director of ITC, Rishad Premji, executive chairman of Wipro Limited, Suneeta Reddy, managing director, Apollo Hospitals Group, Dilip Shanghvi, founder of Sun Pharmaceuticals, and Ajay Piramal, chairman of the Piramal Group.

CBDT eases plight of start-ups with pending angel tax cases

‘Firms already selected for verification won’t be scrutinised’

SPECIAL CORRESPONDENT NEW DELHI

The Central Board of Direct Taxes (CBDT) has issued a clarification instructing its officers that registered companies that have already been selected for verification under the angel tax provision will not be scrutinised and their defence will be accepted summarily.

Further, even unregistered companies have been given relief, with the assessing officer being allowed to scrutinise them only after getting permission from his superior officer.

“Instances have come to the notice of the Board that notices... have been issued by the assessing officers in respect of start-up companies before issue of notification of the Department for Promotion of Industry and Internal Trade dated February 19, 2019, or even afterwards which are presently pending for disposal,” the



Unregistered firms too have got relief in terms of scrutiny. ■ GETTYIMAGES/ISTOCK

CBDT clarification on Wednesday said. The February 19 notification by the DPIIT laid out the norms under which a start-up would be recognised by the government. It also said that these registered start-ups would not be scrutinised under the angel tax provision as long as they and their investors met the eligibility criteria laid out in the notification.

The start-up community, however, has repeatedly ap-

proached the DPIIT and the CBDT saying that several start-ups had already received notices from the tax authorities before the February notification came into effect.

‘No verification’

“Where the start-up has been recognised by the DPIIT but the case is selected under ‘limited scrutiny’... no verification on such issues will be done by the AOs (Assessing Officers) during the proceedings... and the contention of such recognised start-up companies on the issue will be summarily accepted,” the CBDT’s Wednesday clarification said.

This provision has been extended to companies that have been selected for ‘complete scrutiny’ as well. Further, the clarification seeks to ease the plight of those start-ups that have not yet been registered with the DPIIT.

₹3-trn capital helped PSBs to just trim losses

PRESS TRUST OF INDIA MUMBAI

The massive ₹3 trillion capital infusion by the government into state-run banks over the past six years has helped them reduce losses but has failed to boost credit growth, says a report.

Between FY14 and FY19, the government has infused ₹3 trillion in state-run banks, a good portion of which came in from LIC. This has doubled the value of their stake in these banks to ₹4.4 trillion as of July 2019, from ₹2.2 trillion as of March 2014.

“While the government has infused huge capital into PSBs, the same has largely been used to mitigate losses and has failed to contribute meaningfully to credit growth,” India Ratings said in a report on Thursday.

During this period FY19 and FY18, bank credit grew in double-digits (13.24% in FY19), while in FY17, the credit supply was at five decimal low of 4.6%.

PwC’s allegations devoid of rationale: RCap board

‘No single specific instance of fraud’

SPECIAL CORRESPONDENT MUMBAI

The board of Reliance Capital, which met on Thursday to review allegations of Price Waterhouse & Co., noted that there were no violations by the company.

PwC had informed the Ministry of Corporate Affairs about certain irregularities in the books of accounts of Reliance Capital and Reliance Home Finance, and resigned as the auditor of the company.

Other views

“The board took note of the views of the other joint auditors, who have been auditors of the company for the last 3 financial years and continue as the sole statutory auditors of the company, confirming that there are no violations as alleged by PwC under Section 143(12) of the Companies Act, 2013,” Reliance Capital said in a statement.

The board of Reliance Capital also noted the independent legal opinion from a

The board noted independent legal opinion from a senior counsel reconfirming there were no violations

senior counsel reconfirming that there were no violations, and concluded that the PwC letter was devoid of any rationale or basis, and was invalid.

The board further noted that PwC’s allegations were themselves grossly inadequate, and did not even point to a single specific instance of alleged fraud.

It said that PwC audited the accounts for the financial year 2017-2018, as also a limited review of financial results of three consecutive quarters ended December 2018, without any qualifications or raising any concerns.

“Reliance Capital’s board reaffirmed to take all appropriate steps to safeguard the interests of all stakeholders,” the statement said.

Adani flagship Q1 net surges 2.5 times

SPECIAL CORRESPONDENT MUMBAI

Adani Enterprises, the flagship company of the Adani Group, reported a 2.5-fold growth in its first quarter net profit to ₹601 crore, marked by a one-time gain of ₹328 crore recognised in its mine development and operations (MDO) business.

The rise in profit came on a 39% growth in revenue to ₹10,686 crore and 85% growth in EBDITA to ₹896 crore.

Gautam Adani, chairman Adani Group, said, “Adani Enterprises continues to make significant strides in lining up the next set of businesses including airport management, data centre parks, roads, water infrastructure and defence and aerospace. Its business portfolio has never been stronger and each of these businesses is led by focus on growth markets with offerings in the right product segments and compelling value proposition.”

Banks may offer prices to global clients 24x7: panel

Offshore rupee task force gives report to RBI

SPECIAL CORRESPONDENT MUMBAI

The task force on offshore rupee markets, set up by the Reserve Bank of India (RBI), has suggested that Indian banks be allowed to freely offer prices to global clients around the clock.

The panel, headed by Former RBI Deputy Governor Usha Thorat, submitted the report to Governor Shaktikanta Das on Thursday.

The task force was set up to examine the issues relating to the offshore rupee markets and recommend appropriate policy measures.

The panel has recommended allowing users to undertake

foreign exchange transactions up to \$100 million in OTC currency derivative market without the need to establish underlying exposure.

It has recommended extending onshore market hours to improve access of overseas users and enabling rupee derivatives (settled in foreign currency), to be traded in the International Financial Services Centres (IFSC) in India.

To facilitate non-residents to hedge their foreign exchange exposure onshore, the task force recommended establishing a central clearing and settlement mechanism for non-resident transactions in the onshore market.

EY to probe circumstances that led to Siddhartha’s statements in letter

Firm will also scrutinise the books of accounts of Coffee Day

SPECIAL CORRESPONDENT BENGALURU

Coffee Day Enterprises has engaged EY (Ernst & Young) to probe the circumstances leading to the statements made in the purported letter of its late chairman V.G. Siddhartha, dated July 27, and also to scrutinise the books of accounts of the company and its subsidiaries, the company said in a stock market declaration.

Mr. Siddhartha had gone missing on July 29 and two days later, his body was found in the backwaters of Netravati River, in Mangaluru.

In a board meeting on Thursday, Mr. Siddhartha’s wife Mala-



vika Hegde was appointed as an additional member of the executive committee which was formed a week ago following the promoter’s tragic demise.

“The board of directors has decided it owes a duty to all the stakeholders of the company, to ensure that the company continues to have a strategic direction and a suitable way forward,” the filing said.

Corporate adviser

To achieve this objective it was decided by the board to appoint a person of eminence or a reputed firm as strategic corporate adviser to the board.

“We are trying to identify a very eminent person of high stature or a firm that can set a strategic direction for the company and decide on its future,” said a top source in the company.