

Mutual fund industry sees ₹87,000 crore net inflows in July

ENSECONOMICBUREAU
MUMBAI, AUGUST 8

THE COUNTRY'S mutual fund industry witnessed a net inflow of Rs 87,087 crore during the month of July, even as stock and debt markets faced volatility in the same month.

According to a report released by the Association of Mutual Funds of India (AMFI), equity schemes witnessed an inflow of Rs 8,112 crore during the month, even as the benchmark BSE Sensex declined on the back of a sell-off by foreign portfolio investors (FPIs) over the issue of the additional surcharge on income tax, which was announced by the government during the Union Budget on July 5.

The debt segment, meanwhile, saw an inflow of Rs 61,845 crore in July 2019. As much as Rs 45,441 crore was accounted by liquid schemes.

Hybrid schemes witnessed an inflow of Rs 7,393 crore, according to AMFI data.

The average asset under

According to a report by the Association of Mutual Funds of India, the average asset under management of the mutual fund industry rose to ₹25.81 lakh crore in July

management (AUM) of the mutual fund industry increased to Rs 25.81 lakh crore in July, the AMFI reported.

On the July performance, NS Venkatesh, chief executive, AMFI, said: "Despite difficult month and volatile market conditions, the overall sentiment towards debt, equity and hybrid mutual fund schemes has been positive, and equity SIP (systematic investment plan) contributions are at all time high over last three years.

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

Naresh Goyal moves HC seeking to withdraw plea against his travel ban

PRITAMPALSINGH
NEW DELHI, AUGUST 8

FORMER CHAIRMAN of Jet Airways Naresh Goyal on Thursday moved the Delhi High Court seeking to withdraw his month-old petition challenging the travel ban imposed on him, on the ground that he has sought permission as he was in "urgent need" to travel out of India.

Seeking order for withdrawal of his petition, Goyal said in his plea that he is "participating and fully cooperating in the investigation and has appeared before the authorities on three occasions".

"As the investigation has commenced and since the petitioner (Goyal) is extending full coopera-

tion, the petitioner is not pressing the present writ petition this stage, for permission to travel outside India," the application, listed for hearing on Friday before Justice Suresh Kumar Kait, read.

It said that recording of Goyal's statement in connection with the case has also been initiated against him. Following his plea before the HC on July 9, Justice Kait had refused to allow him to leave India and had said if he was ready to give Rs 18,000 crore bank guarantee, he can travel.

"Why should they (government and its agencies) not stop you, when you are leaving after jet trouble has surfaced," the judge had then remarked, while referring to instances of businessmen fleeing the country after being in-

HOWEVER, PANEL RECOMMENDS EXTENSION OF ONSHORE MARKET HOURS

RBI task force against Indian banks dealing in offshore NDF rupee market

ENSECONOMICBUREAU
MUMBAI, AUGUST 8

THE TASK Force on Offshore Rupee Markets, set up by the Reserve Bank of India, has proposed that Indian banks should not be permitted to deal in the offshore rupee derivative market — or non-deliverable forward (NDF) markets — for the present as the downside of permitting them to deal in the offshore rupee market outweighs the advantages.

However, the panel has recommended extension of onshore market hours to improve access of overseas users and permit Indian banks to freely offer prices to global clients around the clock.

"The onshore rupee derivatives market is currently more deep and liquid as compared to the offshore rupee market and participation of the Indian banks in the offshore market might, over time, take away this advantage," the panel headed by former RBI Deputy Governor Usha Thorat

said. NDFs are foreign exchange derivative instruments on non-convertible or restricted currencies traded over the counter (OTC) mainly at offshore centres outside the direct jurisdiction of the respective national authorities.

The task force recommends that banks should be allowed to freely offer prices to non-residents at all times, out of their Indian books, either by a domestic sales team or by using staff located at overseas branches. "Also, wide access to the forex-retail trading platform to non-residents would be a major incentive to use the onshore market," it said.

The sharp growth in the offshore trading volumes in the rupee NDF market in recent years — even beyond the volumes in onshore markets — has raised concerns around the forces that are determining the value of the rupee and the ability of authorities to ensure currency stability.

The panel, which submitted its report on July 30 to the RBI, examined the causes of the underlying

‘ALLOW BANKS TO OFFER PRICES’

■ The Usha Thorat-led recommended that banks should be allowed to offer prices to non-residents at all times, out of their Indian book

■ It examined causes of the underlying the growth in the overseas NDF markets

the growth in the overseas NDF markets and identification of measures to reverse the trend.

The task force has proposed rupee derivatives (settled in foreign currency) to be traded in the International Financial Services Centers (IFSC) in India, to begin with on exchanges in the IFSC. It proposed allowing users to undertake forex transactions up to \$100 million in OTC currency de-

rivative market without the need to establish underlying exposure.

It has also mooted facility for non-residents to hedge their foreign exchange exposure onshore by establishing a central clearing and settlement mechanism for non-resident transactions in the onshore market and implementing margin requirement for non-centrally cleared OTC derivatives and allowing Indian banks to post margins abroad. Other proposals include aligning the tax treatment of foreign exchange derivatives with that in major international centres and centralising the KYC requirements across financial markets with uniform documentation requirement.

NDF markets enable trading of the non-convertible currency outside the influence of the domestic authorities. These contracts are settled in a convertible currency, usually US dollars, as the non-convertible currency cannot be delivered offshore. Historically, NDF markets evolved for currencies with foreign exchange convert-

ibility restrictions and controlled access for nonresidents, beginning with countries in South America like Mexico and Brazil and thereafter moving on to emerging Asian economies like Taiwan, South Korea, Indonesia, India, China and Philippines. Apart from enabling trading in non-convertible currencies, NDF markets have also gained in prominence because to onshore regulatory controls and their ease of access.

While there are concerns around impact on the onshore market due to trading in rupee derivatives in the IFSC, there are potential benefits in terms of IFSC's ability to offer complete bouquet of financial services and availability of market information to all stakeholders. Moreover, given India's economic growth, it may be appropriate to prepare for greater financial integration with the rest of the world.

Sequencing and timing of measures relating to currency markets is a critical component of such integration, the panel said.

‘India’s June domestic air passenger traffic up 7.9%’

India's domestic air passenger traffic rose 7.9 per cent in June over the year ago period even as the average demand for domestic travel across seven major aviation markets declined, IATA said

JET AIRWAYS' DEMISE: Grounding of Jet Airways on April 17 created a mismatch between demand and capacity, forcing the Centre to step in and allow other domestic carriers to operate the some of the airline's domestic international slots at various airports

5%: Rise in overall global passenger traffic (domestic and international) in June 2019 as against a year-ago

4.4%: Rise in domestic travel demand in June, down from 4.7% growth in May



5.4%: Rise in international passenger demand in June, compared to 4.6 per cent growth in May

domestic markets tracked by IATA reported traffic increases except for Brazil and Australia

RUSSIA LEADS THE PACK: Led by Russia, all of the key

TRADE DISPUTES A DETERRENT: Ongoing trade

HIGHEST GROWTH IN AFRICAN MARKET: All aviation markets recorded increase in growth, led by airlines in Africa:

3.4%: Capacity rise in June

1.6%: Load factor increase in June, reaching 83.8%

disputes are contributing to declining global trade and slowing traffic growth

504 projects initiated since 2017 summit in Jharkhand

ABHISHEK ANGAD
RANCHI, AUGUST 8

SINCE THE culmination of 2017 Investors Summit 'Momentum Jharkhand', the state has claimed to have initiated 504 projects with an estimated investment over Rs 50,000 crore and prospective employment to over 72,000 people.

These figures were released Thursday by Jharkhand Industries department Secretary K Ravi Kumar on the "government achievements", while also charting out the government's action plan for the next 100 days.

As per the data, under 'Momentum Jharkhand' the state has established industrial units in seven phases in Ranchi, Jamshedpur, Bokaro, Deoghar. "This is the result after Jharkhand enacted Single Window Clearance Act in 2015. Also, sector specific policy were made for ease of business," Kumar said.

CBDT raises monetary threshold limit for I-T dept for filing appeals

ENSECONOMICBUREAU
NEW DELHI, AUGUST 8

JUST A year after the Central Board of Direct Taxes (CBDT) raised the threshold monetary limit for the Income-Tax Department for filing appeals in higher judicial forums, the Board on Thursday raised the limit again "as a step towards further management of litigation".

The threshold now stands at Rs 50 lakh for appeals before the appellate tribunal in income-tax matter. Similarly, the threshold has been raised to Rs 1 crore for high court and Rs 2 crore for Supreme Court. Last year, the CBDT had raised the monetary limit for appeal in tribunal to Rs 20 lakh from Rs 10 lakh earlier. The threshold was more than doubled in case of appeal before high courts to Rs 50 lakh from Rs 20 lakh earlier. For appeal before the apex court, the limit had been raised four-fold to Rs 1 crore.

‘Sebi wants MFs to invest only in listed securities’

PRESSTRUST OF INDIA
NEW DELHI, AUGUST 8

TO HELP startups to move from the Innovators Growth Platform (IGP) of stock exchanges to the main board for regular trading, regulator Sebi is planning a new set of norms to allow them to shift after one year of trading and expanding their shareholder base to at least 200.

However, the regulator is of the view that if companies listed on the IGP are allowed to be traded in the regular category of main board without following a stringent criteria, it may be misused to bypass the rigorous route of coming up with a main board IPO, officials said. Any company desirous of getting listed on the main board of stock exchange for regular trading of their shares need to follow stringent disclosure and eligibility norms and launch an initial public offer (IPO).

However, the rules are much more relaxed for the startups looking to list their shares on the

new IGP, where trading activities are relatively restricted.

A detailed set of norms were finalised by Sebi's board in December 2018 and the regulator was asked at that time to decide on the requirements of migration of trading of shares from IGP to the main board in consultation with stock exchanges and other stakeholders.

Officials said Sebi discussed these norms with its own Primary Market Advisory Committee as well as the two leading bourses BSE and NSE, pursuant to which a discussion paper was issued for public comments in May this year.

After taking into account comments received from merchant bankers, industry bodies, stock exchanges and others, Sebi has now finalised a detailed set of draft norms which would be presented for its board's approval later this month.

As per the proposal, a firm would need to be listed on the IGP for at least a year for migration and have at least 200 shareholders at the time of migration.

Sterling & Wilson Solar IPO gets 92% subscription

PRESSTRUST OF INDIA
NEW DELHI, AUGUST 8

THE INITIAL public offer (IPO) of Shapoorji Pallonji group firm Sterling & Wilson Solar Ltd sailed through on Thursday with 92 per cent subscription that will raise around Rs 2,900 crore.

In a statement, the company said the issue was subscribed 92 per cent, with qualified investor portion getting fully subscribed even as retail portion remained under-subscribed due to tough market conditions.

Leading foreign players including Nomura, Schroeder, Abu Dhabi Investment Authority (ADIA) and Fideltity participated in the offer.

The IPO, through which the company plans to raise about Rs 3,125 crore, received bids for 1,89,32,835 shares against the total issue size of 2,21,77,418 shares, as per the NSE data till 1700 hours.

MCA picks four auditors to restate IL&FS books

PRESSTRUST OF INDIA
MUMBAI, AUGUST 8

THE MINISTRY of Corporate Affairs (MCA) on Thursday proposed to National Company Law Tribunal (NCLT) four auditing firms to restate the accounts of the crippled Infrastructure Leasing & Financial Services (IL&FS) and some of its subsidiaries to verify fraudulent transactions.

The move comes even as MCA awaits the NCLT view on banning Deloitte, Haskins & Sells and BSR Associates, which were the statutory auditors of these companies before going belly up. While

FB loses facial recognition appeal

New York: A US federal appeals court on Thursday rejected Facebook Inc's effort to undo a class action lawsuit claiming that it illegally collected and stored biometric data for millions of users without their consent.

The 3-0 decision from the 9th US Circuit Court of Appeals in San

BRIEFLY

OBC, IDBI Bank cut MCLR up to 15 basis points

New Delhi: Oriental Bank of Commerce (OBC) and IDBI Bank on Thursday announced a cut in the range of 0.05 to 0.15 percentage point in the marginal cost of funds based lending rates (MCLR) for various tenors.

‘Will raise tariff on solar equipment’

New Delhi: India will increase import duty on solar equipment to encourage domestic industry in the coming years, Power Minister R K Singh said on Thursday.

CDEL picks EY to look at book of accounts

New Delhi: Coffee Day Enterprises (CDEL) Thursday said it has appointed global accounting firm EY to scrutinize the books of accounts of the firm and its subsidiaries.

Yes Bank announces QIP issue

New Delhi: Yes Bank on Thursday announced opening of the qualified institutional placement (QIP) issue at a floor price of Rs 87.9 per equity share.

Zomato lays off around 60 employees

New Delhi: Zomato said it has laid off around 60 employees, mainly from its customer support department in Gurgaon on account of 'redundancies'. PTI

Assocham seeks ‘quick fix’ stimulus

New Delhi: At Thursday's meeting of industry leaders with Finance Minister Nirmala Sitharaman to revive economic growth were taken up, ASSOCHAM president BK Goenka sought a "quick-fix" stimulus package to initiate investment cycle and an immediate game plan to make the best out of the ongoing trade war. ENS

Apple faces investigation in Russia

Moscow: Apple is under investigation in Russia following a complaint from cybersecurity firm Kaspersky Lab and may be abusing its dominant market position, Russia's anti-monopoly watchdog said Thursday. Watchdog FAS said it was investigating why a new version of Kaspersky Lab's Safe Kids application had been declined by Apple's operating system. REUTERS

NCLAT questions resolution delay

New Delhi: The National Company Law Appellate Tribunal (NCLAT) has expressed its displeasure over the slow progress by the government and IL&FS in resolution of the group's firms. PTI

Deloitte quit in FY18, BSR did so only in June. The MCA had moved NCLT in June seeking a ban on them, which has been questioned by these auditors on the powers of NCLT order a ban.