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

**ENS ECONOMIC BUREAU** 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.

**PRITAM PALSINGH** 

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

of his petition, Goyal said in his

plea that he is "participating and

fully cooperating in the investiga-

tion and has appeared before the

menced and since the petitioner

(Goyal) is extending full coopera-

"As the investigation has com-

authorities on three occasions".

Seeking order for withdrawal

need" to travel out of India.

The average asset under

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

According to a report

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

the present writ petition this

side India," the application, listed

for hearing on Friday before

statement in connection with the

case has also been initiated

against him. Following his plea be-

fore 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 guar-

ment and its agencies) not stop

you, when you are leaving after Jet

trouble has surfaced," the judge

had then remarked, while refer-

ring to instances of businessmen

fleeing the country after being in-

"Why should they (govern-

antee, he can travel.

It said that recording of Goyal's

Justice Suresh Kumar Kait, read.

tion, the petitioner is not pressing volved in financial irregularities.

stage, for permission to travel out- that even an order would be

# HOWEVER, PANEL RECOMMENDS EXTENSION OF ONSHORE MARKET HOURS

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

**ENSECONOMIC BUREAU** 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

The high court had clarified

passed in the matter only after

seeking the central government's

stand. The court had listed matter

for further hearing on August 23.

the ground that Goval had sched-

uled meetings with foreign in-

vestors, who had shown interest

in infusing funds into the debt-rid-

travel ban imposed on him on the

ground that he was not given any

opportunity to clarify which de-

nies him "natural justice". He has

also sought quashing of the look-

out-circular, on the basis of which

he has been restrained from mov-

ing outside India.

Goyal has challenged the

den now grounded airline.

It did not give interim relief on

said. NDFs are foreign exchange derivative instruments on nonconvertible 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.

shore 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 sharp growth in the off-

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 nonresidents 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 noncentrally 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 convertibility 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.

### **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

ing a complaint from cybersecurity firm Kaspersky Lab and may be abusing its

# '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

#### **IET AIRWAYS' DEMISE:** Grounding of let 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

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

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

TRADE DISPUTES A **DETERRENT:** Ongoing trade

#### IN AFRICAN MARKET: All aviation markets

**HIGHEST GROWTH** 

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

'Sebi wants MFs to invest

only in listed securities'

### **INDIGO PROMOTERS' SPAT**

# MCA to look if issues are management dispute or companies law violation

**PRESSTRUSTOFINDIA** NEW DELHI, AUGUST 8

AMID INTENSIFYING spat between IndiGo promoters, the Corporate Affairs Secretary said the MCA will only look at whether allegations of governance lapses are a management dispute or violation of companies law.

Rakesh Gangwal and Rahul Bhatia, promoters of the country's largest airline IndiGo, are fighting over corporate governance matters, with Gangwal seeking intervention of markets regulator Sebi to address the issues.

The Ministry of Corporate Affairs (MCA), which is implementing the companies law, has sought information from InterGlobe Aviation — the parent of IndiGo — after Gangwal raised red flags in July.

"The only matter that the ministry will look at is whether any of

the allegations hold water and if so, does it assume the shape of a management dispute or violation of companies law itself and impacts corporate governance," Corporate Affairs Secretary Injeti Srinivas told PTI.

He said it is very necessary to plug deficiencies, if any, in the long term since the company is huge and one of the best-run airlines in the world. "Its (IndiGo's) value has to be preserved. In case, there is any such thing that violates the companies law, then company would be asked to rectify it but we have not reached anywhere there. The ministry has very limited role (in IndiGo matter)," he added.

Srinivas noted that the guestion is whether or not there are gross violations of companies law and compromising corporate governance which in the medium to long term can damage the company, its shareholders and other stakeholders.

# 504 projects initiated since **2017 summit** in Jharkhand

**ABHISHEK ANGAD** RANCHI, AUGUST 8

SINCE THE culmination of 2017 Investors Summit 'Momentum Iharkhand', 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 Iharkhand 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 Iharkhand 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

**ENS ECONOMIC BUREAU** 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 fur-

ther 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.

The Board has not provided information on reduction of cases due to higher threshold. After last year's increase, the CBDT has said that the I-T Department would withdraw 34 per cent of cases stuck in tribunal, 48 per cent of those stuck in high courts and 54 per cent in the Supreme Court.

The department has struggled to attain any significant progress in concluding disputes to recover tax demands. According to budget documents, over Rs 6 lakh crore was stuck in litigation at the end of FY18. The recent CAG report said: "The arrears of demand increased from Rs 10.4 lakh crore in FY 2016-17 to Rs 11.1 lakh crore in FY 2017-18. The Department indicated that more than 98.2 per cent of uncollected demand would be difficult to recover. Further, according to *PTI*, CBDT also released FAQs on filling I-T returns with regard to reporting of directorship in a foreign firm and shares held outside India. FE& PTI

## **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 ex-

panding 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 com-

ments 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.

# *Moscow:* Apple is under investigation in Russia follow-

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** 

resolution delay

New Delhi: The National

Company Law Appellate

Tribunal (NCLAT) has ex-

pressed its displeasure over

the slow progress by the gov-

ernment and IL&FS in resolu-

tion 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

# AkzoNobel India Q1 net profit up 31% to ₹57.14 cr

PRESS TRUST OF INDIA NEW DELHI. AUGUST 8

PAINTS AND coatings maker AkzoNobel India on Thursday reported a 31.32 per cent rise in consolidated net profit to Rs 57.14 crore for the quarter ended June 30, 2019.

The company had posted a net profit of Rs 43.51 crore in the corresponding period of the previous financial year, AkzoNobel India said in a filing to stock ex-

changes. operations stood at Rs 719.69 crore for the quarter under consideration as against Rs 715.69 crore for the corresponding pe-

riod a year ago. "The company continues to focus on delivering consistent profit growth through improved product mix and cost control,"

Eye on competition, Samsung launches Note 10, Note 10+ premium smartphones tablet. And there was also the

**ANUJ BHATIA** NEW YORK, AUGUST 8

SAMSUNG LAUNCHED two new pricey versions of the Galaxy Note 10 line at an event in New York. The two new smartphones have bigger battery, edge-to-edge screens, updated processor, more memory, and the much improved S Pen stylus.

The Note 10 and Note 10+ will hit stores on August 23 in the US, at starting prices of around \$950 and \$1,100, respectively, with a Galaxy Note 10+5G variant exclusive to Verizon starting at \$1,300. The launch of Galaxy Note 10

comes at a time when the com-

pany is facing an uphill battle in

the premium end of the smart-

phone segment, where Apple is its biggest competitor. The Galaxy Note lineup has a cult following among creative and power users since the first Galaxy Note made its debut in 2011. The new Galaxy Note devices are not

cheap, but the company hopes it



Visitors test new devices during the launch event of the Samsung Galaxy Note 10 at the Barclays Center in Brooklyn, New York, US, Thursday. Reuters

can target regular customers with deep pockets with the Galaxy Note 10, which for the first time

AMOLED Infinity O displays and

feature a tiny punch hole selfie

comes in two screen sizes. You get a 6.3-inch display on the Galaxy Note 10 and 6.8-inch on the Galaxy Note 10+. Both of these phones come with Super

camera located square-center at the top. The specs on both remains more or less the same.

The S Pen stylus continues to

the selling point of the Galaxy Other than the Galaxy Note 10 line, Samsung also showed the

previously-announced Galaxy

Watch Active 2 and Galaxy Tab S6

Galaxy Book S, a thin-and-light laptop that runs on Qualcomm's Snapdragon 8cx processor. The Windows-based Windows laptop promises up to 23 hours of battery and has a built-in LTE connectivity. The Galaxy Book S costs \$999 and hit retail shelves in the US this fall.

There was a big surprise at Samsung's Galaxy Unpacked 2019 event. Microsoft CEO Satya Nadella showed up to highlight the strong relationship between devices and Samsung's Microsoft's services. "In a world of 5G, cloud, and AI,

we get to rethink it all and reimagine it," Nadella said. "We believe market conditions. in a future that will be multi-device and multi-sense ... a world where the interaction model we have with computing no longer just starts with the device, but starts with people. It includes all the devices in our lives and to-

making it happen." The writer was in New York on the invite of Samsung India

# Sterling & Wilson Solar IPO gets 92% subscription

**PRESSTRUSTOFINDIA** 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

Leading foreign players including Nomura, Schroeder, Abu Dhabi Investment Authority (ADIA) and Fidelity participated in

The IPO, through which the company plans to raise about Rs gether with Samsung we are 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.

#### to restate IL&FS books NCLAT questions **PRESSTRUSTOFINDIA**

MCA picks four auditors

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

#### them, which has been questioned by these auditors on the powers of NCLT order a ban.

*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

FB loses facial recognition appeal

# Francisco over Facebook's facial

US Circuit Court of Appeals in San

recognition technology exposes the company to billions of dollars in potential damages to the Illinois users who brought the case. It came as the social media company faces broad criticism from lawmakers and regulators over its privacy practices. **REUTERS** 

rector Rajiv Rajgopal said.

Consolidated revenue from

AkzoNobel India managing di-