

MARKET WATCH

	11-09-2019	% CHANGE
Sensex	37,271	0.34
US Dollar	71.66	0.06
Brent oil	61.05	-2.69

NIFTY 50

	PRICE	CHANGE
Adani Ports	373.35	3.80
Asian Paints	1561.45	20.85
Axis Bank	681.70	10.15
Bajaj Auto	2908.40	30.60
Bajaj Finserv	7354.20	30.25
Bajaj Finance	3416.40	-20.95
Bharti Airtel	355.10	-1.35
BPCL	386.10	4.10
Britannia Ind	2666.40	-16.30
Cipla	471.80	-3.20
Coal India	196.70	-2.65
Dr Reddys Lab	2761.00	11.80
Eicher Motors	17013.65	806.90
GAIL (India)	128.45	-3.70
Grasim Ind	711.50	5.75
HCL Tech	1057.70	-26.70
HDFC	2071.85	7.60
HDFC Bank	2251.30	1.70
Hero MotoCorp	2760.15	68.55
Hindalco	193.45	4.20
Hind Unilever	1824.30	-9.75
Indiabulls NPL	431.45	6.85
ICICI Bank	394.60	-0.85
IndusInd Bank	1372.15	37.15
Bharti Infratel	253.20	0.25
Infosys	820.10	-9.00
Indian Oil Corp	126.05	-0.60
ITC	243.75	-1.75
JSW Steel	227.70	8.20
Kotak Bank	1475.20	3.90
L&T	1363.65	6.65
M&M	545.75	13.20
Maruti Suzuki	6597.30	261.80
NTPC	124.50	-1.85
ONGC	125.75	-3.65
PowerGrid Corp	201.40	-1.50
Reliance Ind	1234.40	12.20
State Bank	285.25	7.25
Sun Pharma	422.20	-6.60
Tata Motors	134.35	12.45
Tata Steel	367.05	13.25
TIIC	2154.00	-28.85
Tech Mahindra	703.70	-9.20
Titan	1101.05	12.70
UltraTech Cement	3903.40	-2.20
UPL	577.70	-9.75
Vedanta	146.30	5.05
Wipro	248.15	-7.45
YES Bank	71.60	8.50
Zee Entertainment	354.45	-8.50

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 11

CURRENCY	TT BUY	TT SELL
US Dollar	71.45	71.77
Euro	78.61	78.97
British Pound	88.22	88.63
Japanese Yen (100)	66.34	66.63
Chinese Yuan	10.04	10.09
Swiss Franc	71.87	72.19
Singapore Dollar	51.79	52.02
Canadian Dollar	54.35	54.60
Malaysian Ringgit	17.10	17.20

Source: Indian Bank

IN BRIEF

Yes Bank shares soar on Kapoor stake sale report
MUMBAI
Yes Bank's shares soared 13.5% to ₹71.60 on the BSE on Wednesday after media reports that its co-founder Rana Kapoor was planning to sell his stake in the bank. According to the reports, Mr. Kapoor and family hold 9.64% stake in the bank and are in talks with Paytm to sell the stake. Mr. Kapoor was the MD & CEO of Yes Bank, and his term ended in January 2019, after the RBI declined to extend his term for three years even after the board had endorsed it.

Tax authorities to file special appeal even for small cases

I-T Dept. detects evasions specifically designed to fall below threshold for appeals

TCA SHARAD RAGHAVAN
NEW DELHI

The Income Tax Department's decision last month to increase the monetary limit for the cases below which it could not appeal the court's decision has somewhat backfired — it is now detecting a lot of organised tax evasions, specifically designed to fall below that threshold.

The Department has issued a circular saying it would file special appeals in cases falling below the threshold, if it feels there is evidence of deliberate tax avoidance, an official in the Finance Ministry told *The Hindu*.

"The Income Tax Department periodically reviews the monetary limits for the filing of its appeals before the Income Tax Appellate Tribunal (ITAT), the High Courts, and the Supreme Court," the official said. "The



Off the mark: The review to raise the limits, in early August, created some problems, says an official. ■ K. MURALI KUMAR

last review was to increase these limits, in early August. But maybe this increase has created some problems."

The August increase in the limits was a drastic one, doubling them for some cases, and more than doubling them for others. The floor for filing appeals in the ITAT was increased from ₹20 lakh to ₹50 lakh. The limit for ap-

pealing against a High Court order was increased to ₹1 crore from ₹50 lakh. Similarly, the limit for appealing against a Supreme Court order was increased to ₹2 crore from ₹1 crore.

"The Income Tax Department has noticed that there are a large number of cases where there has been organised tax evasion using bogus

long-term capital gains and short-term capital gains on penny stocks," the official added. "In some cases, the judicial authority has ruled in favour of the department, but in others, we feel that not enough due consideration was given to the provisions of the law or the facts of the case."

In such cases, the tax authorities have no recourse, since the cases fall below the threshold for appeals.

"In this context, it was decided that we would issue a circular that would allow us to file a special appeal to the ITAT, High Courts, and Supreme Court, even if the case was smaller than the prescribed thresholds, for cases involving suspected organised tax evasion," the official added. The Income Tax Department has since issued that circular and has sent it to all tax officials.

Bonds yields hardened despite the dovish stance of the Reserve Bank of India, which had maintained that supporting growth would be its top priority. Meanwhile, the rupee ended 5 paise higher against the dollar at 71.66 — the fifth straight session of gain.

The Indian currency was able to cut early losses after equities gained and on the back of strong Asian currencies.

Bond yields harden 10 bps to 6.68%

SPECIAL CORRESPONDENT
MUMBAI

Yields on sovereign bonds hardened on Wednesday, on rising oil prices and higher U.S. treasury yields.

The yield on the 10-year benchmark government bond ended at 6.68% on Wednesday compared to its previous close of 6.58%.

Brent crude futures, the global oil benchmark, rose 0.93% to trade at \$62.96 per barrel.

Rising oil prices could impact the country's fiscal deficit adversely.

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Red signal: SEBI had expressed reservations on raising the minimum public holding in listed entities to 35%. ■ REUTERS

NRI-FPI investments merger on 'long route'

'Various regulators need to deliberate'

ASHISH RUKHAIYAR
MUMBAI

In her maiden Union Budget in July, Finance Minister Nirmala Sitharaman, announced various capital market initiatives including a higher public holding in all listed companies and merger of the investment routes for foreign portfolio investors (FPIs) and non-resident Indians (NRIs).

However, implementation of the proposals is likely to take a long time due to the large number of stakeholders involved and also possible concerns that could be raised by the various regulators involved in executing the government decision.

While the Securities and Exchange Board of India (SEBI) had already expressed its reservations on raising the minimum public holding to 35% — as proposed in the Budget — from the current stipulated 25%, it has now emerged that the proposed merger of the NRI-FPI route would also be a long-drawn process since various modalities need to be worked out between the capital markets regulator and the Reserve Bank of India (RBI), along with the Department of Economic Affairs (DEA).

"The proposal requires deliberations between DEA, RBI and SEBI to work out the modalities. As and when these are finalised, the necessary action, as may be required to be taken by SEBI, would be taken separately in due course," said a SEBI paper that was presented to the board of the regulatory body. Experts believe that

while the merger of the NRI and FPI investment route would make the regulatory framework more investor-friendly, it may require the RBI to part with the Portfolio Investment Scheme (PIS) regulations and hand them over to the markets regulator, which could delay the implementation.

"No regulator likes to part with its jurisdiction or subjects that are under its purview," a lawyer specialising in securities market regulations said.

"If the two regulators can sit together and work out the transition seamlessly, then it can be achieved, but it is easier said than done," he added, wishing not to be named.

Ms. Sitharaman, while presenting the Union Budget, proposed merging the NRI-Portfolio Investment Scheme route with the Foreign Portfolio Investment route to "provide NRIs with seamless access to Indian equities."

'No' to raising float

The budgetary proposal of increasing public float in all listed entities to 35% has already met with some objections by the capital markets watchdog.

Addressing the media on August 21, SEBI chairman Ajay Tyagi said that there were many issues, including the implications, that needed to be examined before deciding to increase the public float.

Almost half of the listed, government-owned entities did not even meet the current requirement of 25% public holding and had been given time till August 2020 to comply, he added.

Airtel to offer Xstream Fibre at ₹3,999 a month

Broadband can be accessed at 1 Gbps

SPECIAL CORRESPONDENT
NEW DELHI

Bharti Airtel on Wednesday launched the Airtel Xstream Fibre that will offer users access to broadband services at a speed of 1 Gbps for ₹3,999 a month.

The announcement comes a week after rival Reliance Jio launched its Jio Fiber, offering a minimum of 100 Mbps speed with a starting plan of ₹699. The company had also announced plans for offering 1 Gbps speed starting from ₹3,999 a month.

Bharti Airtel said its Xstream Fibre service will be available to homes, SOHO (small office home office) and small commercial establishments in Delhi, Gurgaon, Faridabad, Noida, Ghaziabad, Mumbai, Pune, Bengaluru, Hyderabad, Chennai, Chandigarh, Kolkata, Indore, Jaipur and Ahmedabad, from Wednesday. Over the coming months,

The product is for connected premises where multiple users and devices are online concurrently

Airtel Xstream Fibre would be rolled out in more markets, it added.

The connection will be bundled with unlimited landline calls to any network in India along with benefits such as three months' Netflix subscription gift, one-year Amazon Prime membership and access to premium content from ZEE5 and Airtel Xstream app.

Sameer Batra, CEO — Broadband, Bharti Airtel, said: "With growing proliferation of 4K HD content, high-end online gaming and IoT, we have introduced the 1 Gbps Airtel Xstream Fibre for connected homes and premises where multiple users and devices are online concurrently."

Auto sales dip may not be due to Ola, Uber: Maruti

PRESS TRUST OF INDIA
GUWAHATI

Millennials opting for ride hailing services like Ola and Uber may not be that strong a factor for the current slowdown in auto sales and a detailed study is needed to arrive at any conclusion to the contrary, according to a top official of Maruti Suzuki India (MSI).

Ownership pattern in India still has not changed and people purchase cars with an 'aspirational aspect,' MSI executive director (marketing and sales) Shashank Srivastava said.

On Tuesday, Finance Minister Nirmala Sitharaman had said a change in the mindset of millennials, who now prefer Ola and Uber instead of committing to monthly instalments to own a car, was among the factors responsible for the slowdown in auto sector.

'India's oil demand to rise at fastest pace globally'

OPEC lowers global growth estimate

PRESS TRUST OF INDIA
NEW DELHI

India's oil demand will rise at the fastest pace globally this year and the next, even as its economic expansion has slowed down, oil producers' cartel OPEC said on Wednesday.

In its monthly 'World Oil Demand' report, OPEC said India's oil demand is projected to rise by 3.21% to 4.88 million barrels per day (mb/d) in 2019 from 4.73 mb/d in the previous year. In 2020, it will further rise by 3.36% to 5.05 mb/d.

This outpaces China's oil demand growth of 2.73% in 2019 and 2.37% in 2020.

U.S., biggest consumer
China, however, is the world's second-biggest oil consumer at 13.06 mb/d in 2019, behind only the U.S. whose consumption is projected at 20.94 mb/d.

World oil demand in 2019 is expected to grow by 1.02



mb/d, which is 0.08 mb/d lower than the previous projection, OPEC said.

"The drop can be attributed to weaker-than-expected data in IH19 from various global demand centres and slower economic growth projections for the remainder of the year," OPEC said.

India's economy grew at slower than expected 5% in April-June, compared with 8% in the same quarter of 2018, and 5.8% in January-March.

Finance Minister assures industry of 'all possible steps'

Sitharaman seeks inputs from corporates on ground reality

SPECIAL CORRESPONDENT
CHENNAI

Union Finance Minister Nirmala Sitharaman assured the industry of possible measures to address sector-wise challenges, as well as a major push to infrastructure, in an informal meeting with industry captains from Tamil Nadu on Wednesday.

The objective of the meeting was to get a sense of ground reality, amid the current economic slowdown, across various industrial sectors of the economy.

K.M. Mammen, executive director-chairperson, MRF, N. Srinivasan, vice-chairman and MD, India Cements, T.T. Srinivasaraghavan, managing director, Sundaram Finance, Srivats Ram of Wheels India, Gopal Mahadevan of Ashok Leyland, R.G. Chandramogan of Hatson Agro, Arun Jain of Intellect Design Arena, Sunitha Reddy of Apollo Hospitals, P. Venketraman Raja of Ramco Group, Sanjay Jayavarthanavelu of LMW, T. Kannan of Thiagarajar Mills and Indian Bank MD Padmaja Chunduru, among others, attended the meet.

According to sources, Mr. Srinivasan said cement was the barometer of economy like the housing stocks in the U.S.

"After a long downturn, cement industry clocked strong double digit growth in FY19 with higher capacity utilisation. If the big ticket



Allaying fears: Finance Minister Nirmala Sitharaman said that not all was doom and gloom. ■ SANDEEP SAXENA

infra investments of ₹100 lakh crore over five years are implemented along with the housing schemes, the demand will improve," he told the Minister in the meeting.

'Thrust on exports'

"The textile industry now has huge excess capacity in the country. A major thrust needs to be given to exports, especially taking advantage of the trade war between the U.S. and China. On behalf of the industry, I requested the the Merchandise Export from India Scheme to be continued until March," T. Kannan, chairman, Thiagarajar Mills, said.

He has also suggested that Chinese investments should be attracted in the textile sector, which would help reduce the trade imbalance.

"She [the Minister] was not in denial mode that there are challenges but also said that not all was doom

and gloom. There are many sectors that are doing well," said an official, who was part of the meeting.

The automotive industry reiterated its demand for GST rate cuts to revive demand.

"The fact that she has had a face-to-face interaction with industrialists from a wide range of sectors and is open to listening to the industry view is a positive development and augurs well for the future," he added.

The Minister also assured attendees that the views and suggestions from the industry leaders would be used as inputs by the task force that was looking into the issues.

"She wanted to listen to views across the sectors and gave enough time to address our views. However, she did not commit any specific measures," said another official who attended the meeting. Samruddhi contended

Bombay HC quashes I-T order, waives interest payable by Ultratech

Division bench cites CBDT circular

SONAM SAIGAL
MUMBAI

The Bombay High Court recently quashed an order passed by the Chief Commissioner (CC) of Income Tax (I-T) and waived interest payable by Ultratech Cement under 234C (interest for deferment of advance tax) of the Income Tax Act.

The order was passed by a division bench after hearing a plea filed by Ultratech Cement challenging an order passed on November 30, 2018 by the commissioner rejecting the company's application for waiver of interest under Section 234C of the I-T Act.

Ultratech is a successor of Samruddhi Cement Limited, incorporated on September 4, 2009 as a subsidiary of Grasim Industries Limited. Grasim desired to demerge its cement unit which would be taken over by Samruddhi.

Grasim paid advance tax on its profit of the cement business on two occasions. The scheme was duly notified and became effective from May 18, 2010.

An assessment order was passed which took into account advance tax paid by Grasim which was adjusted against its tax liability giving rise to a refund.

However, Samruddhi had not paid advance tax instalments on two dates. Samruddhi contended

that the advance tax was not deposited on account of impossibility. It therefore filed an application before the CC of I-T seeking a waiver of interest.

The court said, "Grasim continued to discharge tax liability and paid advance tax. On account of demerger, Grasim never claimed benefit of such advance tax, instead, Samruddhi claimed credit thereof."

The bench remarked, "We find that the Commissioner committed a serious error in rejecting the application for waiver of interest. The impugned order is quashed and the respondents shall waive interest payable under 234C of the Act in terms of the CBDT Circular. Consequently, if such interest is already recovered, the same would become refundable."

The CBDT in a circular dated June 26, 2006, directing that the CC of I-T may reduce or waive interest charged under Sections 234A, 234B or 234C of the Act in case income chargeable to I-T is received or accrued after the due date of payment of the first or subsequent instalments of advance tax, and which was neither anticipated nor contemplated by the taxpayer, and the advance tax on such income is paid in the remaining instalment or instalments.

BusinessLine THE HINDU GROUP

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