

MARKET WATCH

	19-09-2019	% CHANGE
Sensex	36,093	-1.29
US Dollar	71.34	-0.14
Gold	38,454	-0.70
Brent oil	64.50	0.67

NIFTY 50

	PRICE	CHANGE
Adani Ports	361.90	-4.45
Asian Paints	1553.90	6.15
Axis Bank	638.20	-10.20
Bajaj Auto	2738.85	-38.20
Bajaj Finserv	7188.65	-66.40
Bajaj Finance	3362.05	-51.80
Bharti Airtel	337.60	2.00
BPCL	379.85	-2.25
Britannia Ind	2621.80	7.95
Cipla	452.05	-6.60
Coal India	193.45	1.10
Dr Reddys Lab	2732.55	-11.10
Eicher Motors	15752.50	-277.90
GAIL (India)	133.05	-1.90
Grasim Ind	699.90	-3.20
HCL Tech	1049.55	-8.90
HDFC	1974.60	-13.70
HDFC Bank	1101.05	7.18
Hero MotoCorp	2532.25	-43.85
Hindalco	195.95	-2.05
Hind Unilever	1812.75	-16.45
Indiabulls HFL	394.75	-24.50
ICICI Bank	386.60	-12.75
Indusind Bank	1282.25	-48.15
Bharti Infratel	249.40	-4.10
Infosys	820.70	-9.15
Indian Oil Corp	126.20	-1.95
ITC	236.70	-2.55
JSW Steel	219.55	-1.85
Kotak Bank	1452.60	-12.15
L&T	1300.70	-17.30
M&M	519.30	-7.70
Maruti Suzuki	5971.75	-123.30
NTPC	121.70	-0.80
ONGC	124.30	-2.70
PowerGrid Corp	201.15	-0.90
Reliance Ind	1179.05	-26.65
State Bank	274.05	-6.35
Sun Pharma	411.15	-5.65
Tata Motors	124.20	2.45
Tata Steel	344.65	-13.60
TCS	2101.95	-36.60
Tech Mahindra	703.35	-13.40
Titan	1153.20	-7.50
UltraTech Cement	3866.30	-36.50
UPL	562.05	5.00
Vedanta	146.15	-3.55
Wipro	241.50	-2.80
YES Bank	54.10	-10.00
Zee Entertainment	308.85	-26.55

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 19

CURRENCY	TT BUY	TT SELL
US Dollar	71.12	71.44
Euro	78.71	79.10
British Pound	88.64	89.05
Japanese Yen (100)	65.88	66.18
Chinese Yuan	10.02	10.07
Swiss Franc	71.73	72.09
Singapore Dollar	51.65	51.89
Canadian Dollar	53.56	53.80
Malaysian Ringgit	16.96	17.05

Source: Indiant Bank

BULLION RATES CHENNAI

September 19 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49.8	(50.2)
22 ct gold (1 g)	3580	(3600)

GST Council may review rates on auto sector

Easing annual return filing procedure and rationalising rates on lottery may also be on the agenda at today's meeting

TCA SHARAD RAGHAVAN
NEW DELHI

The Goods and Services Tax (GST) Council is likely to discuss the viability of a tax rate cut for the automobile sector, easing the annual return filing procedure for small businesses and possibly rationalise the two different rates on lotteries at its 37th meeting to be held in Goa on Friday, according to tax analysts.

"The auto industry is demanding a GST rate cut from 28% to 18%," said Ankit Agarwal, MD, Alankit Ltd.

Lower levy on FMCG

"The concerns related to the automobile industry will be taken up in the upcoming Council meeting. The Council may also lower levies on items such as biscuits," he



Tough times: There seems to be no clarity if the slump in the automobile sector is due to high taxes. *B. VELANKANNI RAJ

said. There is, however, no consensus on whether the Council will actually reduce the GST rates on automobiles since it is not clear that the downturn in the industry is due to high rates of tax.

"While the auto industry is pushing for a GST rate-cut

at the meeting, the chances of the Council considering the same do not seem very likely as there are several factors contributing to the slump in auto sales, besides GST," said Archit Gupta, founder and CEO, ClearTax. "The declining GST reve-

nue collections also do not provide much hope at the moment, either, for rate cuts in this sector. Further, the view is that a rate cut given to boost one particular sector will lead to other sectors also demanding the same treatment," said Mr. Gupta.

The other major decision that is likely to be taken is exempting small business from filing the GST-R9 annual return forms.

These forms have come under much criticism for being too complex and asking for data that businesses, especially smaller ones, cannot furnish.

"The Council may exempt small taxpayers with annual turnover up to ₹2 crore or up to ₹5 crore from filing annual returns for a year or so," Mr. Agarwal said. "The proposed

step would ease compliance burden and subsequently help tax authorities focus on big assesses."

"The industry is also hopeful that the government would provide the road map and corresponding timelines with regard to implementation of the new GST returns and e-invoicing which should further ease the compliance under the GST regime," Mahesh Jaising, partner, Deloitte India, said.

Mr. Gupta, however, said the government should instead focus on easing the annual return filing procedure and forms rather than doing away with them.

GSTR-9 complexities

"We strongly feel the complexities of filing form GSTR-9 should be reviewed,"

GoM holds meeting on AI stake sale

SPECIAL CORRESPONDENT
NEW DELHI

A Group of Ministers (GoM), constituted to deliberate on the terms of sale for Air India (AI) and headed by Home Minister Amit Shah, held its first meeting on Thursday.

The GoM also includes Finance Minister Nirmala Sitharaman and Civil Aviation Minister Hardeep Singh Puri.

"The process for divestment of AI is truly underway. We are going to take all decisions in a defined period of time," Mr. Puri said. The GoM has to decide on the quantum of divestment, debt to be waived and whether FDI norms need to be relaxed beyond 49% before a fresh tender is floated for the carrier.

Nifty falls to seven-month low

Bank majors drag; selling by foreign investors continues

SPECIAL CORRESPONDENT
MUMBAI

Equity benchmark indices lost more than 1% each on Thursday with the broader Nifty falling to a seven-month low and the Sensex on the verge of wiping all of its gains in the current calendar year.

The Sensex lost 470.41 points or 1.29% to close at 36,093.47 - only a tad above the December 31, 2018 close of 36,068. This is also the lowest close for the index since March 1, when it ended at 36,063.81.

Banking heavyweights were the worst hit with Yes Bank shedding 15.52% to a multi-year low of ₹54.15 after a report from Moody's said that among the banking majors, Yes Bank and Indusind Bank have the largest expo-

sure to commercial real estate and could face issues related to asset quality. While Indusind Bank lost 3.59%, Sensex constituents - Tata Steel, ICICI Bank, Maruti Suzuki India, SBI, Reliance Industries and ONGC - lost in excess of 2% each.

Meanwhile, the 50-share Nifty lost 135.85 points or 1.25% to close at 10,704.80, which is its lowest close since February 19. As many as 43 constituents of the Nifty declined on Thursday.

'No more rate cuts'

Market participants attributed the day's fall to a combination of negative factors including low tax collection, U.S. Federal Reserve cutting rates, but more importantly hinting at no further rate cuts and unabated selling by

foreign investors. Provisional data showed that foreign portfolio investors (FPIs) were net sellers at nearly ₹900 crore on Thursday.

Further, data from National Securities Depository Limited showed that FPIs have sold shares worth ₹4,833 crore in the current month. On the other hand, domestic institutional investors, which include banks, insurance companies and mutual funds, have been net buyers on most days with Thursday's buying pegged at ₹646 crore.

The market breadth was weak with nearly 70% stocks on the BSE ending the day in the red. As many as 1,828 stocks declined, as against only 686 gainers. All the broader indices lost over 1% each on Thursday.

'Room for rate cut as inflation under 4%

Little scope for fiscal expansion, recent oil price rise will not impact inflation: Das

SPECIAL CORRESPONDENT
MUMBAI

With consumer price inflation projected below 4% over the next one year, there is room for further lowering of interest rates, Reserve Bank of India Governor Shaktikanta Das said on Thursday.

"Today, when we see that the price stability is maintained, and inflation is much below 4%, and is expected to be so in the next 12 months' horizon, there's room for a rate cut, especially when growth has slowed down," Mr. Das said at the Bloomberg India Economic Forum.

The central bank reduced the repo rate by 100 bps during February and August to boost economic growth. The GDP growth for the first quarter of the current financial year dropped to a 25-



Shaktikanta Das

quarter low of 5%. The repo rate is currently at 5.4% and there is an expectation that RBI will further lower the interest rate in the next policy review scheduled in the first week of October.

The central bank has a mandate to keep inflation at 4%, within a band of +/- 2%.

The RBI Governor said there was little scope for fis-

cal expansion by the government. There has been demand from the industry for an expansionary fiscal policy to support growth, which would mean missing the 3.3% fiscal deficit target for 2019-20.

Observing that the government had remained prudent on the fiscal side, he said, "I think government's fiscal space is itself very limited. The fiscal deficit is at 3.3%. There is little space for fiscal expansion."

On the external sector, Mr. Das said the outlook was one of cautious optimism, albeit with some downside risks accentuated at this juncture.

"Volatile international crude prices also continue to pose potential risks to the viability of the current account balance through trade

and remittances channels," he said. On the recent spurt in domestic fuel prices following a rise in crude oil prices after the drone attack on Saudi oil plants, Mr. Das said so far the quantum of price rise would not impact inflation in a significant way.

Mr. Das said banks had to take larger haircuts in cases where NBFCs were facing governance issues.

"The resolution process will have to be market linked and banks and other lenders will have a major role to play. NBFCs, where there are major governance issues, there, (the banks) need to take a larger haircut. There are business failures but there is also an element of administrative or governance lapses. So banks will have to take a balanced call," he said.

Vodafone Idea may gain from IUC levy extension

A third of earnings is from the charge

PIYUSH PANDEY
MUMBAI

The Telecom Regulatory Authority of India's (TRAI) proposal on deferring the implementation of the zero interconnect usage charges (IUC) regime, if implemented, is likely to benefit Vodafone Idea, as the ailing telco will get some revenue from the interconnect fee. IUC is a cost levied by telcos handling incoming calls from rivals.

The zero IUC regime was to kick in from January 2020. However, TRAI cited the lack of migration on 4G and the imbalance of off-net traffic between operators as reasons for reconsidering the applicable date.

Vodafone Idea saw its shares jump 11.93% to ₹54.15 in a weak Mumbai market on Thursday.

"Vodafone Idea and Bharti Airtel stand to gain 20% and 4% respectively on 1QFY20 consolidated EBITDA. On the other hand, RJio might see a 15% negative im-



pact on EBITDA if the decision is deferred," according to Motilal Oswal research note.

"IUC cut-off, if deferred, will be a positive for Vodafone Idea. [About] 30% of Vodafone Idea's EBITDA is led by net IUC revenues and this was an overhang on the stock. It will be negative for Jio as it pays about 18% of its EBITDA as IUC charges. For Bharti, the positive impact is 5%," according to Jefferies Equity Research. Jefferies believes price hikes are unlikely in FY20 and will happen once Jio becomes the dominant player with 40% plus market share which is expected in FY21.

Siemens sets up medical imaging unit

SPECIAL CORRESPONDENT
BENGALURU

Munich-based Siemens Healthineers has set up a 'future-ready' medical imaging manufacturing facility in the city.

For this, Siemens AG has made a fresh commitment of ₹20 crore in addition to the ₹2,500-crore investment it made in setting up its largest global R&D centre here.

The next-generation manufacturing facility, co-located with the R&D centre, will manufacture diagnostic imaging and advanced therapy solutions such as computed tomography (CT) systems, based on the company's Somatom go platform.

Siemens will also make mobile C-arm radiology systems and Cios Fit.

Gerd Hoefner, MD and president, Siemens Health-care, said, "The co-location of manufacturing with R&D centre is important as it will enable us to deliver value to customers faster."

Telecom body okays ₹8,500 cr. for mobile towers, optical fibre laying

BharatNet in T.N., Telangana among approved projects

SPECIAL CORRESPONDENT
NEW DELHI

The Digital Communication Commission, the highest decision making body in the Department of Telecom, on Thursday approved multiple projects worth over ₹8,500 crore for setting up mobile towers and laying of optical fibre, with an aim to provide improved connectivity.

The commission also approved a special scheme to cover close to 12,000 uncovered villages in aspirational districts, a senior official said on Thursday.

The approved infra projects include laying of BharatNet fibre in Tamil Nadu and Telangana, at an estimated cost of ₹1,815 crore and ₹2,065 crore, respectively. Additionally, approval was given for setting up 1,917 mobile towers for uncovered villages in the North East.

"4G connectivity has been approved for uncovered villages in North East. This includes 2,215 villages in Aru-



Approval was given to set up 1,917 mobile towers at uncovered villages in the northeast. *S. RAMESHKURUP

nachal and 763 villages in two districts of Assam. This also includes highway. The total cost estimates is ₹2,536 crore," DCC Chairman and Telecom Secretary Anshu Prakash said.

For Meghalaya, the commission has approved ₹2,132 crore for 1,593 mobile towers. These proposals will be now sent to the Cabinet for approval. The Commission

also approved 'in-building access' by telecom service providers, in which they will be allowed to share their infrastructure. "We will request the Ministry of Housing and Urban Affairs to issue suitable guidelines to owners or residential welfare associations to provide access to all TSPs in a transparent and non-discriminatory manner," he said.

CDSCO looks to take more processes online

Aims to boost ease of doing business

SPECIAL CORRESPONDENT
HYDERABAD

The Central Drugs Standard Control Organization (CDSCO), the agency responsible for approving new drugs, clinical trials and laying down standards for drugs, has decided to take more of its approval processes and procedures online.

An initiative aimed at enhancing transparency and ease of doing business over the next two years, it will pertain to product registration, quality certification as also outcome of studies, Drug Controller General of India V.G. Somani said.

"They are partly available presently. [From] processing of applications, interactions with manufacturers or distributors [everything] will be online," he said.

Except inspection, sampling and testing, the idea is to take most of the other processes online. "You can find [implementation] in one year itself. But it needs

some time to validate [as] whenever you start any online system it depends on the IT service provider. There can be some hiccups," Mr. Somani told the media. He added he wanted to see the Indian pharma industry increase its share in global drug supplies from 40% (by volume) to 60% in three years.

To queries on whether Indian drug makers were subjected to more scrutiny by the US Food and Drug Administration and the regulator red-flagging Valsartan, a drug indicated for blood pressure and heart failure, he said there was nothing wrong in that.

"U.S. has complete right to do what they want to do, procure, reject and term it as a risk. It [however] does not mean that the same thing will be followed by EU, Japan and India. USFDA has always been keeping a very distinct image of itself... we are not any less stringent in any manner," he said.

Liquidity stress in realty a credit negative for banks, says Moody's

'Altico's default signals cash crunch among developers'

SPECIAL CORRESPONDENT
MUMBAI

Credit rating agency Moody's has said that the increasing liquidity stress among real estate developers would indirectly hit Indian banks and is thus credit negative for the domestic lenders.

"On September 12, real estate-focused non-banking financial company (NBFC) Altico Capital India Ltd., defaulted on a scheduled interest payment on a loan because of insufficient liquidity. Although Indian banks' exposure to Altico Capital is fairly modest and

accounts for less than 0.1% of total banking system loans, the default signals increasingly tight liquidity among property developers, a credit negative for Indian banks, given their significant exposure to the real estate sector," Moody's said.

"We believe Altico Capital is facing liquidity constraints because of a deterioration in the credit quality of its loans to real estate developers, which are facing difficulty in repaying and refinancing their maturing obligations as a result of slowing property sales," it said.

Moody's said Altico Capital's default came after De-

wan Housing Finance Ltd. defaulted on its loan obligations in July because of insufficient liquidity, raising questions about its solvency.

"Among the banks we rate, Yes Bank, Indusind Bank have the largest direct exposure to the commercial real estate (CRE) sector, and would be susceptible to asset quality difficulties if the real estate sector continues to slow," it said.

Other rated private sector banks such as ICICI Bank and Axis Bank are also significantly exposed to the sector, it said.

Yes Bank promoter Morgan Credits sells stake to repay debt

To prepay NCDs subscribed by RNAM schemes

SPECIAL CORRESPONDENT
MUMBAI

Morgan Credits Pvt. Ltd., a part of the promoter group of private lender Yes Bank, has sold 2.3% shareholding in the bank for about ₹340 crore to prepay non-convertible debentures subscribed by various schemes of Anil Ambani's Reliance Nippon Life Asset Management (RNAM) Company.

"The proceeds will be solely utilised to prepay a substantial portion of outstanding non-convertible debentures (NCDs) of MCPL subscribed by various schemes of Reliance Nippon Life Asset Management Company," Morgan Credit said in a statement.

Morgan Credits said the sale of shares was meant to de-leverage the

company. It said total prepayments (including interest) made to NCD holders, of ₹722 crore till date, was well ahead of the scheduled maturity date of April 2021.

The share sale also reduced total promoter group ownership in Yes Bank to 15.7%, in compliance with RBI's regulatory level of 15%, as compared to 18% previously.

Rana Kapoor, co-promoter and former MD & CEO of Yes Bank said, "With the sole intention of reducing debt of the Promoter holding company - MCPL, owned by my three daughters, it was decided to bring down our family ownership in Yes Bank to 7.4%." As at June end, Mr. Kapoor owned 4.31% stake, while Madhu Kapur, wife of co-promoter the late Ashok Kapur, had 7.56%.

REAL ESTATE IS RIPE FOR GAMIFICATION

BusinessLine MIND YOUR MARKETING
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Millennials and technology go hand in hand. Is marketing keeping up with this generation?

Social media has transformed how this generation shares its thoughts and extends its influence over others. Ratings, likes, and comments have given them power to share their opinions and pass judgment on the things they approve and disapprove. They rely on each other to make more informed decisions.

To sell to any audience, you must understand it. Millennials are reshaping the way goods and services are being marketed by staying unresponsive to traditional marketing tactics. As their purchasing power increases, millennials continue to drive consumer demand, making it necessary to re-evaluate this generation and develop strategies for engaging them.

Sandeep Reddy
AVP - Sales, Marketing, CRM, Mantri Developers

You can read the full interview in The Hindu BusinessLine today or scan the QR Code.

This article is part of a brand initiative by The Hindu BusinessLine to profile marketing professionals from across India.