

MARKET WATCH

	06-09-2019	% CHANGE
Sensex	36,982	0.92
US Dollar	71.72	0.16
Gold	39,278	-0.93
Brent oil	60.60	-2.47

NIFTY 50

	PRICE	CHANGE
Adani Ports	365.75	-0.80
Asian Paints	1532.40	12.65
Axis Bank	671.10	21.50
Bajaj Auto	2839.35	80.15
Bajaj Finserv	7175.90	174.85
Bajaj Finance	3373.00	80.30
Bharti Airtel	349.25	1.55
BPL	379.00	-1.80
Britannia Ind	2668.00	-10.65
Cipla	474.90	-3.50
Coal India	198.60	3.75
Dr Reddys Lab	2739.95	57.50
Eicher Motors	16407.25	653.05
GAAL (India)	131.35	0.40
Grasim Ind	703.70	6.60
HCL Tech	1100.40	-11.55
HDFC	2041.45	-2.70
HDFC Bank	2245.90	10.75
Hero MotoCorp	2659.95	54.05
Hindalco	188.40	3.80
Hind Unilever	1819.15	-10.60
Indiabulls HFL	425.70	-22.25
ICICI Bank	391.35	2.35
Indusind Bank	1331.10	23.00
Bharti Infratel	250.35	2.15
Infosys	840.15	6.10
Indian Oil Corp	126.95	2.25
ITC	243.90	-0.35
JSW Steel	217.95	1.70
Kotak Bank	1441.55	31.40
L&T	1328.65	8.35
M&M	529.50	12.50
Maruti Suzuki	6186.95	218.30
NTPC	127.00	3.55
ONGC	127.95	2.80
PowerGrid Corp	203.50	4.15
Reliance Ind	1222.50	23.90
State Bank	273.95	0.65
Sun Pharma	425.10	-6.70
Tata Motors	121.25	3.20
Tata Steel	355.40	10.25
TCS	2197.50	-17.80
Tech Mahindra	721.75	26.30
Titan	1068.70	20.05
UltraTech Cement	3907.55	18.75
UPL	567.95	-1.70
Vedanta	141.80	2.50
Wipro	252.00	-3.60
YES Bank	60.40	-1.55
Zee Entertainment	361.25	0.45

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 06

CURRENCY	TT BUY	TT SELL
US Dollar	71.52	71.84
Euro	78.83	79.19
British Pound	87.98	88.38
Japanese Yen (100)	66.85	67.15
Chinese Yuan	10.05	10.10
Swiss Franc	72.17	72.49
Singapore Dollar	51.76	52.00
Canadian Dollar	54.06	54.33
Malaysian Ringgit	17.11	17.19

Source: Indian Bank

BULLION RATES CHENNAI

September 06 rates in rupees with previous rates in parentheses

Retail Silver (1g)	51.3	(54.8)
22 ct gold (1g)	3658	(3741)

# Budgetary allocation to social sector will not be hit, says FM

'Government is yet to decide on use of surplus funds transferred by RBI'

SPECIAL CORRESPONDENT  
KOLKATA

Finance Minister Nirmala Sitharaman said on Friday that while the government will look into any challenges being faced by the economy, it will not allow Budgetary allocations to the social sector to be affected.

She said this in response to a query on whether tax targets would be met in the wake of economic slowdown. The Minister also said the government was yet to take a call on the utilisation of surplus funds transferred by the Reserve Bank of India.

Ms. Sitharaman, who was accompanied by the Revenue Secretary and the CBDT



Hands full: Efforts are being made to understand and address challenges in each sector, the Minister says. ■ SANDEEP SAXENA

Chairman, said as part of an initiative to improve transparency, any notice issued by the Income Tax Department

for tax claims from October 1 will have a distinct document identification number (DIN). This will be issued

through a centralised process and with approval.

"We are adopting technology to make the process non-discretionary and transparent, she said.

No threat from e-vehicles

She allayed any apprehension regarding the continuance of non-electric vehicles, saying they would be allowed to run for the entire validity of their registration period.

The Minister was unwilling to comment on when the GDP growth rates would be restored, saying that all efforts were being made to understand and address sectoral challenges.

## Piyush Goyal to attend RCEP meet in Thailand

'Formal pact only if demands are met'

TCA SHARAD RAGHAVAN  
NEW DELHI

After skipping the last Regional Comprehensive Economic Partnership (RCEP) meeting in August, Commerce Minister Piyush Goyal will attend the seventh RCEP Ministerial meeting in Thailand that starts on Sunday, the Ministry of Commerce confirmed on Friday.

India, however, would maintain a strict stance on the RCEP negotiations and consider signing an agreement only if its demands were met, a senior Commerce Ministry official told *The Hindu*. The RCEP is a proposed regional grouping of 16 countries. Mr. Goyal did not attend the previous



Piyush Goyal

meeting, ostensibly to carry out his duties in Parliament. He had, however, just ended a series of meetings with industry, which had voiced grave concerns about India joining the RCEP, and the resultant higher market access that would be given to China, in particular.

## Traffic offences may cost a 'premium'

IRDAI for linking motor insurance premium with violations

N.RAVI KUMAR  
HYDERABAD

The noose is set to tighten on traffic offenders with insurance regulator IRDAI on Friday forming a working group to examine and recommend linking of motor insurance premium with traffic violations.

The move comes close on the heels of steeper penalties for traffic offences, post amendments to the Motor Vehicles Act, taking effect. It is expected to improve compliance to rules and pave the way for more business for insurers. For those with more traffic violations, it would eventually mean a higher insurance premium.

Listing the terms of reference of the nine-member working group, the Insurance Regulatory and Deve-

lopment Authority of India (IRDAI) said it would recommend implementation of a framework and methodology to link insurance premium with traffic violations.

Study by working group

The group will study international practices and recommend best practices suitable to India. It will evaluate the current point system for traffic violations implemented by States and evolve a standard point system considering each violation.

Other terms of reference include developing data fields required to implement traffic violations as a rating factor in motor insurance.

The setting up of the working group followed a request to the IRDAI from the High Powered Committee

## China frees up \$126 billion for bank loans

REUTERS  
BEIJING

The People's Bank of China (PBOC) said on Friday it was cutting the amount of cash that banks must hold as reserves for the third time this year, releasing 900 billion yuan (\$126.35 billion) in liquidity to shore up the flagging economy.

The PBOC said it would cut the reserve requirement ratio (RRR) by 50 basis points (bps) for all banks, with an additional 100 bps cut for qualified city commercial banks. The RRR for large banks will be lowered to 13.0%.

The bank has now slashed the ratio seven times since early 2018. The amount of funds released will be the largest so far in the current easing cycle.

## 'Auto firms should also take up GST rate cut demand with State FMs'

'Issue to figure in GST Council meet'

SPECIAL CORRESPONDENT  
NEW DELHI

Stating that the central government was willing to put forth the auto industry's demand for a rate cut at the upcoming meeting of the GST Council, Minister of State for Finance Anurag Thakur asked the sector to also take up the matter with the States, who together have the majority vote in the Council.

"We have received representations from carmakers, dealers and other stakeholders regarding GST rate cut from 28% to 18%," Mr. Thakur said at the 59th Convention of Automotive Components Manufacturers Association of India (ACMA). He added that any GST rate cut needed to be first approved by the GST Implementation Committee, post which it would be taken up by the Council. "I request all of you to reach out to the State Finance Ministers who are part of the GST Council... FM [Union Finance Minister] has already suggested that we are open to take it to the Council."

The next meeting of the GST Council will take place on September 20. However, the auto industry is seeking an earlier resolution, as it fears that buyers will postpone purchases in anticipation of a reduction in prices.

Mr. Thakur said: "If there is reduction in interest rate after RBI's announcement, you [the industry] are also giving discounts, many other initiatives taken by the central government... why are we still not seeing the same kind of demand?... is it only the global demand or is demand coming down locally? Are people looking for



Anurag Thakur

cabs or for newer BS VI vehicles and electric vehicles? Or is it cyclical?"

A member of the audience interrupted the junior Minister and said that this was due to the delayed effect of demonetisation and that people don't have money to spend.

Mr. Thakur responded saying, "Thank you... If that is the delayed effect... How do you move forward?" Speaking at the session, Union Minister Arjun Ram Meghwal said the problems faced by the auto industry were "minor" and would be quickly resolved.

'Need uniform 18% GST'

The ACMA pitched for a uniform GST rate of 18% for all auto components as well as some export incentives for the industry from the Centre. Association president Ram Venkataramani said that about 60% of auto components attract 18% duty and the remaining high-value parts are taxed at 28%.

Citing a survey, he said there were indications that in Q1 of FY20, firms with diversified portfolios, be it across vehicle segments, market segments, product groups or different geographies, have performed better than others.

## Forging industry on the brink as slowdown bites

Sees 20% job loss if demand stays poor

LALATENDU MISHRA  
MUMBAI

The slowdown gripping the auto sector has pushed foundries to the brink. Declining auto sales have resulted in a deterioration in demand for forgings, which could impact jobs unless things improve, a top industry official said.

"Currently, there is a huge inventory build-up due to poor demand, and to curb this, many forging units have been making cuts in working hours and production," S. Muralishankar, president, Association of Indian Forging Industry and Joint MD, Super Auto Forge, told *The Hindu*.

"If [this] continues, we anticipate further cut in production, leading to job loss," he added. "The Centre must take a holistic approach to



S. Muralishankar

revive the auto sector."

Trends have shown that despite the onset of the festive season, there had not been any major improvement in overall demand, he said. The forging industry is witnessing a slowdown in the range of 25-30%, he added. "The forging sector employs more than 3 lakh. If the situation does not improve, 20% of these people can lose jobs."

## Decline in cotton yarn exports worries mills

Shipments fell 35% in April-July period

SPECIAL CORRESPONDENT  
COIMBATORE

The continuing decline in cotton yarn exports from April this year has left textile mills worried. Cotton yarn exports slumped 44% in July this year, compared with the same month last year.

The downward trend continued in the first week of August as well.

According to the Cotton Textiles Export Promotion Council, between April and July, cotton yarn exports fell nearly 35%.

Exports to China, Korea and Bangladesh are down. However, competing countries are increasing their share in exports to markets such as China, South Korea, and Turkey. K.V. Srinivasan, chairman of the council, urged the government to extend 3% interest equalisa-

tion for cotton yarn. "Cotton yarn exports are at a five-year low," Sanjay Jain, chairman of Confederation of Indian Textile Industry, said.

India's share in global textile and clothing exports has also seen a downfall.

While India was the second largest exporter of textile and clothing in 2014-2017, it has come down to the fifth position now. "The space vacated by China in textile and clothing products has been largely consumed by Bangladesh, Vietnam, Pakistan and other least developed countries," he said.

While Indian yarn incurs 3.5% to 4% duty in China, the levy is nil for yarn exported to China from Vietnam, Bangladesh and Pakistan, according to Southern India Mills' Association.

## JioFiber pricing may not be a blockbuster yet'

Analysts say tariff plans may be tweaked if the roll-out is slower

PIYUSH PANDEY  
MUMBAI

The pricing of Reliance Jio's broadband services JioFiber may not be as disruptive as it was in the case of the company's mobile telephony service launched three years ago, according to analysts.

"Its target of 20 million homes in 18 months is aggressive and we expect the roll-out to be more gradual given that pricing is not as disruptive as in the case of mobile and challenges in roll-out," wrote Jefferies in its research report.

"We believe its success will depend on customer service, including support during downtime and other issues. We expect incentives in terms of content to increase from the current announced ones to achieve the target roll-out. There would also likely be tweaking of plans if the roll-out is slower," added



Not out-of-box: Jio's pricing is 12-23% lower than Airtel's but is similar to or even higher than local players. ■ REUTERS

Jefferies. On Thursday, Reliance Jio unveiled 'JioFiber' with monthly plans starting from ₹699 and going up to ₹8,499.

Doubling market

Reliance Jio is targeting 20 million homes and 16 million enterprises across 1,600 towns and aims to complete the roll-out in the next 18 months. Given the current

fixed broadband subscriber base of 18 million, it implies doubling of the market.

Compared to Bharti Airtel, Jio's pricing is 12-23% lower but is similar to or even higher than local players. "We expect maximum adoption of Bronze and Silver plans due to affordability," said Abneesh Roy, executive vice-president, Edelweiss Securities.

Home broadband market in India is under-penetrated with only 18 million connections of which 50% are those of BSNL/MTNL. Also, only 7% of the connections are on fibre.

"There is no clarity on digital TV bundling yet. Although prices are lower than Airtel Xstream box offering, we will not call it disruptive from a pricing perspective. We believe that subscriber addition will be a function of reach, customer service and quality of the product. We believe that reaching 20 million subscribers outside its existing Den and Hathway network will be a slow process," Mr. Roy added.

"We do not foresee free TV with annual plans as a big draw, and do not foresee a meaningful negative impact on pay TV operators like Airtel and exhibitors like PVR," said Goldman Sachs.

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SECOND ROUND SEMI - FINALS	CITY	LAST DATE FOR REGISTRATION	SEMI-FINAL DATE
	Delhi	8 September, 2019	16 September, 2019
	Kolkata	9 September, 2019	17 September, 2019
	Pune	12 September, 2019	20 September, 2019
	Mumbai	12 September, 2019	21 September, 2019
	Kochi	15 September, 2019	23 September, 2019
	Chennai	17 September, 2019	25 September, 2019
	Bengaluru	18 September, 2019	26 September, 2019
	Hyderabad	19 September, 2019	28 September, 2019
	Finals - Chennai		14 October, 2019

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