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MEET THE MANAGER  
Global interest rates are likely to remain stuck near their lows for the foreseeable future, says Arvind Rajan, MD, PGIM Fixed Income **p3**

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Inside

BIG STORY

Five investment themes for 2020

As we step into the New Year, there is a feeling of gloom caused by the faltering economy, political unrest and equity portfolios smeared with red. But most of the bad news seems to have been factored in and the ongoing correction presents good buying opportunities. Here are five investment themes for 2020. **p2**

STOCK CALLS

Dr Reddy's set to become healthier

Dr Reddy's Laboratories seems set for a rebound from the subdued performance it put up during the period between 2015 and 2018. Having resolved regulatory issues at most of its key facilities, the pharma major is now expected to deliver better results, helped by approvals in the US, new launches and product-level cost optimisation. **p7**

COMMODITY WISE

Farm recovery: Govt playing spoilsport

As we celebrate Kisan Diwas today, it is pleasing to see an uptick in food prices. But the Centre is pushing down the prices through strong measures that are thwarting the recovery in agriculture. **p9**

Quickly

ECONOMY

Import cover of forex reserves up

Mumbai, December 22  
The import cover of India's foreign exchange reserves increased to 10 months as at June-end 2019 from 9.6 months as at March-end 2019, per the Reserve Bank of India's Half Yearly Report on Management of Foreign Exchange Reserves. Import cover of reserves is the traditional trade-based indicator of foreign exchange reserve adequacy. It shows how long imports can be sustained in the event of a shock. **p14**

Trending

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ELECTRIC DREAMS

Nandana James finds out why Tata Motors is bullish on electric vehicle market

RED-HOT PLANS

Suresh P Iyengar looks at the ArcelorMittal-Nippon Steel combine's plans for Essar Steel



NOT BAD

Mala Bhargava says these Apple rip-offs from Realme sound good for the price

CAA, NRC have nothing to do with Indian Muslims: Modi

Prime Minister lashes out at Opposition for nationwide protests

OUR BUREAU

New Delhi, December 22

Addressing a huge BJP rally in Delhi on Sunday, Prime Minister Narendra Modi said the Opposition is indulging in misinformation and falsehood campaigns over the Citizenship (Amendment) Act (CAA). Targeting the Congress, he said the Opposition was trying to divide people after being defeated twice by the people in elections.

Opposition leaders, however, hit back saying that Modi was the one misleading the nation. West Bengal Chief Minister Mamata Banerjee tweeted that Modi had publicly contradicted what Home Minister Amit Shah had said on a nationwide National Registry of Citizens (NRC).

In his speech, Modi insisted that the CAA had nothing in it against Muslims. On the NRC, too, he said falsehood is being spread. Modi said the NRC was meant for Assam and his government had taken no decisions yet on it. He said the Congress and "Urban Naxals" propagate that Muslims will be sent to detention centres. "It's absolutely false, it's aimed at dividing the people in the country," he said.

Modi said the CAA and NRC have nothing to do with Indian Muslims. "No Indian Muslims will be sent to any detention centres," he said. The CAA is not for any new migrants, the Prime Minister insisted and said the Act was for



Prime Minister Narendra Modi addressing a rally at the Ramliila maidan in New Delhi on Sunday **APF**

minorities in Pakistan, Afghanistan and Bangladesh who face religious persecution.

He said some Dalit leaders, too, have fallen for the misinformation campaign. The country has finally implemented the commitment to the minorities in Pakistan, Afghanistan and Bangladesh. The Opposition does not want to differentiate between persecuted minorities and intruders, he said.

The Prime Minister said even Mahatma Gandhi had supported

Indian citizenship for minorities in Pakistan. He said he was doing what Manmohan Singh had demanded in the Rajya Sabha in 2003. Modi said Congress leaders such as former Assam Chief Minister Tarun Gogoi and Rajasthan Chief Minister Ashok Gehlot had also demanded considerate treatment for minorities from the neighbourhood.

Opposition responds

Responding to Prime Minister Narendra Modi's charge that the

Opposition is misleading people in CAA and NRC, the Congress said the Opposition has not brought up this issue out of a vacuum.

Congress leader and spokesman Anand Sharma told reporters that Home Minister Amit Shah's statement in the Lok Sabha and the Rajya Sabha is in the public domain. "That has to be then duly clarified. It is not the opposition that has created an environment of fear, insecurity and uncertainty in the country and it is primarily the Government that is

Disputed income-tax claims surge towards ₹10-lakh cr mark

This is an increase of ₹3.7-lakh crore since the end of FY18; frivolous demands on the rise

VIVEK ANANTH

BL Research Bureau

While the government has set aggressive targets for tax officials to shore up revenue in the remaining months of this fiscal year, cases of frivolous income tax demands continue to rise and now make up nearly 99 per cent of uncontested income-tax demands issued by the Income Tax Department.

At the same time, the value of disputed income-tax cases has also surged sharply by ₹3.73 lakh crore since the end of FY18, to reach nearly ₹10 lakh crore.

'Difficult to recover'

According to a report of the Parliamentary Standing Committee on Finance, as of

September 30, 2019, the Centre has raised demands worth ₹12,30,201 crore out of which ₹12,17,749 crore are difficult to recover.

A report from the Comptroller and Auditor General had chastised the government when the audit of the Department of Revenue found that the Income Tax Department was raising frivolous tax demands that are not recoverable. At the end of 2016-17, the Income Tax Department had raised demands worth ₹10.4 lakh crore. The CAG had said that 98.6 per cent of these income tax demands are 'difficult to recover'.

The Income Tax Department raises many demands that are

Income tax dues pending in appeals			
Financial year	Corporate Tax (₹ cr)	Income tax other than corporate tax (₹ cr)	Total income tax arrears in dispute (₹ cr)
2012-13	1,16,188	2,24,797	3,40,985
2013-14	1,50,802	2,59,721	4,10,523
2014-15	2,20,931	2,76,915	4,97,846
2015-16	2,91,910	2,85,815	5,77,725
2016-17	3,06,609	3,03,781	6,10,390
2017-18	3,99,188	2,24,351	6,23,539
As of Sept 30, 2019	5,02,158	4,94,672	9,96,829



not expected to yield any revenue. This is by its own admission to the Standing Committee on Finance. The CAG, in its 2017 report, had urged that these income-tax demands be written off as not recoverable.

The Income Tax Department on its part routinely replies to the Standing Committee on

Finance that it can't trace the assessee to whom it has issued demand notices. It has also claimed it has been restrained by authorities from pursuing these cases or that assessee has inadequate assets.

In its recommendations and observations, the committee said: "When the government is

exploring all avenues, including disinvestment, etc. to mobilise revenue, it is necessary that tax arrears, which can be legally recovered, should be given utmost priority and realised in a stipulated time-frame under a concrete action plan."

Disputed tax arrears

Another problem that has been brewing for a while now at the Income Tax Department is the large amount of disputed income tax demands that it classifies as 'arrears under dispute'. These are cases stuck in appeals at various stages till the Supreme Court.

According to Budget documents, the total income tax dues that were not recovered because they were stuck in appeals from tribunals to the Supreme Court at the end of 2017-18 stood at ₹6,23,539 crore.

These include arrears of income tax from corporate and non-corporate assesseees.

Nearly half of this amount relates to cases that have been pending for more than two years.

As of September 30, 2019, the disputed income tax dues in arrears had jumped 60 per cent in 18 months to ₹9.96 lakh crore, the Standing Committee on Finance's report shows. Cases that have been stuck in appeals for over two years rose 13.5 per cent in the last 18 months to ₹3,58,397 crore.

While the government is doing its best to reduce the fear of tax terrorism, when it comes to dealing with income tax assesseees and recovery of tax demands, the high value of disputed income tax cases shows that there is much to be done to remedy the situation.

Turbo Aviation eyeing Jet Airways

FORUM GANDHI

Mumbai, December 22

Hyderabad-based Turbo Aviation Private Ltd has thrown its hat in the ring to bid for the defunct Jet Airways in the ongoing Corporate Insolvency Resolution Process (CIRP), said three persons in the know.

Ashish Chhawchharia, the appointed resolution professional of Jet Airways, had informed the Mumbai Bench of the National Company Law Tribunal (NCLT) on December 17 that two entities had shown

interest to invest in the grounded airline.

Sources told *BusinessLine* that one of the entities was an Indian aviation-associated company backed by a UK-based fund, while the other was a West Asian fund.

Now, Turbo Aviation Private Ltd has emerged as the Indian entity partnering with the UK-based fund. Earlier this week, Turbo Aviation Pvt Ltd had firmed up an investment of about £100 million from a UK-based group. Turbo Aviation

had announced plans to launch a new low-cost airline 'TruStar' by mid-2020.

One of the persons clued into the development said: "The Indian company reached out to the RP about six days ago. The RP is yet to receive any formal request from it."

Turbo Aviation founder V Umesh was associated with no-frills airliner Trujet initially. When *BusinessLine* reached out to Umesh, he refused to comment.

**Details p11**

Maharashtra farmers seek implementation of Swaminathan panel's recommendations

RADHESHYAM JADHAV

Pune, December 22

Reeling under a loan burden, farmer Sharad Ingale, who hails from Satara district in Maharashtra, has only one expectation; he wants the government to accept the Swaminathan Committee's recommendations fully.

After unseasonal rains destroyed his potato, onion and other crops, Ingale is unsure about how his family is going to survive. He and other farmers have taken loans from banks, credit societies and

private lenders. The State government's loan waiver of up to ₹2 lakh is not going to be of much help to them.

Chief Minister Uddhav Thackeray announced the loan waiver scheme in the Assembly on Saturday — the last day of the Winter Session of the Legislature. "Crop loans outstanding till September 30, 2019 will be waived by my government. The upper ceiling for the amount is ₹2 lakh. The scheme will be called Mahatma Jyotirao Phule loan waiver scheme," Thackeray said.

Eminent agriculture scientist MS Swaminathan told *BusinessLine* in April that loan waivers reflect backward or non-viable agriculture and send the wrong signal.

"When politicians talk of loan waiver, they are accepting that agriculture is not economically viable. They are giving a wrong signal that farming is not economically viable. But how to make it economically viable is your challenge. Loan waiver is a way of helping farmers the wrong way," he added.

**Details p11**

RIL counters Centre's petition seeking to block its \$15-b Aramco deal

PRESS TRUST OF INDIA

New Delhi, December 22

Reliance Industries has countered the government petition in the Delhi High Court seeking to block its \$15-billion deal with Saudi Aramco, saying that the petition is an abuse of process as no arbitration award has fixed any final liability of dues on the company.

In a counter affidavit, Reliance said it was a "falsehood" to say that the arbitration tribunal had passed an award requiring the company and its partners to pay \$3.5 billion to the government.

It added that the petition is an abuse of process as "it portrays that a sum of money is due and payable under the final award and purports to compute the money payable on a basis neither found in the arbitration award nor disclosed in the petition."

The government, it said, has calculated on its own volition the revised figure of its share of profit from oil and gas production allegedly due, by extrapolating the purported finds.

**Details p14**

Amar Chitra Katha opens new page, on corporates

ACK Media kicks off with books on Tatas

TV JAVAN

New Delhi, December 22

Keen to learn about the glorious history of the Tatas, which spans 150 years? If you want to do that in a jiffy, you may turn to a colourful, 30-page comic book, brought out by the makers of the iconic Amar Chitra Katha.

Turning a new leaf in its 50-odd-year existence, ACK Media, known for its popular comic book brands Amar Chitra Katha and *Tinkle*, has come out with an illustrated comic book that gives a flavour of the broad history of India's most prominent corporate house.

Commissioned project

"The Tata comic book was a commissioned project for Tata Sons. They had approached us to do this as part of their 150<sup>th</sup> anniversary celebrations last year," said Kuriakose Saju Vaisian, Editorial Director



very first projects we took up was for Tata Mutual Funds, to educate readers about investments. It was designed as a conversation with Suppandi, a character in the comic *Tinkle*, and a newly-created *Professor Simply Simple*, where the professor teaches Suppandi a thing or two about investments," he said.

Government projects

ACK has also created a book on historical relations between India and Indonesia for Godrej Indonesia, apart from a series on Swachh Bharat for the Ministry of Urban Development on the history of cleanliness, hygiene and sanitation in India, from the days of the Indus Valley Civilisation till now.

Recently, ACK Media completed similar special publications for the Ministry of Ayush and the National Thermal Power Corporation.

"We are currently working on a special booklet for the Future Group about their sustainability efforts," said Vaisian.

for Digital and Brand Solutions, ACK Media.

The *Tata Story* is not available in book stalls, but readers can solicit a copy from Bombay House, headquarters of the Tata Group. However, two other titles — on Jamsetji Tata and JRD Tata, two legends who played a big role in building the Tata empire, — are available on sale.

"It may be a commissioned project. But, we still do proper research to ascertain the facts," said Vaisian, adding that ACK was open to "the idea of doing more such projects in the future with other cor-

porate houses, provided budgets permit."

He added, "We hope that such projects contribute handsomely to our bottomline in the years to come."

Started in 1967 by the legendary Anant Pai, who changed the face of children's publishing in India, Amar Chitra Katha has so far released more than 400 titles, with over 100 million copies sold in 20-plus languages.

Vaisian said that in 2014, ACK Media launched its digital and brand solutions division to explore such opportunities. "One of the