

MARKET WATCH

	05-02-2020	% CHANGE
Sensex	41,143	0.87
US Dollar	71.25	0.03
Gold	40,871	-0.95
Brent oil	55.64	1.68

NIFTY 50

	PRICE	CHANGE
Adani Ports	366.60	-5.90
Asian Paints	1873.50	-17.80
Axis Bank	724.05	9.05
Bajaj Auto	3161.50	-1.30
Bajaj Finserv	9591.40	56.50
Bajaj Finance	4528.20	8.95
Bharti Airtel	533.35	14.45
BPL	501.70	23.20
Britannia Ind	3255.95	23.45
Cipla	447.55	-0.90
Coal India	179.25	-3.25
Dr Reddys Lab	3133.35	-108.50
Eicher Motors	19487.05	-25.60
GLAXI (India)	120.95	2.05
Grasim Ind	799.90	6.20
HCL Tech	595.60	9.10
HDFC	2391.65	45.70
HDFC Bank	1244.65	14.85
Hero MotoCorp	2373.25	-88.80
Hindalco	196.30	7.05
Hind Unilever	2160.30	4.70
ICICI Bank	539.10	8.30
IndusInd Bank	1272.80	0.15
Bharti Infratel	246.05	6.00
Infosys	784.55	-3.30
IndianOilCorp	114.70	0.90
ITC	216.45	0.80
JSW Steel	269.25	10.90
Kotak Bank	1689.75	-8.55
L&T	1310.05	18.30
M&M	584.35	7.45
Maruti Suzuki	7040.90	-158.70
Nestle India Ltd.	16384.85	-70.75
NTPC	111.20	-0.80
ONGC	106.80	0.65
PowerGrid Corp	189.35	-5.00
Reliance Ind	1448.50	22.10
State Bank	311.00	4.75
Sun Pharma	426.25	0.60
Tata Motors	183.75	18.05
Tata Steel	475.05	23.15
TCS	2146.55	38.80
Tech Mahindra	814.05	2.95
Titan	1279.85	4.05
UltraTech Cement	4471.80	-2.45
UPL	537.45	14.85
Vedanta	143.10	4.55
Wipro	242.25	2.00
YES Bank	37.60	2.65
Zee Entertainment	226.65	-17.85

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on February 05

CURRENCY	TT BUY	TT SELL
US Dollar	71.01	71.33
Euro	78.27	78.62
British Pound	92.68	93.10
Japanese Yen (100)	64.72	65.01
Chinese Yuan	10.18	10.23
Swiss Franc	73.00	73.34
Singapore Dollar	51.48	51.72
Canadian Dollar	53.44	53.70
Malaysian Ringgit	17.23	17.33

Source: Indian Bank

BULLION RATES CHENNAI

February 05 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49.4	(49.7)
22 ct gold (1g)	3837	(3856)

Cooperative banks to come under Reserve Bank purview

Regulator gets powers to supersede board of any such bank in financial distress

SPECIAL CORRESPONDENT
NEW DELHI

In the wake of the recent Punjab & Maharashtra Cooperative (PMC) Bank crisis, the Union Cabinet on Wednesday approved amendments to the Banking Regulation Act to bring 1,540 cooperative banks under the Reserve Bank of India (RBI) regulation.

Cooperative banks have 8.6 lakh account holders, with a total deposit of about ₹5 lakh crore.

Union Minister Prakash Javadekar told reporters that administrative matters would continue to be under the Registrar, Cooperative. However, cooperative banks would be regulated under



In the PMC Bank case, RBI had to step in after massive irregularities were detected in its loan accounts. ■ REUTERS

the RBI's banking guidelines. Their auditing would also be done as per its norms.

Qualifications would be laid down for appointments, including that of Chief Executive Officers. Prior permission from the RBI would be

required for the appointment of key positions. The regulator would deal with issues such as loan waivers.

The RBI would also have powers to supersede the board of any cooperative bank in financial distress.

These measures would be implemented in a phased manner, said Mr. Javadekar.

The proposed amendments, along with the government's decision to increase the insurance cover on bank deposits from ₹1 lakh to ₹5 lakh, have been brought to strengthen the financial stability of cooperative banks and boost public confidence in the banking system.

In the PMC Bank case, the RBI had to step in last year after massive irregularities in its loan accounts were detected. The regulator had to place a withdrawal limit for account holders, which led to a major public strife and protests by them.

Bill to resolve disputed income tax cases introduced in LS

Vivad Se Vishwas Bill aims to settle ₹9.32 lakh crore in cases

SPECIAL CORRESPONDENT
NEW DELHI

Finance Minister Nirmala Sitharaman on Wednesday introduced a bill in the Lok Sabha to provide for a mechanism to settle disputed tax cases to the tune of ₹9.32 lakh crore.

However, Congress leader in the Lok Sabha Adhir Ranjan Chowdhury objected to the Direct Tax Vivad Se Vishwas Bill, 2020, saying it violates parliamentary tradition by using Hindi and English language.

Introducing the bill, Ms. Sitharaman said it focussed on trust building rather than being an effort towards mere tax resolution. She informed the House that it would not be an open-ended scheme



Nirmala Sitharaman

Joining the debate, his party colleague Shashi Tharoor said the bill equated an honest taxpayer with the dishonest tax payer and violated the principle of equality.

The Finance Minister, however, pointed out the contents can be debated later.

In her Budget speech announcing the Vivad se Vishwas scheme, Ms. Sitharaman had said nearly five lakh cases of tax disputes were pending in various tribunals.

Under the scheme, taxpayers whose liabilities are caught in dispute can pay their taxes by March 31, 2020 and avail themselves of a complete waiver of interest and penalty.

Govt. reviewing dividend tax rules for real estate, infra investment trusts

Industry seeks meeting with FinMin to convey impact on plans to raise \$100 bn

SPECIAL CORRESPONDENT
NEW DELHI

The government is reviewing the negative implications of the scrapping of the Dividend Distribution Tax, announced in the Union Budget 2020-21, for investors in real estate investment trusts and infrastructure investment trusts, also known as REITs and InvITs.

Dividend income was tax-free in the hands of REIT and InvIT investors so far, making it attractive for high-net-worth investors to put money in these trusts. Now, the dividend income will be rendered taxable in the hands of the investors.

"(REITs and InvITs) have



Changing gear: If there are some anomalies, the Centre will address them, says the Revenue Secretary. ■ P.V. SIVAKUMAR

been successful attempts at getting investments for real estate and other infrastructure," Finance Minister Nirmala Sitharaman said in a

meeting with the CII National Council on late Tuesday evening. "We don't intend to tax or burden InvITs," she clarified in response to con-

cerns raised by CII's taxation committee chairman Rajeev Memani.

Revenue Secretary Ajay Bhushan Pandey said the government had received some representations on the taxability of REITs and InvITs on Monday. "So we are looking at that and if there are some anomalies, we will see how to address them," he said.

Sources said senior Finance Ministry officials, including representatives from the Department of Economic Affairs, may also discuss the matter with industry executives over the Finance Minister's three-day tour of Mumbai, Chennai and Kolkata starting this Friday.

Too early to take a call on Air India: Tatas

PRESS TRUST OF INDIA
GREATER NOIDA

Tata Sons chairman N. Chandrasekaran said on Wednesday it is "too early" to take a call on Air India, in which the government has decided to sell its entire 100% stake.

"It is too early..." Mr. Chandrasekaran told PTI when asked if the Tata Group would be putting in a bid for the Air India stake purchase, at the Auto Expo here.

The comments from the Tata Sons chief come in the wake of reports appearing in a section of the media saying that the Tatas appeared to be moving closer to a decision to bid for Air India in partnership with Singapore Airlines.

Ex-Yes Bank director seeks RBI action on CEO

Alleges governance, compliance issues

SPECIAL CORRESPONDENT
MUMBAI

Uttam Prakash Agarwal, a former board member of Yes Bank, has written to Reserve Bank of India governor Shaktikanta Das alleging violation of norms by the bank's MD and CEO Ravneet Gill, demanding action.

Mr. Agarwal resigned from the board last month citing governance issues while Yes Bank said the board was scheduled to look into the 'fit and proper status' of Mr. Agarwal but he resigned before the meeting started. In his letter, Mr. Agarwal alleged breach of governance, non-compliance, undue influence and control on a majority of board members by Mr. Gill.

He said discussion on his 'fit and proper' status was not in the board meeting agenda which he received on January 9.

Board meet

The board meeting was on January 10.

"This was done intentionally and purposely to divert the attention from the regulators, stock exchanges, media and public at large from factual situation and his (Mr. Gill's) own failure on various counts, major being zero progress on capital raising created by Mr. Gill in the name of [Reserve Bank] for which I am initiating separate legal proceeding against him," the letter added.

'Wipro's next CEO must fit in with Rishad, company culture'

'Neemuchwala made wise calls, but a lot more is to be done'

MINI TEJASWI
BENGALURU

It is 'extremely critical' for tech firm Wipro to go for a strong leader who can gel well with company chairman Rishad Premji. And, the person will also have to fit in with its 'strong' culture, said industry watchers.

Peter Bendor-Samuel, founder and CEO of U.S.-based research and consulting firm, Everest Group, said the challenge for the junior Mr. Premji is to find a strong operator who would work well with him and fit into Wipro's working culture.

"This person, more importantly, should be able to drive growth as well by building further on the strong operations that Abid has put in place," said Mr. Bendor-Samuel. Wipro's outgoing CEO Abidali Nee-



Rishad Premji

the first Indian IT companies to talk about 'digital' and pivot its business towards it. Mr. Neemuchwala is seen as having laid the foundation for the company's digital business, according to analysts.

"However, [Wipro] was slow in making necessary investments and has lagged peers who are witnessing double-digit growth in their digital businesses. Slowing growth and declining margins mean less money to invest, which means lesser innovation, and that is a vicious cycle eating away at Wipro," said Ms. Iyengar.

Wipro has pockets of effective delivery, in areas such as energy, manufacturing and BPO, but needed to work harder on where it really wanted to excel, said Phil Fersht, chief tech analyst and CEO, HFS Research.

Services index hits 7-year high in Jan.

PRESS TRUST OF INDIA
NEW DELHI

India's services sector activity surged to a seven-year high in January driven by sharp increase in new business orders, leading to job creation and business optimism amid favourable market conditions, a monthly survey said on Wednesday.

The IHS Markit India Services Business Activity Index rose from 53.3 in December to 55.5 in January, signalling the strongest upturn in output in seven years.

New work intake also expanded to the greatest extent in seven years. Fresh business orders were mainly generated domestically, as exports decreased at the start of the year.

A number of panellists mentioned weaker demand from China, Europe and the U.S.

Budget disappoints global financial majors

Growth may stay muted on lack of major stimulus; progress on privatisation, key

ASHISH RUKHAIYAR
MUMBAI

The Union Budget presented last week has received a rather subdued response from global financial majors who feel that the it did not offer any major stimulus, as a result of which economic growth may remain muted longer than expected.

They also feel that execution would be the key challenge as the government has unveiled an ambitious privatisation plan, which faces many headwinds.

Bank of America Merrill Lynch (BoFAML) said the markets will shift focus to earnings, among other things, as the Budget did not offer any major stimulus.

"We think the markets' disappointment with the Budget will last a short



Rural let-down: Budget provided no stimulus to revive rural consumption, says Credit Suisse. ■ PTI

while, post which MSCI India should continue to move with EM [emerging markets]," stated a report by BoFAML, while highlighting the fact that the relatively modest cut in tax collections implied that the stimulatory

impact of the measure on consumption or demand is likely to be small.

Credit Suisse's view is that "growth may remain subdued for longer than market expectation, and that lower interest rates remain a ne-

cessary condition for growth revival." It added the Budget had provided no stimulus to revive rural consumption – a key factor for the fast moving consumer goods (FMCG) sector – as the total budgeted rural expenditure is largely flat year-on-year.

Goldman Sachs said execution would be key for the government due to an 'ambitious privatisation plan.'

"The execution of privatisation plans was weak in FY20, and has historically been the case... The intent on privatisation is clear, and we think the plan to sell a part of its holding in Life Insurance Corporation (LIC) is a welcome move – what markets are looking for is greater progress in implementation," stated the report by Goldman Sachs.





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