MARKET WATCH

	09-10-2017	% CHANGE
Sensex	31,847	0.10
US Dollar	65.36	0.03
Gold	30,620	0.23
Brent oil	55.46	0.03

NIFTY 50

	PRICE	CHANGE
Adani Ports	393.70	4.45
Ambuja Cements	280.25	1.50
Asian Paints	1158.60	1.30
Aurobindo Pharma	729.10	-16.90
Axis Bank	505.95	2.60
Bajaj Auto	3125.45	-16.10
Bajaj Finance	1941.30	17.70
Bharti Airtel	378.95	-3.35
Bosch	21276.60	203.00
BPCL	481.25	-8.35
Cipla	585.55	0.15
Coal India	281.35	4.65
Dr Reddys Lab	2408.95	33.10
Eicher Motors	31874.15	333.00
GAIL (India)	446.05	-6.65
HCL Tech	902.80	-5.10
HDFC	1749.70	9.70
HDFC Bank	1795.50	-4.60
Hero MotoCorp	3676.40	-27.55
Hindalco	249.50	-1.40
HPCL	440.00	-5.45
Hind Unilever	1220.25	12.95
Indiabulls HFL	1272.25	4.05
ICICI Bank	271.75	-0.20
IndusInd Bank	1699.50	17.00
Bharti Infratel	398.50	-1.45
Infosys	923.90	3.75
Indian OilCorp	414.15	-1.30
ITC	268.00	1.85
Kotak Bank	1049.95	10.45
L&T	1140.95	-0.85
Lupin	1039.95	1.05
M&M	1304.85	1.85
Maurti Suzuki	7896.70	-6.50
NTPC	174.90	-1.15
ONGC	170.70	-3.15
PowerGrid Corp	200.95	-3.80
Reliance Ind	830.65	-6.40
State Bank	256.85	0.10
Sun Pharma	531.40	1.20
Tata Motors	425.60	0.75
Tata Steel	697.25	5.80
TCS	2454.10	7.45
Tech Mahindra	463.30	6.45
UltraTech Cement	3957.35	26.45
UPL	792.85	-0.55
Vedanta	324.00	-3.15
Wipro	286.80	0.20
YES Bank	370.90	5.10
Zee Entertainment	525.75	4.10

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on October 09

CURRENCY	TT BUY	TT SELL
US Dollar	65.15	65.47
Euro	76.52	76.90
British Pound	85.83	86.25
Japanese Yen (100)	57.81	58.10
Chinese Yuan	9.84	9.89
Swiss Franc	66.57	66.90
Singapore Dollar	47.79	48.03
Canadian Dollar	51.95	52.21
Malaysian Ringitt	15.39	15.48

Source:Indian Bank

BULLION RATES CHENNAI

October 09 rates in rupees with previous rates in parentheses

Retail Silver (1g)	42.70	(42.50)
22 ct gold (1 g)	2,830	(2,821)

'Auto sector is over the bump'

Headwinds from demonetisation, GST and emission norms behind us, says SIAM

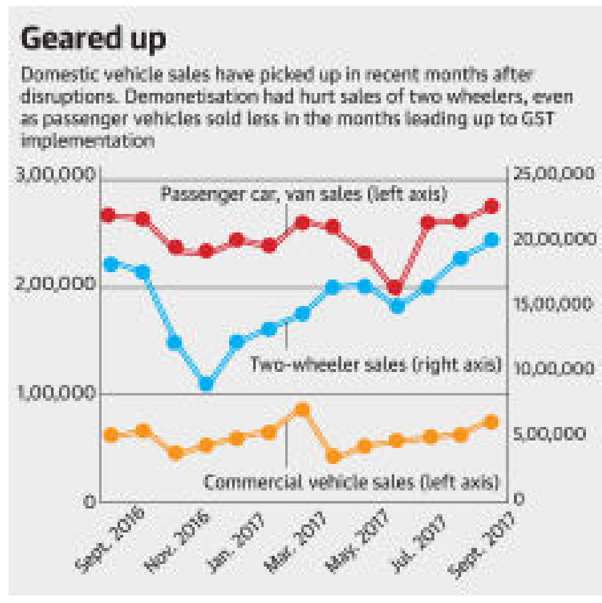
SPECIAL CORRESPONDENT
NEW DELHI

The automobile industry is on the 'mend' after multiple disruptions faced by the business following demonetisation, ban on sale of BSIII vehicles and implementation of GST, Society of Indian Automobile Manufacturers (SIAM) said on Monday.

"Automobile industry is seeing improvement in all segments as compared to last year," said SIAM president Abhay Firodia while pointing out that the industry had, in recent times, faced three major difficulties – demonetisation which changed the "cycle of financing," transition from BS-III to BS-IV emission norms and uncertainty due to GST implementation.

"Now, it is on the mending path. We hope that this momentum will be maintained," he said.

As per the data released by the industry body, sales of passenger vehicles – including those of cars, vans and utility vehicles – rose 11.3% to more than 3.09 lakh units in September 2017 compared with the year-earlier period.While car sales rose 6.86%, utility vehicles increased by more than 26% and sales of vans grew 3.72%.



Source: CMIE

Sales of commercial vehicles, which are seen as an indicator of economic growth, rose 25.3% to 77,195 units last month from 61,621 units in September 2016. "This was the highest growth rate achieved since November 2011 when CV (commercial vehicles) sales had grown by 34.17%," SIAM deputy director general Sugato Sen said.

The uptrend in commercial vehicles is mainly due to restrictions in overloading leading to demand for higher tonnage and BS IV-compliant vehicles, said Sridhar V, partner, Grant Thornton India LLP.

Two-wheeler sales rose 9.05% last month. While motorcycle sales increased by 6.98% to more than 12.69 lakh units, scooter sales rose 13.2% to more than 6.86 lakh units. "Pick up in motorcycle sales is an indication of rebound in the rural market on the back of good monsoon," Mr. Sen said.

Replying to a question on government policy, Mr. Firodia said, "There are no policy flip flops by the government. But the interpretation made legally by courts and the ban imposed in Delhi [on certain diesel vehicles] and SC [Supreme Court] decision [on BSIII vehicle sales] created a discontinuity."

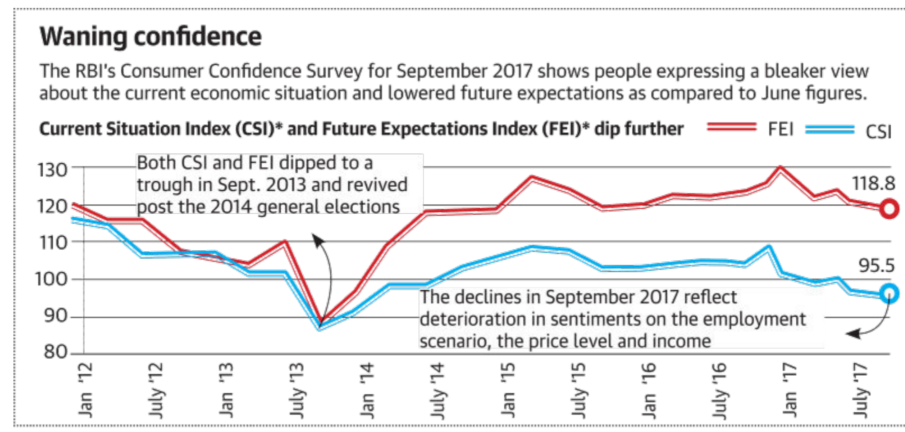
He, however, added that there was a need to resolve "ticklish" issues of higher rates on certain categories of vehicles. "So far as taxation rate etc. are concerned, they are part of a learning curve that the nation is going through...while the industry has welcomed GST, there could be issues relating to rates and taxes," he said. "This is a matter to be resolved in dialogue with the government and that dialogue is going on," he added.

Electric vehicles

On electric vehicles, Mr. Firodia said SIAM would be presenting a white paper to the government, listing its views, which would be the basis for the dialogue between all stakeholders, including government, industry and academia.

Asked about SIAM's stand on hybrid vehicles which attract GST of 28% along with 15% cess, Mr. Firodia said, "the government has considered an incentive at a reduced level for hybrids. There is higher incentive for electric vehicles. It indicates government's approach where they see hybrids at best as a passing phase."

Some auto firms have sought better incentives for hybrids. Mr. Firodia said hybrid technology is not a necessary step for electric mobility adding as battery costs decline, electric mobility would automatically replace fossil fuel-powered vehicles.



• *CSI and FEI are based on responses on the economic situation, income, spending, employment etc.,

'Embedded taxes' on exports troubling apparel sector

Duty structure remains inverted with fabric at 5% GST: AEPC

SPECIAL CORRESPONDENT
NEW DELHI

The Apparel Export Promotion Council (AEPC), the apex body for apparel exporters in India, has raised with the government the issue of embedded taxes on exports.

In a statement, the AEPC said the measures taken by the GST Council on October 6 will give immediate relief to the apparel exports sector which has been facing stress.

'GST measures will help'

These measures include reduction in the rate of GST on man-made items including synthetic filament yarn such as nylon, polyester and acrylic, and artificial filament yarn, yarn of man made staple fibres, real zari from 18% to 12%. The GST Council also made a provision for refund of GST for the month of July by October 10 and for August by October 18 which will ease the working capital stress. A facility of e-wallet has also been introduced for addressing the refund issue.

"However, since the duty structure remains inverted with fabric at 5% GST, we are hopeful that the embedded taxes arising out of this inverted structure will be refunded to exporters through appropriate mechanisms," it said.

The AEPC said the key issue of embedded taxes needed to be taken up by the Centre to address the genuine concerns of the exporters and export sentiments. Invisible taxes needed to be considered for refund under drawback and Remission of State Levies (RoSL) schemes, so that the calibrated refund provided is representative of the tax incidences incurred by the industry, it said.

In its representation to the Ministries concerned, the AEPC said in the absence of encouraging duty drawback and RoSL, exports from the sector will further witness a sharp decline just ahead of the peak festival season.

"[The] appreciating rupee and... new levies like GST on intra-company stock transfers, job work, freight and samples imposed in the GST regime have led to cost escalation for exporters further narrowing their low margins in competitive global markets," the AEPC said.

ILO defends report on 'modern slavery'

Reacts to India's questioning the credibility of its estimates

SOMESH JHA
NEW DELHI

The International Labour Organisation (ILO) has defended its recent report on "modern slavery" after the Union government questioned the authenticity of its estimates last week.

The ILO, which produced the report titled 'Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2017' along with Australia-based Walk Free Foundation (WFF), said that it doesn't focus on specific countries but provides a global picture.

"The estimates in the report do not focus on any one country but instead provide global and regional pictures of the situation," an ILO spokesperson said in an e-mail to *The Hindu*.

Although country-wise figures were not mentioned in the 2017 ILO-WFF report, the study showed that 40.3 million people were victims of 'modern slavery' in 2016.


REUTERS

"The ILO does not recommend using these estimates to generate national statistics; however the ILO encourages member-states to implement their own national surveys for which the ILO can provide tested tools and technical support upon request," the ILO said.

Union Labour and Employment Secretary M. Sathiyavathy had written a letter to ILO Director General Guy Ryder on October 4 saying "neither the Central government was consulted before the study nor its credibility has been established."

"We would like to know the basis on which the data has been verified for credibility when apparently it has been neither verified with any official data source, including that of ILO nor any national governments have been consulted regarding the survey methodology," the letter said.

IB missive

The Labour and Employment Ministry's rebuttal came following a missive from the Intelligence Bureau (IB) asking the government to counter multiple international organisations on reports about slavery in India that can hurt India's image and exports.

The Centre is exploring a rebuttal at an international level through consultations with the Ministry of External Affairs and other departments. The Labour and Employment Ministry is also planning to conduct its own surveys on bonded labour in a bid to counter various estimates by private agencies.

Will consult States on bringing petro products into GST: PM

Modi's statement follows feedback from industry leaders

SPECIAL CORRESPONDENT
NEW DELHI

The government would consult States on bringing petroleum products into the ambit of the Goods and Services Tax (GST), Prime Minister Narendra Modi said on Monday.

Mr. Modi was reacting to suggestions from industry leaders to bring petroleum products, that now face high Central and State levies, into the GST net, at an official meeting with head honchos of the oil and gas industry.

The Centre currently levies an excise duty of ₹19.48 per litre on petrol and states levy VAT ranging between 6% and 48%. Petroleum Minister Dharmendra Pradhan has repeatedly urged the GST Council to bring petrol and diesel under GST.

At the moment, petrol, diesel, natural gas, and alcohol are outside GST.


Narendra Modi

The PM stressed the need to develop energy infrastructure in eastern India, and urged the private sector to participate in coal gasification and biomass energy through joint ventures.

'Saudi vision lauded'

"The PM thanked the Russian President Vladimir Putin and Rosneft..., for their support to India's energy sector, and also appreciated the 2030 vision document of the Kingdom of Saudi Arabia," said a statement from the PM's Office.

"Warmly recalling his visit to Saudi Arabia, Mr. Modi said many progressive decisions are being taken there in the energy sector. He looked forward to various opportunities for cooperation between India and Saudi Arabia in the near future," it said.

"The PM said that as India moves towards a cleaner and more fuel-efficient economy, he wants its benefits to expand to all sections of the society, and, in particular, to the poorest."

Apart from Mr. Pradhan, NITI Aayog vice chairman Rajiv Kumar, executives from global oil majors Rosneft, BP, Saudi Aramco, Exxon Mobil and Royal Dutch Shell attended the meeting, as did RIL chairman Mukesh Ambani and public sector oil majors.

NITI Aayog CEO Amitabh Kant said that India's oil demand was expected to rise to 7.5 million barrels per day by 2030 from 4.5 million bpd in 2016, raising its share in global demand from 4.65% to 6.8%. India's gas consumption is expected to rise from 51.2 billion cubic metres in FY15 to 100-110 bcm by FY30.

'No deadline extension for July GSTR-1'

SPECIAL CORRESPONDENT
NEW DELHI

The Centre on Monday said that there would be no further extension of the deadline for the filing of GSTR-1 for July from the current date of October 10.

"An extension of two months has already been given," the Finance Ministry said in a statement. "There will be no further extension given to taxpayers for filing their GSTR-1 return for July. Taxpayers who have not yet filed their GSTR-1 for July are advised to do so immediately."

Once a taxpayer files GSTR-1 by October 10, the corresponding entries in GSTR-2A of his buyer shall get auto populated," the statement added. "The buyer shall finalise his GSTR-2 after making modifications (additions, corrections or deletions), if required, in GSTR-2A."

The Centre said that if a taxpayer did not file the GSTR-1 by October 10, then their buyer may not be able to avail input tax credits for tax paid on supplies.

'Tough call on Tata Tele this fiscal'

PRESS TRUST OF INDIA
NEW DELHI

Tata Sons chairman N. Chandrasekaran said that the group's mobile business Tata Teleservices is in a "really bad shape", weighed down by huge debt and monthly cash losses. He emphasised that he would take a "call" about the business this financial year.

Mr. Chandrasekaran told CNBC TV18 that a turnaround of Tata Tele was an extremely difficult task and that he is committed to finding a solution "one way or the other" very quickly.

Shivakumar quits Pepsi for Aditya Birla

To oversee diversified group's strategy

K.T. JAGANNATHAN
CHENNAI

D. Shivakumar has quit as the chairman of PepsiCo India after serving at the multinational for four years.

Mr. Shivakumar told *The Hindu* he would be joining the Aditya Birla Group where he would be the group corporate president for strategy and business development.

Prior to joining PepsiCo India, he was the managing director at Nokia India. He also had useful stints at Hindustan Unilever and Philips Consumer Electronics.

Testing times

His exit from PepsiCo comes at a time when the cola industry is going through testing times on very many fronts. At PepsiCo, he was largely responsible for solidifying the "Power of One" strategy. A top PepsiCo official, who had worked closely with Mr. Shivakumar, said he would be hard to replace. The official, who did not wish to be named added, "He will be joining a $45 billion dollar group and it is good for him." In his new role, Mr. Shivakumar would be reporting to Mr.


At PepsiCo, Shivakumar helped the firm develop its nutrition business.

Kumar Mangalam Birla, chairman of the Aditya Birla Group, which has interests spanning from textiles to metals. At PepsiCo, Mr. Shivkumar played a key role in portfolio transformation and helped the company develop the nutrition business. "He was responsible for launching winning innovations with our Quaker and Tropicana brands," said a company release.

Ahmed El Sheikh, senior VP and general manager for PepsiCo Egypt and Jordan, would be the new CEO of PepsiCo India and assume the new role on November 1. Mr. Shivakumar would leave PepsiCo on December 31.