THE HINDU CHENNAR TUESDAY, AUGUST 8, 2017

BUSINESS

MARKET WATCH

Adani Ports

Asian Paints Aurobindo Pharma

Axis Bank

Bajaj Auto

Bharti Airte

Bosch

BPCL.

Cipla

Coal India

Dr Reddys Lab

Eicher Motors

GAIL (India)

HCL Tech

HDFC Bank

Hindalco

Hero MotoCor

Hind Unileve

Indiabulls HF

IndusInd Ban

Bharti Infratel

Indian OilCorp

Kotak Bank

Maurti Suzuki

PowerGrid Corp

Reliance Ind

State Bank

Sun Pharma

Tata Motors

Tata Power

Tata Steel

Vedanta

CURRENCY

US Dollar

British Pound

Chinese Yuan

Singapore Dollar

Canadian Dollar

Source:Indian Bank

Malaysian Ringitt

Swiss Franc

Euro.

Wipro YES Bank

Tech Mahindra

UltraTech Cement

Zee Entertainment.

EXCHANGE RATES

Japanese Yen (100).... 57.38.

BULLION RATES CHENNAL

ous rates in parentheses

Retail Silver (1g)

22 ct gold (1 g)

August 07 rates in rupees with previ-

Indicative direct rates in rupees a unit except yen at 4 p.m. on August 07

TCS.

Tata Motors DVR

ICICI Bank.

Infosys

ITC.

L&T

Lupin

M&M

NTPC.

ONGC

HDFC.

Bank of Baroda

Ambuja Cements

	07-08-2017	% CHANGE
Sensex	32,274	-0.16
JS Dollar	63.80	-0.35
Brent oil	51.66	-1.43

PRICE CHANGE 4.00

7.60

2.05

-7.65

-0.85

-2.30

14.60

1.10

-3.45

9.80

-2.20

2.30

-32.60

332.60

. 3.85

-4.65

-5.95

. -1.70

-3.85

2.40

-5.80

-13.70

. 3.90

-14.20

-8.70

-15.50

12.25

.-0.90

1.70

4.10

. -7.75

-17.30

68.35

. -2.90

-0.50

1.35

-5.80

5.95

-0.85 -5.60

-4.65

-0.25

24.20

-19.35

-2.65

-31.40

. -1.15

-1.65

. -8.10 . -1.20

...63.92

.75.41

83.40

...9.51

.65.71 46.90

. 50.40

39.90....(39.81)

2.711 (2.712)

-206.35

1817.35

414.25

279.50

1149.65

724.45

505.80

2889.25

160.05

417.45

24353.85

527.70

251.50

.2206.95

31969.85

381.60

886.00

1725.40

1788.55

3952.70

227.65

1186.30

1199.50

300.15

1650.50

397.85

968.25

431.20

279.85

997.90

1179.95

985.05

1400.75

7838.65

174.45

165.90

225.95

1616.35

311.20

505.55

430.00

250.35

80.00

600.05

2503.45

406.35

4049.95

287.70

287.75

1799.85

... 540.65...

TT BUY TT SELL

63.60

75.01

82.98

9.46

65.38

46.64

50.14

14.84

566.50

INTERVIEW | ARVIND PANAGARIYA 'I feel very satisfied with what we have been able to do'

"The function that this institution has to do in terms of planting ideas, we are definitely doing that," says the first Vice-Chairman of NITI Aayog

YUTHIKA BHARGAVA VIKAS DHOOT

The government should have moved faster on resolving the banking system's non-performing assets crisis, though it is finally beginning to tackle them effectively, believes Arvind Panagariya, the first Vice Chairman of NITI Aayog which replaced the Planning Commission. Returning to academics at the Columbia University, Mr. Panagariya said he was satisfied with his stint in the government. Excerpts from an interview with The Hindu:

have not reproduced the

Planning Commission. This

is a different institution; it

does very different things

from the Commission and

continued to evolve with the

times I am sure this institu-

tion will also evolve and will

look a little different 5-10

about is that gradually, in

terms of ideas, we are going

beyond what the govern-

ment may be doing. In our

three-year action agenda, we

have ideas which may not

have immediate acceptance

in the government. The func-

tion that this institution has

What I feel very good

Just as the Commission

does them differently.

vears later.

You were entrusted with building an institution from scratch. Are vou leaving at a stage where you would have wanted it to be?

Most definitely. This (government) was not a job that I had ever done in my life and this was not an established institution, so there were fears. But you take the plunge. When the Prime Minister asks you to come, do something, it is a huge honour. I feel very satisfied with what we have been able to do in the past over 2.5 years in virtually all directions. We have built the institution from scratch and we to do in terms of planting ideas, we are definitely doing that. What we do is look for ideas which have some receptivity and have the possibility of becoming more acceptable.

You released the threeyear action plan. Can we expect the final document after consensus-building with States?

That is too long a process... forging absolute consensus across various governments. If it takes too long, the docu ment would get diluted. We have presented the draft to the governing council. The ministries have also seen it. I wrote to all CMs seeking comments and several did. We have taken on board several suggestions and will soon be publishing the final document. I want to see it out before I leave.

The other documents (a 7year agenda and 15-year vision document) require more



In the government, I was an optimist, but that has not clouded my judgment

work. I am not at a stage where I could have finished it before I go. Possibly, I could have produced the first draft but that does not help as my successor has to own that

document. It is the wrong sort of a thing to put out the



draft before the next VC comes in. The new VC ought to shape it the way he wishes.

How do you view the overall state of the economy?

■ I think we are continuing By all accounts, it seems to do reasonably well. I don't things are going pretty smoothly. I don't think this is know where the critics come going to impact the GDP from, but if you look at the

three years' average, growth growth rate in any major is 7.5%. I keep getting trolled way. I have been saying that about how I am wrong. But if by Q4 or so we should be you look at 2015-16, there looking at getting back to 8% was a time I was saying by growth in a more sustained Q4, we will be touching 8% kind of way. and we actually ended at 8.7% and at 8% for the entire

Likewise, for 2016-17,

people have been saving

an optimist, but my optim-

ism has not clouded my judg-

ment. I certainly feel fully

• We have to wait and see.

Do you see any impact of

GST implementation?

vindicated.

year.

Could we have been bolder on banking reforms such as reducing government stake in PSU banks?

You have to fix the health of the banks a bit before you go to that next stage of reforms. As soon as I arrived. I was arguing that we need to clean up the NPAs. I think, finally, we are seriously tackling the NPAs. In this area also, there was scepticism, and I hope that it is dving down because the procedure is actually working.

We could have done things faster ...?

I don't know if we could, but we should have tried to move faster.

LIC asked to reduce stake in L&T, ITC

Firms considered as non-strategic investments for State-run insurer: IRDAI

SPECIAL CORRESPONDENT

MUMBAI The Insurance Regulatory and Development Authority of India (IRDAI) said on Monday that Life Insurance Corporation (LIC) of India had been asked to bring down its stake in heavy engineering major L&T and FMCG firm ITC to 15% by December 2018.

However, if the insurance company required more time, the regulator would consider, IRDAI Member Nilesh Sathe said on the sidelines of an insurance seminar organised by industry lobby group, CII. The State-run insurer



LIC holds 16.29% stake in ITC and 17.97% in L&T.

holds 16.29% stake in ITC and 17.97% in L&T. "Since LIC was buying out

SUUTI disinvestment in these two scrips and the government would have got the

ernment is inequitable so any rationalisation on this

front will bring relief to the

said

"In the overall scheme of

NELP, treating government's

share in profit petroleum as

a cost and levying GST ap-

pears odd," the official said.

At the same time, the gov-

ernment is likely to clarify

that 'cost petroleum' which is the value of petro-

leum that a contractor can

take in order to recover all

contract costs for explora-

tion and royalty incurred

during a year – could be

"Cost petroleum is not a

Terming the proposed

change in GST applicability

on profit petroleum share as

a strong signal for explora-

tion and production players

that it is serious about scal-

ing up exploration business,

Mr. De said the stance taken

for existing NELP on the is-

Mr.

money, we have allowed LIC to reduce its stake in L&T and ITC to 15% by December 2018 and [also] these two are considered as non-strategic investments for LIC," Mr. Sathe said.

Strategic investment

LIC can continue its strategic investment in other companies beyond 15% like in Corporation Bank and LIC Housing Finance, he said.

LIC is the largest domestic financial institution in the equity market with large exposures across sectors. It holds significant stake in companies such as LIC Housing Finance (40.31%) and

Tata Steel swings to profit in Q1

REUTERS

new firms

TCM (23.72%). It is also among the largest shareholders in the banking segment with large holdings in Bank of India, Allahabad Bank, Central Bank of India, Axis Bank, IDBI Bank, Canara Bank, Punjab National Bank and Dena Bank among others. Mr. Sathe said IRDAI did not want any market disruption due to LIC selling stake in order to meet the norms.

Number of income tax returns filed goes up 24.7%

Centre attributes better compliance to demonetisation

SPECIAL CORRESPONDENT NEW DELHI

The number of income tax returns filed this financial year up to August 5 increased by almost 25% and the advance tax collections during that period has risen 41.8% over the year-earlier period, according to the

"As a result of demonetisation and 'Operation Clean Money,' there is a substantial increase in the number of Income Tax Returns (ITRs) filed," the Centre said in a statement.

sal year 2016-2017, registering an increase of 24.7% compared to growth rate of 9.9% in the previous year."

Advance tax

FY 2016-2017."

"Advance tax collections of personal income tax (i.e. other than corporate tax) as on August 5, 2017 showed a growth of about 41.79% over the corresponding period in FY 2016-2017," the statement said. "Personal income tax under self assessment tax (SAT) grew at 34.25% over the corresponding period in

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⁺ Profit petroleum may be exempt from levy of GST

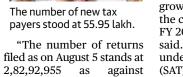
GST Council may take up issue in its September meeting

VIKAS DHOOT NEW DELH



Hence, IRDAI could consider it if LIC requested more time. He said the regulator's board meeting, due on August 28, will discuss issues such as broking regulation

and regulatory approval for



2,26,97,843 filed during the

corresponding period of fic-

THE HINDU GROUP THE CONVENIENCE

The oil and gas exploration and production business is likely to get a boost following a proposal to exempt the profit petroleum paid to the Centre from the Goods and Services Tax (GST).

The production sharing contracts (PSCs) signed for exploration and development of oil fields require operators to pay a pre-determined share of the surplus petroleum output to the Centre as a form of rovalty. Currently, such profit petroleum is subject to GST as it has been construed as a payment made by firms for a service.

Though profit petroleum is legally taxable, the levy of GST doesn't appear to be in sync with the PSCs signed under the New Exploration Licensing Policy or NELP, said officials aware of the development, adding that the proposal to rectify this is likely to be taken up by the GST Council at its next meeting in September.

'Implicit cost'

"The PSC allows contractors to recover all expenses incurred in exploration, development, production and this includes costs of all inputs and indirect taxes paid thereon (except corporate income tax). If profit petroleum is a consideration paid to the government for the right to explore, it is also an implicit cost," said an official, who spoke on the condition of anonymity.

However, operators are not allowed to recover the profit petroleum paid to the government as a cost under the PSC. Moreover, if GST is to be levied on the government's share of profit petroleum, disputes could arise on whether the contractor can pay the GST out of his own profit petroleum.

Industry bodies such as CII had made several representations on the issue to the Centre, contending that paying a share in profit petro-

CM YK



Legal tangles: Officials concede that the GST levy has the potential to lead to litigations and disputes. • REUTERS

sector,"

taxable.

clear.

Ravichandran.

leum to the government is a profit-sharing arrangement rather than a payment for a service. While officials disputed this interpretation and said that the relationship between the government and contractors is of an assignor and assignee, they concede that the GST levy has the potential to lead to litigations and disputes.

"Profit petroleum in this context is the government's share from exploration and production activity, so the question whether the explorer should be liable to pay tax on it or not has been deliberated for long," said Anish De, partner and head (in-

frastructure) at KPMG India. consideration for a service to "This is not good for reduthe government and thus not cing India's dependence on taxable per se. However, it is imported oil and gas. So, in a valid measure of mining order to quell the concerns service provided by an operof this strategically importator, which is taxable ... espeant sector, we have mooted cially where details of cash that the GST Council conbills raised by the operator are not available with ausider exempting government's share of profit petrothorities," said an official, leum from the tax," the adding that a clarification official said. may be issued to make this

"Profit petroleum is a bidding parameter for players under the NELP regime and they are required to share varying amounts of the surplus oil drilled beyond a particular threshold with the government," said K. Ravichandran, senior vicepresident at ratings agency ĪCRA.

sue will also extend to the "To be required to pay new HELP regime where a GST on what in itself is a revenue-sharing arrangephysical levy paid to the govment is proposed.

this year after a loss a year ago, helped by the ramp up of its Kalinganagar plant in Odisha.

Tata Steel Ltd. returned to profit in the first quarter of

Revenue in the quarter jumped 19% aided by increased capacity in India and Tata's restructuring efforts in Europe, Koushik Chatterjee, group executive director (Finance and Corporate), said.

The steelmaker's net profit came in at ₹921 crore in the quarter ended June 30, compared to a loss of ₹3,183 crore a year earlier.

In the quarter ended June last year, Tata Steel registered a loss of ₹3,296 crore related to the sale of its long products business in Britain to Greybull Capital LLP in May 2016.

The company said total steel deliveries in the first quarter had risen about 9%, with domestic deliveries accounting for 47% of the total.

Bank of Maharashtra cuts rates

SPECIAL CORRESPONDENT MUMBAI

Bank of Maharashtra (BoM) has reduced its benchmark lending rate - known as marginal cost of funds based lending rate - by 5-15 basis points (bps) across loan tenures. It is the first public sector bank to reduce lending rates following the 25 bps repo rate cut by Reserve Bank of India (RBI) last week.

SCAN OR CODI

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Following the rate cut, which came into effect from Monday, the one year MCLR - to which most loans are linked - came down by 5 bps to 8.7%. "In the light of the upcoming festive season, Bank of Maharashtra is glad to pass on the policy benefits to its customers," the lender said in a statement.

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