

CHANAKYA

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Sensex on a tear, vaults to 38,000 mark

The key equity index BSE Sensex on Thursday touched the 38,000 mark for the first time ever. The broader index Nifty too ended at a fresh lifetime high on fenetic buying on improved investor sentiment.

Ever since February, when the indices saw a correction, of about 10 per cent, the stock market has been on a consistent uptrend even amidst trade tensions between the US and China.

Bank stocks top

On Thursday, ICICI Bank was the top gainer in the Sensex pack, surging 4.64 per cent, followed by Axis Bank at 3.86 per cent and SBI 2.53 per cent. The 30-share Sensex rose 136 points, or 0.36 per cent, to close at 38,024.

Surging Sensex

The Sensex took just 11 sessions to race to 38,000 from the 37,000 level reached on July 26. The Nifty index rose 20.70 points or 0.18 per cent



to close at 11,470.

Brokers say investor sentiment lifted on news of foreign and domestic fund flows amid strong corporate earnings.

"Green shoots in earnings and growth prospects of the domestic economy overrode global headwinds caused by

trade tensions," said Vinod Nair, Head of Research, Geojit Financial Services.

"On the other hand, oil price hovering near the recent low and increasing exposure of foreign funds in domestic equity, bodes well for the market direction. Investors are also focussed on tomorrow's IIP data, with a positive consensus of 5.6 per cent growth," he added.

Buying spree

On a net basis, foreign portfolio investors bought shares worth Rs. 568.63 crore and domestic institutional investors (DIIs) bought equities to the tune of Rs. 30.25 crore on Wednesday.

"Immediate support for the Nifty is seen at 11350 while Resistance is placed around 10600 levels," said VK Sharma, Head Private Client Group & Capital Market Strategy at HDFC Securities. "We expect mid-caps and small-caps to do well during the fag end of the earnings season," he added.

Centre to crack down on delays in crop insurance claim payouts

To fix accountability, the government now proposes to slap 12 per cent interest on delayed crop insurance claim payouts under the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Aware that there are challenges when implementing such schemes on a mammoth scale while maintaining transparency, Agriculture Minister, Radha Mohan Singh, told BusinessLine that "we want to ensure that the affected farmers are compensated in time."

For the purpose, he said, "We are considering a proposal to levy 12 per cent interest on claim payments that are not



settled within two months. Whoever is responsible for the delay — be it the crop insurance firm or the State government — may have to bear this interest," Singh said. He, however, did not elaborate when the measure would roll out formally.

The PMFBY guidelines stipulate the settlement of

claims within two months of harvest and within 21 days of receipt of yield data by the companies from the State governments.

According to Singh, there have been many teething issues relating to PMFBY implementation for all stakeholders, particularly for State governments, as the scheme was launched just two years ago.

Acknowledging that there has been a drop (14 per cent) in the area covered under PMFBY in 2017-18, he said: "This was mainly due to our attempts to bring in some transparency in the scheme by adopting technology. In the early days of PMFBY, as the scheme was heavily subsidised, the area covered in many places was more than what should actually be covered."

According to government data, the percentage of total cropped area covered was 29 per cent in 2016-17, it came down to 25 per cent in 2017-18. "Say, for instance, a village had 200 hectares under notified crops, and thus was eligible for insurance cover, the area covered used to be more than 200 hectares. But, the increasing adoption of technology is making such frauds difficult," said Singh.

While only 10 lakh non-loanee farmers enrolled for PMFBY during the last kharif season, the number has gone up seven times to 70 lakh farmers, according to the latest estimates, the Minister said.

Walmart may approach I-T Department to determine tax liability in Flipkart deal

Walmart is likely to approach the Income Tax Department to finalise the tax liability on its deal with Flipkart.

The total tax liability is expected to be up to \$1.5 billion (about Rs. 10,200 crore).

The deal, which got the Competition Commission of India's (CCI) approval on Wednesday, is expected to close within the next 7-10 days. It involves total cash outgo of around \$16 billion.

Since shares are being bought from Non-Resident Indian (NRI), there is a need to get withholding tax certificates for determining the tax liability. The seller is required to obtain certificate determining tax liability under section 197 and deduct tax (commonly known as withholding tax) under section 195 of the income Tax.

Relevant provision in Section 197 of the Income Tax Act says that if the Assessing Officer is satisfied that the total income of the recipient justifies the deduction of income tax at any lower rates or no tax deduction, as the case may be, then the Assessing Officer shall, on an application made by the assessee in this behalf, give to him such certificate as may be appropriate.

Section 195 says anyone making payment to NRI is required to deduct tax which is also known as withholding tax.

"We were told that the deal would be closed within

a week of the CCI approval. So we expect them to file with the I-T authorities seeking withholding tax certificate under Section 197 within a fortnight," a senior Income Tax official said.

"Since the deal involves recipients from various tax jurisdictions, and some of the tax jurisdictions might have Double Taxation Avoidance Agreement (DTAA) with India, tax liabilities have to be calculated accordingly. For some of recipients may have NIL tax liability," a person familiar with deal structure said.

Walmart has already assured that it will fulfil all tax obligations.

Bengaluru-based e-commerce major Flipkart had in May shared share purchase agreement with tax authorities, and the I-T department is currently calculating the tax rate that would be applicable for investors in Flipkart who are selling the shares to Walmart.

The US major, on May 9, had announced that it will pay approximately \$16 billion to buy about 77 per cent stake in Flipkart.

Significant shareholders in Flipkart like SoftBank, Naspers, venture fund Accel Partners and eBay, have agreed to sell their shares. Also co-founder Sachin Bansal would be selling his stake to the US retail major. In May, the I-T department had written to Walmart, saying that the US company can seek guidance about the tax liability under Income Tax Act.

NGT denies Sterlite unit permission to operate, allows access to admin section



The status quo on the copper plant of Sterlite Industries at Thoothukudi in Tamil Nadu continues after the National Green Tribunal (NGT) once again denied the company permission to operate the plant or carry out maintenance independently.

The NGT bench, however, allowed company officials access to the administration section of the plant. The NGT also ordered the State Government and the Tamil Nadu Pollution Control Board (TNPCB) to analyse baseline pollution data for the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and submit a report within 10 days.

The Thoothukudi plant, with a capacity to produce four lakh tonnes of copper per annum, had been operational for the past 22 years. The plant was in the process of expansion when a resistance movement in May turned violent, which led to police firing, in which 13 people were killed.

The TNPCB had on April 9 rejected renewal of the

plant's CTO licence and issued closure orders on May 23, which the State government later endorsed through an order passed on May 28. SIPCOT has since cancelled the land allotment and the TNPCB has withdrawn permissions for the expansion project.

In a reply to the Lok Sabha on July 20, Minister of Ministry of Environment & Forests and Climate Change Harsh Vardhan said the Ministry is considering an application filed by the project proponent (Vedanta) to prescribe fresh Terms of Reference for preparation of an Environment Impact Assessment report for the expansion proposal.

Vedanta is currently waiting for the MoEF-CC to prescribe the fresh Terms of Reference; it will prepare the Environment Impact Assessment report after that.

The first environmental clearance for the project was granted in January 1995. The project proponent obtained environmental clearance for expansion from time to time.

Catering to IRCTC kitchens, BigBasket on big biz track

As the Railways' official kitchen manager, IRCTC, takes a cue from Indian housewives on hard-nosed bargaining for grocery and vegetable shopping, online grocery store BigBasket has popped up as one of the biggest gainers.



In the two years since BigBasket started supplying to the Railways, the Indian Railway Catering and Tourism Corporation (IRCTC) has emerged as one of its top 10 business buyers.

Starting with frozen chicken two years ago, the Bengaluru-headquartered e-commerce player has steadily increased the range of goods it supplies to the public transporter and added fruits and vegetables, pulses, dry-fruits and spices to its supply list. In addition, it has started supplying its private-label brands in some product categories.

To cater to the Railways, BigBasket participates in a reverse bidding process where

it competes with brick-and-mortar grocery suppliers to quote the lowest price at which it can sell the product.

The e-commerce player hopes its business with the Railways will grow as IRCTC starts managing more kitchens. "How much we supply every month or quarter is decided based on bids held quarterly or monthly, for each city. In this process, we can revise our bids till the time the bid is open as it is an online platform," Abhinav Choudhari, Co-Founder and head of new initiatives, BigBasket, told Line.

Heavy competition

In the race to provide the deepest discounts, BigBasket competes with other pre-

qualified wholesale suppliers such as Big Bazaar, Metro Cash and Carry, NAFED and the National Cooperative Consumers Federation of India.

Currently, BigBasket supplies only to IRCTC kitchens at Noida, Delhi and Kolkata, which are operated directly by IRCTC. "We do business only with IRCTC, not with kitchens and canteens that the Railways has outsourced to others. As the Delhi kitchen is currently under renovation, we are supplying to the Noida kitchen," said Choudhari.

The Noida Central kitchen is one of the IRCTC's biggest, and sets the standards for other base kitchens. The kitchens catering to Delhi and Kolkata stations are among those that handle the maximum number of trains. "We will expand to other cities as IRCTC takes over other kitchens for modernisation. The Railways has such a plan for IRCTC and we hope to expand our business with the Railways," added Choudhari.

BigBasket sources its products from 25 cities for IRCTC. Fruits and vegetables are procured from 4,000-odd farmers-collection centres. These products and raw materials have to meet IRCTC's standards. The e-commerce player has appointed quality assurance teams at its collection centres and warehouses.

"For certain products, IRCTC specifies the brand; for others, there are specifications. In the case of oil and sugar, we supply the brands on demand; in the case of dals (pulses), spices, dryfruits, there are specifications that we meet," Choudhari added.

Bhushan Steel MD Neeraj Singal arrested for corporate fraud

The Serious Fraud Investigation Office (SFIO) has arrested Neeraj Singal, Managing Director of Bhushan Steel, for indulging in corporate fraud.

According to the Ministry of Finance and Corporate Affairs, he is accused of siphoning off funds of over Rs. 2,000 crore from the loans availed by Bhushan Steel Ltd (BSL), using more than 80 companies. The companies were used for rotation of funds through bogus loans and advances, investments, etc.

The investigation was carried out by the SFIO after complaints from various sources, an official release said, adding that Singal was produced before the court of

competent jurisdiction on Thursday and was sent to judicial custody till August 14.

During the course of the investigation, the SFIO found that the erstwhile promoters used fraudulent means to divert/siphon off funds raised by the then management of BSL from public sector banks using several associate companies.

"This has led to wrongful losses to the banks and other investors in these companies," it said.

"The erstwhile promoters/directors of BSL have not been cooperating during the investigation till now. Apart from failing to appear before the investigation team, the material facts were also concealed," it added.

DYNAMIC INDUSTRIES LIMITED

CIN : L24110G1989PLC011989
Regd. Office: Plot No. 5501/2, Phase-III, Nr. Trikarpura Cross Road, G.I.D.C. Vatva, Ahmedabad - 382 445
Tel.: 91-79-25897221-22-23, +918000747738, Fax : 91-79-25834292, 25897232
Email: admin@dynaind.com

Extract of Standalone Unaudited Financial Results for the Quarter ended on 30th June, 2018
(Rs In Lakhs except earning per share)

PARTICULARS	Quarter Ended on 30.06.2018		
	Un-audited	Un-audited	Audited
Total Income from the operations	2150.01	1445.95	5960.27
Net Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	173.74	90.43	427.94
Net Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	173.74	90.43	427.94
Net Profit/(Loss) for the period after tax (after Exceptional and/or Extraordinary items)	125.53	67.19	300.26
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and other comprehensive Income (after tax)]	124.38	67.39	300.83
Equity Share Capital	302.85	302.85	302.85
Reserves (as shown in the Balance Sheet of previous year)			4131.13
Earning per share (of Rs10 each) (for continuing and discontinued operations)			
Basic :	4.14	2.22	9.91
Diluted :	4.14	2.22	9.91

Notes to the Unaudited Financial Results for the Quarter ended 30th June, 2018
1. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Yearly Financial Results are available on the Stock Exchange website (<http://www.bseindia.com/corporates/ann.aspx?scrip=524818%20&dir=A>) and on website of the company at (http://dynaind.com/investors_zone.html).
2. The above financial results of the Company were reviewed by the Audit Committee in its meeting held on August 10, 2018. The Board of Directors in its meeting held on August 10, 2018 approved the same and also Limited Review of results for the quarter ended 30th June, 2018 were carried out by the Statutory Auditors.
3. The Company has only one segment of activity named "Chemicals" i.e. Dyes, Dye Intermediates and Pigments.
4. Figures of the previous quarter/period have been regrouped, wherever necessary.

For, Dynamic Industries Limited
Sd/-
Dipakkumar Choksi
Chairman & Whole Time Director
DIN: 00536345

Date : 10th August, 2018
Place : Ahmedabad

RIL partners with Arvind to manufacture co-branded high-performance fabrics

Reliance

Industries Ltd (RIL) said on Thursday that as part of its Hub Excellence Partners (HEP) programme, it has formed a partnership with textile major Arvind Ltd to manufacture co-branded RILan high-performance fabrics.

Under the deal, Arvind will provide a high standard quality fabric to RIL, which will ensure timely delivery of RILan technologies to the former.

"The partnership will open up opportunities for Arvind to create quality products in line with the latest trends. This co-branding effort re-affirms our vision to offer products that are aesthetically pleasing, technologically advanced and, most importantly, sustainable," said Aamir Akhtar, CEO, Denims, at Arvind Ltd.

The co-branding exercise is expected to bolster RIL's foothold in the Rs. 2,25,000-2,50,000 crore Indian apparel industry, which has an almost equal share of men's and women's wear.



engineered fibres for denim and other woven fabrics.

Gujarat is a key State for RIL — it had initiated the HEP programme in Ahmedabad and Surat.

The textile and apparel manufacturers in the State are expected to benefit as RIL will share its experience, knowledge and technology to manufacture high performance fabrics.

The HEP event was attended by senior officials of the textile industry.

Streamlined production

RIL said in a statement that its strong pan-India network will provide assurance to apparel brand owners and retailers of streamlined production, timelines and standard quality. RIL has partnered with 32 textile players that are equipped to produce new-age fabrics using RILan technologies.