

## NEWS IN BRIEF

## Jio adds 16.8 lakh mobile subscribers in April; Airtel gains 8.1 lakh users

India's largest telecom operator Reliance Jio gained 16.8 lakh mobile subscribers in April, cementing its lead in the market, while Bharti Airtel added 8.1 lakh users, according to TRAI data. Vodafone Idea lost about 15.7 lakh mobile subscribers during April 2022, the monthly subscriber data released by the Telecom Regulatory Authority of India on Thursday showed.

## Lockdowns in China adversely impact Tata Motors' supply chains

The recent lockdowns in China have adversely impacted Tata Motors' supply chains as its suppliers are unable to deliver products and it could be forced to stop production in some or all of its plants if it is unable to ensure the supply of critical parts from the country, according to the company's annual report for FY22.

## Contactless cards account for 16% of face-to-face transactions in Dec 2021

The share of contactless cards, which help a customer pay at a merchant by tapping the card on a device, grew to 16 per cent in December 2021, global payments major Visa said on Thursday. The number of usage of contactless cards during face-to-face transactions at merchants' end was less than 2.5 per cent in December 2018, it said.

## Sebi penalises Yashovardhan Birla, 6 others in Zenith Birla GDR case

Capital markets regulator Sebi on Thursday imposed a penalty totalling Rs 10.80 crore on seven entities, including Zenith Steel Pipes & Industries Ltd (erstwhile Zenith Birla (India) Ltd and Yash Birla), in a case pertaining to alleged irregularities in the global depository receipts issued by Zenith Birla.

## Hyundai undeterred by threat to lose 2nd-biggest carmaker position in India

South Korean auto major Hyundai is undeterred by the threat to its position as the second-biggest car maker in India, and believes that it will continue to do well in the market as it has done over the last two decades, according to a senior official.

## FinMin asks banks to explore employment opportunities for 'Agniveers'

The finance ministry on Thursday held a meeting with heads of public sector banks and financial institutions to explore employment opportunities for 'Agniveers' in their respective organisations.

## PhonePe sells over 1 million two-wheeler insurance policies

Fintech platform PhonePe on Tuesday said it has sold over 1 million (10 lakh) two-wheeler insurance policies on its insurance broking platform since the launch of the product. Over 75 per cent of overall insurance purchases came from Tier 2 and 3 cities showcasing wide-adoption of its offerings in non-metros cities and towns, PhonePe said.

## Axis Energy commission 445 MW solar project in record time

Axis Energy Ventures India Private Limited (Axis Energy), company has commissioned 445MW solar project in a record time of 6 months in Jodhpur. K Ravi Kumar Reddy, CMD of Axis Energy said, "the platform has showcased immense success and it indeed takes pride in commissioning the 445MW solar project that brings on table a successful implementation of plethora of environmentally friendly objectives which the country awaits."

## KARVY CASE

## SAT stays Sebi's demand notices issued to BSE, NSE

AGENCIES New Delhi

The Securities Appellate Tribunal (SAT) on Thursday stayed Sebi's demand notices issued to stock exchanges, BSE and NSE, in a case related to Karvy Stock Broking Ltd (KSBL), whereby the regulator had asked them to pay over Rs 5 crore within 15 days.

In its order, the appellate tribunal observed that these appeals were listed for admission on June 14, on which date the matters were adjourned for June 21, and an oral direction

was given to Sebi that no recovery should be made till that date.

"In spite of the oral direction of this Tribunal, it transpires that a demand notice has been issued. It is unfortunate, that in spite of an oral direction, a demand notice has been issued on June 15, 2022 by the Recovery Officer," SAT said. It directed that no recovery will be made from the appellants till the next date of listing. "The demand notice dated June 15, 2022 is stayed and no recovery shall be made till the next date of listing."

## IDBI Capital seeks bids to sell Rs 3,400 crore RCap NCDs to ARC

AGENCIES Mumbai

IDBI Capital & Markets Securities Ltd on behalf of its client has invited bids for the sale of debt exposure worth 34 billion rupees in Reliance Capital Ltd's non-convertible debentures to eligible asset reconstruction companies, a newspaper advertisement said on Thursday.

The notification did not mention the name of the client.

The last date for the submission of binding bids is on Jul 11 at 1700 IST.

Interested asset reconstruction companies will be provided access to the data room after the execution of

a non-disclosure agreement. The detailed process and other relevant information will be shared with interested asset reconstruction companies upon the execution of the non-disclosure agreement, according to the notice. On Wednesday, the Mumbai bench of the National Company Law Tribunal extended the timeline for completion of the insolvency resolution process against Anil Ambani-led Reliance Capital by 90 days.

On Nov 29, the Reserve Bank of India had superseded Reliance Capital's board and appointed former banker Nageswar Rao Y. as an administrator under the Insolvency and Bankruptcy Code.

## RBI lifts biz restrictions on Mastercard after 11 months

THE RESTRICTIONS WERE IMPOSED OVER COMPLIANCE ISSUES WITH THE PAYMENTS DATA STORAGE RULES

INFORMIST Mumbai

The Reserve Bank of India on Wednesday lifted restrictions placed on Mastercard Asia/Pacific Pte, nearly 11 months after the central bank barred the payments cards issuer from onboarding new domestic customers.

In a release on Wednesday, the RBI said the restrictions that had been imposed in July 2021 were lifted in view of Mastercard Asia's satisfactory compliance with the central bank's rules on the storage of payments system data.

The central bank had barred Mastercard Asia/Pacific Pte Ltd from adding new domestic customers—debit, credit or prepaid—to its card network from Jul 22, 2021. Mastercard Asia/Pacific



Pte was non-compliant with the central bank's guidelines despite considerable time and adequate opportunities being given for the same, RBI had said.

In April 2018, the central bank directed all payment system providers to

ensure that within six months, their entire data, including end-to-end transaction details, and information collected, carried and processed as part of the message, to be stored in a system only in India.

The RBI, however, chose not to act against the card providers in 2020 because of the COVID-19 pandemic and the impact it would have had on people shifting to online transactions, Informist had reported on Jul 15 quoting a banking industry source.

Global payment providers were not keen on data storage in India, as it increases the cost of compliance. This is because centralised systems help these operators keep costs and charges low, and they argued that replicating the infrastructure and systems in India would be costly.

## Loan growth touches 33-month high of 11.96% as on June 3



INFORMIST Mumbai

Advances of the Indian banking system registered a growth of 11.96% year-on-year as on Jun 3, showcasing the highest on-year growth in 33 months.

Data released by the Reserve Bank of India on

Thursday showed that outstanding loans stood at 121.4 trillion rupees, up 1.03 trillion rupees during the fortnight.

The growth has been aided by a shift towards bank borrowings due to high corporate bond interest rates, sustained rise in retail loans and higher working capital requirements because of elevated inflation, CareEdge said in a report on May 31.

However, retail loan growth has been relatively higher than corporate credit due to improvement in the job market and economic activities, the report added.

## Revlon goes bankrupt

AGENCIES New York

Revlon filed for Chapter 11 bankruptcy on Thursday, weighed down by heavy debt load, disruptions to its supply chain and surging costs. The one-time cosmetics juggernaut owns iconic brands like Almay and Elizabeth Arden.

It was started in 1932 by brothers Charles and Joseph Revson and Charles Lachman who unveiled a revolutionary nail enamel. It began selling lipstick in 1939. Revlon in its heyday throughout much of the 20th century was the second largest cosmetics company by sales, behind only Avon. Now, it's ranked number 22.

## Cdr. Vasudev Puranik takes charge as MDL Director



AGENCIES Mumbai

Cdr. Vasudev Puranik, IN (Retd), has assumed the charge of Director (Corporate Planning & Personnel) in Mazagon Dock Shipbuilders Limited (MDL) on June 9, 2022. Prior to this appointment, he was the Project Superintendent of the prestigious P-75 Scor-

pene submarine construction programme at MDL as Executive Director.

He joined the submarine division of the company as Deputy General Manager (DGM) in June 2010. An alumnus of Naval College of Engineering INS Shivaji, Lonavla he holds a B.Tech (Mechanical) degree from Jawaharlal Nehru University (New Delhi), and has also completed Masters in Engineering from Pune University.

Prior to joining MDL, he has served in the Indian Navy for over 22 years. His afloat assignments include tenures onboard INS Rana, INS Nishank and INS Mysore.

## Humbition: HUL CEO and MD introduces MDI students to a new word



**Gurugram:** Addressing the joint annual Convocation Ceremony of Management Development Institute (MDI) Gurugram and Murshidabad as the chief guest, Sanjiv Mehta, CEO and Managing Director of Hindustan Unilever limited, urged the graduating students to temper ambition with humility. "Humility is intertwined with ambition," Mehta said. "I call it

humbition." In the Convocation Ceremony held June 15, 514 students from various PGDM programmes and eight Fellow Scholars of MDI Gurugram received their diplomas. Twenty-four medals were awarded to meritorious students of different courses. From MDI Murshidabad, 132 students from the PGDM 2020-22 batch were conferred their diplomas.

## HDFC invokes 50 L pledged shares of Ansal Housing

**New Delhi:** The country's largest mortgage lender HDFC on Thursday said it has invoked 50 lakh pledged shares of Ansal Housing as part of recovery of its outstanding dues from the developer.

Ansal Housing is engaged in the business of construction and development of residential townships.

"For the purpose of recovery of part outstanding dues against loans availed by certain pledgers/borrowers, the Corporation on June 15, 2022, invoked the pledge on 50,00,000 shares of Ansal Housing Ltd (Ansal) aggregating 8.42 per cent of its paid-up share capital, pledged with the Corporation by the said pledger/borrower," HDFC said. Ansal Housing's turnover in 2021-22 was Rs 204.40 crore, and the net worth was Rs 146.23 crore.

## IMC BANKING CONFERENCE Efficient, vibrant financial system crucial for economic devt: RBI DG

**Mumbai:** While inaugurating the IMC Banking Conference themed as Banking and Finance sector in India: How is it poised to deliver sustainable growth in a post pandemic world? Chief Guest, M Rajeshwar Rao, Deputy Governor, RBI highlighted that an efficient and vibrant financial system is crucial for economic development and social well-being of the country.

He alluded to the geopolitical conflict that has drastically altered the global environment and the context in which monetary policy operates. He remarked that, "the effectiveness of any policy response in crisis situations is critically dependent on the strength of the financial sector balance sheets. Indian Banking system remains resilient, the asset quality has improved from the pre-pandemic levels and the banks are well capitalized."



fit or requisite is not relevant. Even capital assets given as benefit or requisite are covered within the scope of Section 194R.

Also Section 194R shall apply to seller giving incentives, other than discount or rebate, which are in cash or kind e.g., car, TV, computers, gold coin, mobile phone, sponsored trip, free ticket, medicine samples to medical practitioners.

The Budget 2022-23 brought in the provision of Tax Deducted at Source (TDS) on such income to check tax revenue leakage.

The income tax department on Thursday issued guidelines on the applicability of new TDS provision regarding benefits received in a business or profession and said that such prerequisites can either be in cash or in kind or partly in both of these forms.

The Central Board of Direct Taxes (CBDT) also said that the payer/deductor need not check the taxability of the sum in the hands of the recipient, and the nature of asset given as bene-

## Several states showing warning signs of stress; need to take corrective actions: RBI

**Mumbai:** Referring to economic crisis in Sri Lanka, a Reserve Bank article on Thursday said states are showing warning signs of building stress, and the 5 most indebted ones - Punjab, Rajasthan, Bihar, Kerala and West Bengal - need to take corrective measures by cutting down expenditure on non-merit goods.

State finances are vulnerable to a variety of unexpected shocks that might alter their fiscal outcomes, causing slippages relative to their budgets and expectations, said the RBI article prepared by a team of econo-

mist under the guidance of deputy governor Michael Debabrata Patra.

"The recent economic crisis in neighbouring Sri Lanka is a reminder of the critical importance of public debt sustainability. The fiscal conditions among states in India are showing warning signs of building stress," it said.

For some states, it added, shocks may increase their debt by a significant amount, posing fiscal sustainability challenges.

Observing that the slowdown in own tax revenue, a high share of committed ex-

penditure and rising subsidy burdens have stretched state government finances already exacerbated by COVID-19, the article said.

"New sources of risks have emerged in the form of rising expenditure on non-merit freebies, expanding contingent liabilities, and the ballooning overdue of dis-coms," it said.

For the five most indebted states of Bihar, Kerala, Punjab, Rajasthan and West Bengal, the debt stock is no longer sustainable, as the debt growth has outpaced their GSDP growth in the last five years, it warned.

## CBDT issues norms on applicability of new TDS provision on perks received in biz or profession

AGENCIES Mumbai

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The Budget brought in a new section, 194R, in the I-T Act which requires deduction of tax at source at the rate of 10 per cent by any person, providing any benefit or requisite exceeding Rs 20,000 in a year to a resident, arising from the business or profession of such resident.

The new provision comes into effect from July 1.

CBDT clarifies that in case of doctors receiving free samples of medicines while employed in a hospital, Section 194R would apply on distribution of free samples to the hospital. The hospital as an employer may treat such samples as taxable perquisite for employees and deduct tax under Section 192. In such cases, the threshold of Rs.20,000 has to be seen with respect to the hospital.

For doctors working as consultants with a hospital and receiving free samples,

## Delay in monsoon to affect these sectors

BY TEJI MANDI



Stock Investing, Simplified

Monsoon is a major deciding factor in the Indian economy. Rains are critical for the farm sector as it accounts for about 15% of India's \$2 trillion economy.

## What's Happening?

Ongoing geopolitical tensions, rising COVID-19 cases and delayed monsoon threaten India's agricultural sector and directly endangering the recovery of the economy that's already reeling. Meanwhile, inflation is already eating middle-class people's income. The policymakers this year are counting on monsoon rains to ease hot inflation. Monsoon boosts production and replenishes stockpiles that ease supply constraints and anchor price expectations.

This year, the RBI has aggressively hiked interest rates to take off some heat over the prices. But at the end of the day, it's affecting the salaried professionals. Everything is getting pricier; and if the monsoon gets delayed, it will add to the existing pressures.

## Monsoon Update

Rainfall this season starting from June is 36% lower than average. If this year's monsoon disappoints, analysts believe the government will have limited fiscal space to arrest prices. The government last month restricted wheat

and sugar exports and announced a series of changes to commodity tax structures to insulate consumers. Less rainfall means higher retail inflation. FMCG companies have already factored in the input costs by lowering the quantity of packaged foods or hiking the product price.

## Should This Concern You?

This year, the FMCG sector will be affected mainly if rainfall is on the lower side. Costs of vegetables, fruits, oil etc., will rise, resulting in higher prices of food items. Good rain boosts sectors like fertilisers, FMCG, two-wheelers, tractors and consumer durables. All eyes will be on these industries if monsoon fares well.

## What Lies Ahead?

The monsoon hit Kerala on May 27 and parts of Telangana, Maharashtra and West Bengal. Meanwhile, heatwaves continue in Delhi. Unless entire India witnesses a normal monsoon, the agricultural process won't kickstart. Any shortfall in rain will affect the overall Indian economy and could presurise inflation.

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## CWC announces results for FY22



**Mumbai:** The Board of Directors of Central Warehousing Corporation (CWC), a CPSE under the Ministry of Consumer Affairs, Food & Public Distribution announced its audited financial results for FY 2021-22 on June 11. The Corporation achieved the highest ever total turnover of Rs.2332 crore (standalone) (previous year Rs. 2168 crore)

and Rs.2361 crore (consolidated) for FY 2021-22, as against the total turnover of Rs.2266 crore (consolidated) during the last FY 2020-21. The Profit Before Tax for FY 2021-22 was Rs.590 crore (standalone) and Rs.632 crore (consolidated) as against Rs.565 crore (standalone) and Rs.591 crore (consolidated) during the last FY 2020-21.