

Economy

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Quick View



J-K highway: ₹1-cr fine on 2 firms by NGT

THE NGT HAS slapped a penalty of Rs 1 crore each on the Gamron India and the Hindustan Construction Co for damaging the environment by dumping soil in the Chenab and Tawi rivers for construction on a stretch of the Udhampur-Banihal National Highway in Jammu and Kashmir. A Bench headed by National Green Tribunal (NGT) chairperson Justice Adarsh Kumar Goel also ordered them to furnish a performance guarantee of ₹1 crore for improving the situation within the next three months.

Corruption cases against govt staff

OVER 4,100 GOVERNMENT employees were booked in corruption cases registered by the CBI in the last three years, minister of state for personnel Jitendra Singh said Wednesday. The CBI has informed that 1,767 corruption cases have been registered against 4,123 public servants during 2016, 2017 and 2018, he said in a written reply.

Vacant posts in central govt depts

OVER 4.12 lakh posts were lying vacant in various central government organisations in 2016, the Centre said in a written reply to Lok Sabha on Wednesday. Out of the total of 4,12,752 vacancies, 15,284 were Group 'A' posts, 76,050 in Group 'B' and 3,21,418 in Group 'C' categories, it said.

Bill to ban ponzi schemes passed

The Lok Sabha on Wednesday passed a Bill to protect gullible investors from ponzi schemes, with finance minister Piyush Goyal saying the government will ensure that no loophole is left while framing rules. The Banning of Unregulated Deposit Schemes Bill, 2018, seeks to put in place a mechanism by which such depositors can be compensated.

Bank frauds involving cards

OVER 900 CASES of fraud related to debit/credit cards and internet banking, involving amount of Rs 1 lakh and above, were registered during April-September 2018, Parliament was informed Wednesday.

Call drop: Idea, BSNL pulled up

Show-cause notices have been issued to two telecom operators — Idea and BSNL — for not meeting Trai's call drop norms in some service areas for the quarter ended September 2018, Parliament was informed Wednesday.

PM-KISAN

₹4,000 to reach farmers by early April, cash transfer from Feb 24

FE BUREAU
New Delhi, February 13

THE CENTRE PLANS to transfer ₹4,000 to small and marginal farmers under the PM-Kisan scheme by the first week of April, well before the Lok Sabha polls start. The transfer of ₹2,000 to the bank accounts of farmers will commence from February 24 under the income support scheme and preparations are on to cover as high as 1 crore farmers on the first day of the launch, official sources said. The second instalment of the same amount may be transferred in the first week of April, they added.

"Though the enrollment on the PM-Kisan portal is yet to start, data are currently verified by the states and we expect to transfer the first instalment smoothly," a government official said. Whatever data will be verified by February 20 will be considered for the direct transfer scheme on February 24, he said. Farmers, who will be getting the first instalment will also be eligible to receive the second tranche due for April-July period, he added.

The National Informatics Centre (NIC) has been working with the states to compile the data. Uttarakhand and Uttar Pradesh are the leading states



which have taken immediate steps in generating the database of small and marginal farmers, officials said. Revenue officials at the village/panchayat levels have been asked in Uttar Pradesh to get the data of all small and marginal farmers who have less than 5 acre of land. The state has also been insisting on a self declaration by farmers, sources said.

Though the Aadhaar number is not mandatory in the first instalment, in the subsequent transfer of the Central aid, all farmers have to submit the bank account-linked Aadhaar number, officials said. To make the transfer of money less cumbersome and to ensure it reaches the farmers, the Centre has asked the states to keep documents with themselves. The state governments

will also carry out the verification process.

Finance minister Piyush Goyal had announced in the Interim Budget the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) — under which Rs 6,000 per year will be given in three equal instalments directly to bank accounts of 12 crore small and marginal farmers. The scheme was made effective from December 1, 2018, so that by March 31, the first instalment is completed, making farmers eligible for the second tranche from April.

Transfer of the second instalment during the poll process will not be affected as the scheme was rolled out this fiscal. The model code of conduct may kick in from next month once the Election Commission announces the poll

schedule. The Lok Sabha elections are due in April-May.

All serving or retired officers in the government sector including at the state level, pensioners drawing monthly emolument of Rs 10,000 or more, income tax payers and professionals such as doctors and lawyers won't be eligible for the ₹6,000/annum support. The benefit of the scheme would be provided to all small and marginal landholder farmer families who collectively own cultivable land of up to 2 hectare as per land records of the state concerned, subject to exclusions, the agriculture ministry said last week.

For the purpose of exclusion, a state/UT government can certify the eligibility of the beneficiary based on self declaration by them. In case of incorrect self declaration, beneficiary shall be liable for recovery of transferred financial benefit and other penal actions as per law, the ministry said.

The exclusion list also includes all institutional land holders and farmer families in which one or more of members belong to following categories: former and present holders of Constitutional posts, former and present ministers/MPs/MLAs/MLCs/mayors.

Trai to ensure 'best fit plan' rental doesn't breach current bill amount

RISHI RANJAN KALA
New Delhi, February 13

THE TELECOM REGULATORY Authority of India (Trai) is in the process of evolving a framework under which it will ask Direct To Home (DTH) and cable operators to ensure that the rental of their 'Best Fit Plan' that is offered to subscribers does not exceed their old bill amount.

Sources told FE that the regulator is working on a framework where it will direct operators to ensure that the packages being offered to their subscribers under the 'Best Fit Plan' should not exceed their old cable TV bills.

The 'Best Fit Plan' is to be designed on consumers' usage pattern and language spoken. It should preferably be a blended combination of various genres.

Trai on Tuesday said, "While making 'Best Fit Plan' for a sub-



scriber, Distribution Platform Owners (DPOs) should ensure that payout per month of the 'Best Fit Plan' generally does not exceed the payout per month of existing tariff plan of the subscriber."

Confirming the development, a senior official said there have been complaints that the 'Best Fit Plan' being offered are costlier than their old bills. "Trai now wants to ensure that consumers do not face problems while migrating to the new regulatory regime. So, this new framework on the 'Best Fit Plan' is to ensure that subscribers get the best plan at

the best prices."

The new regulatory framework for broadcasting and cable services came into effect on December 29, 2018, but in order to provide sufficient time to subscribers for exercising their options, the regulator had provided time till January 31, 2019. All the DPOs were required to migrate subscribers as per their choice with effect from February 1, 2019. Now, the regulator has extended this period till March 31, 2019.

There are around 100 million cable service TV homes and 67 million DTH TV homes and so far around 65% of subscribers of the cable services and 35% of the DTH services have exercised the options.

Sources said that since the new regulatory framework has come, 67 existing bouquets have revised their prices downwards and 8 pay channels have become free-to-air channels.

Indirect tax officials' appraisal to consider arrears recovery

FE BUREAU
New Delhi, February 13

THE INDIRECT TAX department has made 'recovery of arrears' a parameter in the annual performance appraisal for tax officials, in a bid to incentivise effort to bring down recoverable arrears that currently stands at over ₹26,000 crore.

Against a target of ₹10,000 crore for the current fiscal, the tax arrears recovery (TAR) vertical of the department has managed to achieve only ₹3,500 crore in the April-December period.

"Any shortage in your recovery target of arrears will be taken seriously and may reflect in your APARs as per new guideline for APARs assessment," Pranab K Das, chairman of the Central Board of Indirect Taxes said in his communi-

cation with department officials.

He further said achieving the target for the year would need extraordinary effort by field formations, especially as the target for current fiscal is substantially more than previous two fiscals — it was set at ₹6,000 crore for FY18 and ₹5,000 crore for FY17.

According to official data, the total outstanding amount of indirect tax payable to the exchequer stood at ₹2.59 lakh crore in the first nine months of the current fiscal. This has risen by over 37% since FY 2015-16.

Although a large amount of outstanding tax arrears are not easily recoverable because of stay orders or further appeals made in higher judicial forum, over ₹12,000 crore is considered to be easily recoverable due to absence of any litigation and identification of persons or factories for recovery.

"(Though) the commissioner (TAR) has written several letters and made telephonic calls to all zones on several occasions as well as visited most of the zones with large pendency of recoverable arrears for discussion, the achievement is not satisfactory at all," Das said.

Officials were asked to concentrate on recovery of clearly recoverable arrears, which are substantial (more than ₹50 lakh) and where there are clear chances of recovery by March 2019.

Further, the chairman singled out certain zones for poor performance as they have failed to achieve even 20% of the recovery target for FY 18-19. The zones include Meerut (GST), Bangalore (Customs), Bhopal (GST), Ahmedabad (Customs), Patna (Customs), Delhi (GST), Kolkata (GST) and Lucknow (GST).

From the Front Page

CAG: NDA's Rafale deal 2.86% cheaper

AFTER THE release of the report, Union minister Arun Jaitley said the "lies of the Congress and opposition parties stand exposed as the CAG report outlines that 2016 deal terms were lower in terms of price, faster in terms of delivery, while ensuring better maintenance and lower escalation". Even before the Wednesday release of CAG report, Congress president Rahul Gandhi had dubbed the CAG report on the Rafale deal as "Chowkidar Auditor General" report; the Congress stuck to its stance after the report was released and said the Public Accounts Committee of Parliament was likely to trash it. Modi made a surprise announcement during his April 2015 visit to France to abandon talks on buying 126 Rafale planes, including local production, and instead order the 36 Dassault jets in flyaway condition.

Stating that for comparing the prices of June 2007 bid with that of May 2015, the scope of both the offers had to be first brought at par, the CAG said the aligned price worked out by the Indian negotiating team (INT) was "UI" million euros while that assessed by it was "CV" million euros which was about 1.23% lower than the INT-aligned costs. "This (CV) million) was the price at which 2015 contract should have been signed if the prices of 2007 and 2025 were considered at par. As against this, the contract was signed in 2016 for "U" million euros which was 2.86% lower than the auditor's aligned price," the CAG said.

On India-specific enhancements, CAG said the NDA deal was 17.08% cheaper than the one negotiated by the then UPA government in 2007, while the weapons package offered in the new deal was

1.05% cheaper.

The Congress has been alleging corruption in Anil Ambani's Reliance Group getting one of the offset contracts. It also argued that the price increased to Rs 1,600 crore per aircraft in the deal signed by the Modi government, as against Rs 520 crore during the UPA time.

The CAG also noted that the deal which was being negotiated in 2007 included a 15% bank guarantee against advance payments. The training aspects covered under the NDA deal is also 2.68% expensive than the 2007 offer, the report said. In the 2007 offer of 126 fighter jets, Dassault Aviation was to provide basic training to 26 pilots and 76 technicians at a certain cost. In 2015 deal for 36 Rafale fighter jets, the IAF increased the scope of training to 27 pilots, 146 technicians and two engineers.

According to the CAG, it was informed by the defence ministry that the "unsolicited" proposal of 20% discount by aerospace major EADS on the Eurofighter Typhoon jet, a competitor of Dassault, had "factual inaccuracies". In July 2014, EADS had offered the discount and also proposed enhancing the transfer of technology process. This was done when Dassault Aviation had reached a deadlock when the Cost Negotiating Committee realised that if Indian man hours are applied to the cost of production by Hindustan Aeronautics quoted by it, the price of the aircraft would be substantially higher, according to the CAG report.

(With agency inputs)

Cabinet decisions: Nod for Patna metro, higher MSP for jute

"IT IS expected to ensure appropriate minimum prices to the farmers and step up investment in jute cultivation

and thereby production and productivity in the country," it said. The Jute Corporation of India would continue to be the nodal agency to ensure farmers get the MSP.

To set up a Kisan Mandi in Delhi, the agriculture ministry will transfer 1.61 acre land of Delhi Milk Scheme to Small Farmers' Agri-business Consortium.

Engineering Projects (India) is engaged in the field of execution of large and multidisciplinary industrial & construction projects on turnkey basis in the areas like civil and structural work, metallurgical sector, water supply and environmental engineering, defence etc. During the year 2015-16, the company achieved operating turnover of Rs. 1,295 crore as against the previous year turnover of Rs. 1,031 crore and earned profit before tax of Rs 38 crore as against previous year's PBT of Rs. 41 crore. The net worth of the Company was Rs 228 crore in the year 2015-16.

Earlier, only PSUs were permitted to buy the Centre's stake in the company.

SC reserves judgment on Ericsson case against RCom

AMBANI ALONG with Reliance Telecom chairman Satish Seth and Reliance Infratel chairperson Chhaya Virani appeared for the second consecutive day on Wednesday as directed by the Supreme Court.

Stating that a forensic audit by an independent agency should be done to know what RCom and its other group companies are up to, senior counsel Dushyant Dave, appearing for Ericsson, argued that they (Ambani and other contemners) "live like emperors... Fly in private jets and live in grand mansions. Surely they can pay. They have money to

include Latvia, Russia, Finland and Sweden, has population of over 1.3 million people.

"With e-Residency, you get very easy access to the European market. You can start dealing with European partners using your Estonian company, it gives you access to a 500-million market immediately," Kruuv said. Notable Indian e-residents include billionaire industrialist Mukesh Ambani and IT Minister Ravi Shankar Prasad.

pay in Rafale, but don't want to honour the SC order. How are they in all conceivable deals when they can't pay Rs 550 crore.... They think they are god's gift to mankind".

He further said Ambani has personal assets worth thousands of crores of rupee and he must pay dues of Rs 550 crore as per his undertaking to the SC. According to Dave, "You (SC) should treat the group as one entity so that nobody suffers".

However, senior counsel Mukul Rohatgi opposed the Ericsson's claim. He said RCom's settlement with Ericsson was conditional on proposed sale of assets to Reliance Jio for Rs 18,000 crore and the same did not go through as planned.

He said RCom has unfortunately fallen on bad days. "Experiment to revive it fell through. Now IBC must take over. There was no unconditional undertaking given to the Supreme Court and the settlement with Ericsson before the NCLAT was conditional on sale of assets to Reliance Jio. Ambani tried to do his best to avert this situation, but Reliance Jio has thrown up his hands".

He said that the insolvency process before the NCLT was halted because everyone, including the banks and Ericsson itself, had agreed that more money will be fetched if a large group of assets such as spectrum, tower and fibre assets are monetised outside the CIRP.

Rohatgi said even if one assumes that there was wilful default by RCom, even then its chairman cannot be held personally liable for it as the commitment to pay was made by three corporate entities — Reliance Communications, Reliance Infratel and Reliance Telecom.

"No personal contempt is made out against Ambani. There is no personal undertaking. The undertaking was given

by directors on behalf of the company. RCom is a listed company. The dues of a listed company cannot be paid by an individual. With lakhs of shareholders, neither an individual director nor the entire group can be made liable for liability of the company. Unfortunately, now it has gone to the IBC. The group is not part of any contempt. Such an argument does not hold water for an injunction leave alone contempt," the senior counsel contended.

Senior counsel Kapil Sibal, appearing for RCom, told the bench that Ericsson went to NCLT to pressurise RCom as it knew that the operational creditor would otherwise get nothing and "we agreed to settle it".

Senior counsel Neeraj Kishan Kaul, appearing for the State Bank of India chairman, lashed out at Ericsson for dragging him to the dispute between RCom and Ericsson. "Even a whisper of (allegation like) collusion hurts us," he said, adding that RCom may have made commitments to Ericsson, but under the insolvency laws banks retain their rights over assets of a company that has not been able to service its debts.

Venkataramanan quits Tata Trusts; Noel in Sir Ratan Tata Trust

TATA TRUSTS had backed Venkataramanan at that time and had reaffirmed its complete trust and support for him.

A statement issued by Tata Trusts on Wednesday said, "R Venkataramanan had informed the chairman and the trustees of Tata Trusts that he had been considering other options, given that he was completing five years as the Trusts' executive trustee/managing trustee, and sought to be relieved. At the meeting of the

trustees of Tata Trusts held on Wednesday, the trustees regretfully accepted his request".

Venkataramanan will relinquish responsibilities as the managing trustee/trustee of the Tata Trusts on March 31, 2019, it added.

The Trusts have also established a committee of trustees with immediate effect to oversee the operations and to select a chief executive for the Trusts. It comprises Ratan N Tata, chairman of the Trusts, Vijay Singh and Venu Srinivasan, vice-chairmen of the Trusts. The Trusts had created the post of vice-chairman for the first time in December 2018.

Last year the income tax department and Tata Trusts had locked horns in the Bombay High Court over show-cause notices issued by the tax authorities as they sought to cancel the Tata Trusts licence under Section 12(A) of I-T Act for tax exemption.

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through grants, the Trusts now also pursue large scale programmes through direct implementation and partnerships with multiple state governments and foundations," the Wednesday's statement added.

Sensex in red for fifth straight day

IT SETTLED the day 37.75 points, or 0.35%, down at 10,793.65.

Top losers include ONGC SBI, PowerGrid, I&T, Yes Bank, Asian Paints, Bajaj Finance, Maruti and NTPC, falling up to 2.84%.

Gainers include Tata Motors, TCS, HDFC, HCL Tech, Infosys, ITC, HDFC Bank and HUL, rising up to 2.18%.

Sectorally, BSE bankex, auto, metal and healthcare indices ended up to 1.1% lower.

Tracking overall trends, the broader markets too faced selling pressure as the BSE Mid-Cap index fell 0.52 %, and SmallCap index shed 0.38%.

Given mixed Q3 results, market is factoring further earnings downgrades, leading to outflows from FIIs and DIIs, said Vinod Nair, head of research, Geojit Financial Services.

On a net basis, FIIs sold shares worth Rs 466.78 crore and DIIs offloaded shares worth Rs 122.64 crore Tuesday, provisional data showed.

"The inflation print on Tuesday and follow-on action with bond yields falling to 7.28% seem to be telegraphing an additional rate cut by the RBI, said Sunil Sharma, chief investment officer, Sanctum Wealth Management. Despite global markets trading higher as US President Donald Trump hinted a more conciliatory stance toward China, Indian markets have not been able to sustain higher levels, suggesting caution on the part of investors and profit-taking, he added.