

## IN BRIEF

## PM AWARDED SEOUL PEACE PRIZE



Prime Minister Narendra Modi and South Korea President Moon Jae-in exchange greetings before a meeting in Seoul. Modi was conferred the Seoul Peace Prize for 2018 on Friday for his contribution to international cooperation and fostering global economic growth. He dedicated the \$200,000 prize money to the Namami Gange Programme, saying, "this award belongs not to me, but to the people of India." Modi is the 14th recipient of the award

### 'Ordinance to create central repository of registered firms'

Financial Services Secretary Rajiv Kumar on Friday said the Banning of Unregulated Deposit Scheme Ordinance promulgated by the President will help create a central repository of all the registered entities that can take deposits. The repository will help put a check on illicit deposit-taking activities that dupe the poor and the financially illiterate of their hard-earned savings, he said.

PTI

### SC seeks Election Commission view on EVM source code

The Supreme Court on Friday sought the Election Commission of India's view on a plea that asked for independent audit of the source code of Electronic Voting Machines. The plea said that the source code had not been authenticated by an independent auditor and was prone to being changed since it did not have proper encryption.

BS REPORTER

### HAL signs MoU with PWD for works at chopper factory

Hindustan Aeronautics on Friday signed an MoU with Central Public Works Department for execution of the stage 2 infrastructure development works at its greenfield helicopter factory in Tumakuru at the Aero India in Bengaluru.

PTI

### Ageas Insurance acquires stake in Royal Sundaram

Sundaram Finance and Ageas Insurance International NV (Ageas) have officially completed the latter's acquisition of 40 per cent of share capital of Royal Sundaram General Insurance following approval from the Irdai and other regulators.

BS REPORTER

### HC asks Centre, AirAsia to file objections to Swamy's plea

The Delhi HC on Friday asked the central government and AirAsia India Limited to file objections, if any, to BJP leader Subramanian Swamy's plea seeking to stay the airlines' permission to fly internationally.

BS REPORTER

### CBI issues lookout notice against Chanda Kochhar

The CBI has issued lookout notices against former IICI Bank CEO Chanda Kochhar, her husband Deepak and MD of the Videocon Group Venugopal Dhoot, officials said on Friday. The move was taken nearly a week after a case was registered against Chanda Kochhar, Deepak and Dhoot, they said. The move is to ensure that none of the accused in the case related to alleged corruption in clearing loans worth ₹1,875 crore to the Videocon Group were able to leave the country, the officials said.

PTI

# ONGC may get 5 oil, gas blocks in DSF

Lok Sabha polls may force government to merge second and third open acreage licensing policy rounds

SHINE JACOB  
New Delhi, 22 February

State-run Oil and Natural Gas Corporation (ONGC) is likely to get the maximum number of contract areas — five — in the second round of discovered small fields (DSF-II) auction. However, despite putting in 21 bids for 84 per cent of the total areas on offer, officials said, Anil Agarwal-led Vedanta will be getting only two.

The other upstream auction under the open acreage licensing policy (OALP), however, is likely to see a merger of the second and third rounds. The Ministry of Petroleum and Natural Gas (MoPNG) is considering a proposal for announcing winners after the upcoming Lok Sabha elections. The Directorate General of Hydrocarbons (DGH) was expected to come out with the list of winners of the OALP-II on March 12. An official said with elections likely to be declared before that and the moral code of conduct in place, the government may go for merging of the announcing dates of the two rounds.

The government can, however, announce OALP-II winners, but only after seeking permission from the Election Commission. It was during the recently concluded Petrotech that



India launched OALP-III, in which 23 areas have been put on bidding for global oil and gas majors. Under OALP, India is opening up its blocks for bidding after every six months.

According to multiple sources close to the development, the DGH has already opened the price bids for DSF-II and has sent the list of

## STORY SO FAR

### OALP-III

**ON OFFER:** 23 blocks spread over 12 sedimentary basins, 13 states and offshore areas covering 31,722 sq km

**START OF BIDDING:** February 11, 2019

**BID CLOSING:** April 11, '19

### UNDER DSF-II

■ 25 contract areas cover 59 discovered oil and gas fields, spread over 3,000

### OALP-II

**ON OFFER:** 14 blocks spread over seven sedimentary basins across four states and covering 29,233 sq km

**START OF BIDDING:** January 8, 2019

**BID CLOSING:** March 12, '19

sq km with prospective resource base of over 190 million metric tonne on offer

winners to the MoPNG for its final clearance.

When Vedanta showed interest for 21 areas under DSF-II, it had raised eyebrows as the company had bagged 41 of the 55 blocks that were on offer under OALP-I. Asked why Vedanta, despite being the country's largest private sector oil producer, bid aggressively for

DSF-II, Sudhir Mathur, chief executive officer of Cairn Oil & Gas, Vedanta's oil and gas subsidiary, had said, "They are not major movers but it helps us understand India's geology a lot better, train our people and bring oil to the country."

Of the 25 contract areas that were on offer under DSF-II, around 39 companies submitted bids for 24 areas, while no one showed interest for the only block that was on offer in Kutch offshore. Another state-run major Oil India would be getting two blocks. Both ONGC and OIL had bid for 10 blocks each.

The most aggressive bidding took place for Chinnwala area in Rajasthan basin for which at least 17 companies were in fray. ONGC would be getting it. "The companies that got the maximum number of areas on offer include ONGC and Ganges Geo Resources (GGRPL)," said a person close to the development.

The government is offering a total of 3,000 square km area with a resource base of over 190 million metric tonne in DSF-II. Other private players that participated in the bidding included Dilip Shanghvi's Sun Petrochemicals, Hindustan Oil Exploration Company (HOEC), Nippon Power, Haryana City Gas Distribution, Essar Oil and Gas Exploration and Production and Oilmax Energy.

## Mitra wants 1% GST rate for houses up to ₹40 lakh

INDIVIAL DHASMANA  
New Delhi, 22 February

Ahead of the second round of the GST Council meet on real estate on Sunday, West Bengal finance minister Amit Mitra has come out with his proposal on tax rates — which range from 1-7 per cent.

In a letter to Union Finance Minister Arun Jaitley, he also raised certain contentious issues such as the fate of input tax credit if a proposal by a group of ministers (GoM) on real estate is implemented.

He also asked how a GST regime will treat a complex issue that contains both residential and commercial real estate.

The GoM had recommended bringing down GST rate from 12 per cent with input tax credit to 5 per cent without the tax credit for under-construction houses and from 8 per cent with the tax credit to 3 per cent without it for the affordable housing segment (costing up to ₹30 lakh in non-metro areas and ₹45 lakh in metro cities).

Mitra contested this, saying that actual incidence of tax for affordable housing is actually one per cent at present, according to an agenda note circulated to state finance ministers. "Therefore, the suggested rate of 3 per cent by the GoM will actually increase the tax burden on house buyers," he said.

Mitra quoted the agenda note to say that actual tax incidence on houses other than affordable ones is



West Bengal Finance Minister Amit Mitra raised certain contentious issues such as the fate of input tax credit if a proposal by a group of ministers on real estate is implemented

5 per cent in the medium range and 7 per cent in the premium category.

Pointing out that 70 per cent of houses registered in West Bengal have a cost not exceeding ₹40 lakh, the state finance minister said that these categories of houses should not draw more than one per cent tax.

There should be GST rate of not more than 5 per cent on houses costing above ₹40 lakh and up to ₹1 crore, he added.

Houses costlier than this category could attract 7 per cent tax rate, Mitra proposed.

Mitra suggested that "artificial" distinction between houses in metro

and non-metro cities be dropped to avoid definitional complications and lend simplicity to the tax structure.

"In fact, any artificial segregation of housing, contiguous to the metro cities, could lead to serious interpretational issues and open up possibilities for rent seeking," he said. He also suggested exempting long-term lease of land (more than 30 years) from GST on the lines of those for industrial uses.

Mitra also wanted to know whether the new GST scheme for the real estate sector is optional or mandatory.

The council meet could not arrive at a consensus on the issue of taxing real estate players at its meeting on Wednesday.

The meeting was deferred to Sunday after some states wanted a face-to-face meeting with the Centre. Wednesday's meeting was held through video conferencing.

There were clear differences among members of the council on real estate. Punjab finance minister Manpreet Badal said that different states have different taxation systems and a uniform rate structure without a discussion would not be proper.

Bihar had agreed to the recommendations of the ministerial panel on real estate, stressing that the rate on affordable housing could further be reduced to 1 per cent, according to officials.

The meeting on Sunday will also take up the issue of GST rates on lotteries.

## Business remains slow at Asean expo despite bilateral bonhomie

SUBHAYAN CHAKRABORTY  
New Delhi, 22 February

Slow and lacklustre best describe business at the 4th India-Asean Expo and Summit 2019. Lone stalls featuring just a few brands wore a slightly deserted look, despite trade ministers and diplomats from the nations of the Asean bloc taking to the stage on Thursday along with Indian officials to herald new heights of trade.

Aimed at bringing together buyers and sellers from both sides and allowing Indian exporters to gain a foothold in the Association of Southeast Asian Nations (Asean) bloc, the annual expo has seen little participation from the private sector.

Organised by the Commerce Department and the Federation of Indian Chambers of Commerce & Industry, the event has featured mostly government participation from Asean nations. "We didn't receive many queries from companies. So, we're just showcasing some famous Vietnamese brands at the lone stall manned by the embassy," said Nguyen Trong Nghia, second secretary, commercial attaché at the Vietnam embassy. The same was true of Indonesia.

Apart from the larger economies such as Singapore and Malaysia who have specialised products and a long trade history with India, few nations managed to select enough companies to showcase their products. Yet specialised brands are keen to enter the market.

"We have wholesale buyers across the country but are now looking for bigger brands to source directly from us. With a fixed contract, we'll be able to streamline our shipments. But business has been slow till now," said Chen Jun Long, assistant manager at Singapore-based Compass Foods.

### Trade flows remain high

The slow pace of business is not, however, reflected in overall trade flows which remain healthy. Bilateral trade has grown more than threefold from \$21 billion in 2005-06 to \$81.3 billion in 2017-18, making the trading block New Delhi's second-largest trade partner after China.

While trade has grown on average by more than 13.6 per cent in the

previous three years, in the April-December period of the current financial year, trade grew by over 20.5 per cent. Interest in the Indian market has remained high, but participation hasn't been able to match it, an organiser said.

While as many as 200 plus exhibitors from India and Asean had initially been planned, the number had to be sharply revised downwards.

Still, more than 100 buyers from Asean are expected to participate over the three-day event. More than B2B (business to business), it's the B2G (business to government) meetings that are attracting the most interest.

### It's that pact again....

Apart from sectoral engagements between industry, ministers and officials from multiple nations are set to sit down with Commerce and Industry Minister Suresh Prabhu to

discuss the stalled Regional Comprehensive Economic Partnership. The proposed ambitious pact between 10 Asean economies and six others — New Zealand, Australia, China, India, Japan and South Korea — is still stuck after 24 rounds of talks, not to mention six minister-level meetings.

India has issues over tariff reduction, market access and services trade norms, such as those on the free movement of trained professionals with other nations. Other countries have other differences. Nonetheless, the Asean bloc is keen to sign the deal by the end of 2019.

### The Chinese shadow

China-India comparisons kept popping at the Jawaharlal Nehru Stadium which hosted the event. "While tourists from India are only now visiting Thailand, those from China have been coming for the past 10 years. We are trying to learn the unique demands of Indian visitors," said an official from the Tourism Authority of Thailand.

China's trade with Asean reached an extraordinary \$436.8 billion in 2017, with Beijing single-handedly accounting for more than 17 per cent of the bloc's total goods trade. Last year, China said it was well on the way to achieving the \$1 trillion trade target by 2020.

## Supply cut to raise natural rubber prices

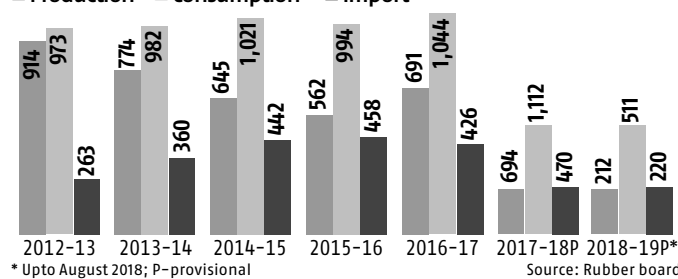
DILIP KUMAR JHA  
Mumbai, 22 February

Battered by a sustained decline, three of the world's leading natural rubber producers — Thailand, Indonesia and Malaysia — have decided to trim supply to help escalate prices in the international markets. In a meeting of ministers of these countries in Bangkok, the nations decided to reduce their natural rubber supply to the world by up to 300,000 tonnes. The three comprise nearly 90 per cent of the natural rubber production, most of which gets exported to numerous countries, including to India.

The move by the trio is similar to what happens in crude oil production where supply is controlled by the Organisation of the Petroleum

### MELTING POINT

India's natural rubber trend ('000 tonnes)



\* Upto August 2018; P—provisional

Source: Rubber board

and Exporting Countries (OPEC), an intergovernmental organisation of 14 crude oil producing countries.

The supply control is set to help raise prices of natural rubber, which will ultimately benefit Indian farmers but impact its consumers,

including tyre manufacturers.

"The decision of the inter-ministerial group of Thailand, Indonesia and Malaysia will benefit all natural rubber producing countries, including India. But, it is yet to be seen as to how effective their



monitoring system would be to take control of supply," said Toms Joseph, joint director (economic affairs), the Rubber Board.

Data compiled by the Rubber Board showed India's total import of natural rubber at 220,000 tonnes

for the period between April and August 2018. During the financial year 2017-18, total natural rubber import was projected at 470,000 tonnes against 426,000 tonnes in the previous year, primarily from the three largest producers.

Meanwhile, the ministers of the three countries said, "The negative market sentiment and uncertainty in the global economy continued to influence the market, affecting the livelihoods of millions of small-holders in this region. The countries have formed an Agreed Export Tonnage Scheme, under the International Tripartite Rubber Council, and asked their respective ministers to implement this decision within two weeks."

The trio has also come out with plans to boost domestic natural rubber consumption.

## At RBI, employees filed 50 harassment complaints over 20 years

The central bank had set up a committee to deal with cases of sexual harassment in 1998

SACHIN P MAMPATTA  
Mumbai, 22 February

The Reserve Bank of India has seen 50 sexual harassment complaints over 20 years. The number was revealed following an application filed by *Business Standard* under the Right to Information Act. The central bank did not reveal a year-wise break-up on these complaints, which is as of June 2018. However, an analysis of annual reports over the last five years shows two complaints. One was recorded for 2017, the other in 2016.

Additional complaints were from earlier years, according to an RBI spokesperson in an emailed statement. "We would like to clarify that the figure of 50 complaints mentioned in your query is a cumulative number from 1998 when RBI set up its internal com-

plaints committees," it said.

The annual report figure of one corresponds to 0.027 complaints per 100 female employees. This works out to 2.7 complaints per 10,000 employees. The latter ratio allows for comparison with the banks that come under it which have tens of thousands of female employees. The RBI had 3,723 women employees at the end of the calendar year 2017.

Banks are also required to disclose details of female employees and sexual harassment complaints. The ratio is closer to 24 for six banks for whom continuous data is available over the last three financial years, based on disclosures compiled from the listed companies' business responsibility reports. This would suggest that reporting is better at the banks than the RBI.

But not all major organisations seem

### A THIRD OF UNITED NATIONS' EMPLOYEES RECENTLY EXPERIENCED HARASSMENT

Percentage of people experiencing sexual harassment



Source: United Nations workplace survey on sexual harassment (2019-Deloitte Touche Tohmatsu)

immune. A third of United Nations' employees experienced sexual harassment, according to a report in January.

Higher figures suggest the existence of an enabling environment for dealing with such issues, said Harish Sadani, co-founder at voluntary organisation Men Against Violence and Abuse. According to Sadani, regulations should be changed to make an external member necessary

for the quorum in internal committee meetings to help improve the quality of decisions because meetings often take place without such members.

"The mind-set of many of the brass in the companies...if they show nil (complaints), they think it's a good figure. It's an under-reported (figure) and it doesn't give a true picture," he said.

Shewli Kumar, an expert on sexual

harassment matters and associate professor at the Tata Institute of Social Sciences, said that the preventive aspect of the law is hardly implemented. There is rarely sufficient publicity on the organisation's policies on such issues, reducing the chances of complaints. This adds to existing power imbalances. "When you are working in a very hierarchical organisation, which is also very gendered, generally people don't complain that easily," said Kumar.

Multiple committees deal with such issues at the central bank, according to the RBI's statement. "As regards the RBI's preparedness to deal with such complaints, there is a robust system in place, consisting of a two-tier mechanism with a Central Complaints Committee constituted at the apex level and a Regional Complaints Committee at each regional office with eight and six members respectively including external representatives. Apart from the Committees, the RBI has also enlisted the support of

trained counsellors as first point contact, thereby ensuring sensitive handling of sexual harassment issues," it said. The spokesperson added that new recruits are sensitised to the issue through special programmes. There is also a protocol on dealing with such issues when it comes to external vendors.

"Gender sensitisation starts right from induction in RBI. Several activities viz workshops, seminars, awareness programmes etc. are organised by the bank at various regional offices/training colleges for creating greater awareness and sensitising the employees. Committee members are also trained through special seminars. The bank's contracts with external vendors contain specific clauses on sexual harassment related matters," it said.

This is the second of a three-part series looking at sexual harassment complaints and their disclosure at financial regulators. The third part will deal with the Irdai