

TECH WATCH
ANDROID

Google's search app for low-cost smartphones gets armed with image recognition feature



A video broadcast at Google I/O showing Urmila from Uttar Pradesh using Google Lens. Video Grab Via Twitter

PRANAV MUKUL
NEW DELHI, MAY 8

AMONG SEVERAL high-tech announcements at its annual developer conference I/O late Tuesday, Google unveiled a simple repackaging of its prevalent features coupled with a breakthrough compression technology to bring out an update on its Lens product that can read out loud words in over 100 languages, "helping the millions of adults around the world who struggle to read everyday things like street signs of ATM instructions". However, the feature was pilot tested with about a dozen languages including Hindi — and one of the test subjects, Google said, was a woman from Uttar Pradesh named Urmila.

In a short video played at the event in San Francisco, Urmila, who cannot read, used Google Lens on her smartphone to understand words written in Hindi by letting the app read those words out loud. The Google Lens app could also translate words written in other languages and read them out in Hindi.

"When you point your camera at text, Lens can now read it out loud to you. It highlights the words as they are spoken, so you can follow along and understand the full context of what you see. You can also tap on a specific word to search for it and learn its definition. This feature is launching first in Google Go, our Search app for first-time smartphone users. Lens in Google Go is just over 100 KB and works on phones that cost

less than \$50," said Aparna Chennapragada vice-president, Google Lens and AR. Currently, the text-to-speech feature is available on Google's Translate app, which lets users take pictures of text that needs to be translated and then can read it out loud. However, in this case, the back-end functionality takes place on the cloud or can be downloaded on a device to make it work offline. Downloading a Hindi translation file takes up about 45 MB of storage.

In case of Lens on Google Go, the file has been compressed to 100 KB and clears the bottleneck of poor connectivity. The small file size also allows the app to run on low-cost Android devices, which Google Go was aimed at in the first place. Google Go is the company's search app designed specifically for cheaper devices with limited processing and storage capabilities. At 5 MB in size, the app is aimed at users of entry-level Android devices, and allows search on slow connections and smartphones with low-speed.

In the video, Urmila pointed out how the app enabled her to use ATMs and book online rail tickets by reading out the instructions.

However, according to Chennapragada, the use-case of Lens on Google Go goes beyond India.

"More than 800 million adults worldwide struggle to read things like bus schedules or bank forms. So we asked ourselves: 'What if we used the camera to help people who struggle with reading?'" she noted in a blog post.

RUPEE DOWN 28 PAISE AGAINST US DOLLAR

Sensex plunges 488 points on concerns over global trade

ENSECONOMIC BUREAU
MUMBAI, MAY 8

THE BENCHMARK Sensex on Wednesday plunged 488 points and the rupee declined by another 28 paise against the dollar as global markets fretted over the outcome of a crucial round of US-China trade negotiations and foreign investors cut down their exposure.

The BSE Sensex plummeted 487.50 points, or 1.27 per cent, to end at 37,789.13 while the broader NSE Nifty sank 138.45 points, or 1.20 per cent, to 11,359.45. The rupee closed at 69.71 against the US dollar amid outflows of capital from the stock market.

According to analysts, global markets came under pressure after months of talks between the US and China were upended after US President Donald Trump on Sunday threatened to raise tariffs on \$200 billion worth of Chinese goods to 25 per cent from 10 per cent on Friday, retaliating against last-minute reversals by China. The flare-up in tensions between the world's two top economies has sent investors scurrying to safe-haven assets like bonds, gold and the Japanese yen.

EXPLAINED

General elections outcome also weighing on markets

WHILE THE concerns last week hovered around US decision to withdraw waivers on imports from Iran that led to a rise in crude oil prices and fall in equity markets, a growing concern over escalation of US-China trade war has spooked markets worldwide. The fall in Asian market followed a sharp decline in the US markets as the Dow Jones Composite fell 1.65 per cent on Tuesday and the Nasdaq fell 1.96 per cent.

In addition to the trade war fears, the Indian markets are also concerned over the outcome of the general elections, the results of which will be announced on May 23.

Further, a weak rupee, mixed corporate earnings and caution ahead of the elections outcome added to the bearishness, analysts said. "Markets continued to slide as escalation in trade war and anxiety over global growth dampened the risk sentiment. Selling was broad based while the outflow of foreign funds may impact liquidity in the market. The ongoing Q4 results are not surprising the investors whereas the expectation continued to be positive.

Stability in oil prices and drop in bond yield are some positive triggers for the market which will provide edge over other emerging markets," said Vinod Nair, head of research, Geojit Financial Services.

Reliance Industries was the biggest loser in the Sensex pack, falling 3.35 per cent, followed by Bajaj Finance, Tata Motors, Bajaj Auto, SBI and Vedanta. HDFC twins, Sun Pharma, NTPC, Yes Bank and IndusInd Bank were among the other laggards. "The

domestic markets have been on the decline for the last two days mainly due to the flare up in the US-China trade war. A lack of an agreement between the two economies could hurt global growth in the near term.

"Q4FY19 earnings season so far has mainly been lackluster. Also, the ongoing general elections have kept major market participants cautious. FIIs, which have been supporting the market through their inflows, have turned sellers in the past few days. Expect markets to remain volatile until elections results (May 23rd)," said Hemang Jani, head – advisory, Sharekhan by BNP Paribas.

Other Asian bourses ended significantly lower following weak Chinese trade data. The Shanghai Composite Index declined 1.12 per cent, Hang Seng 1.23 per cent, Nikkei 1.46 per cent and Kospi 0.41 per cent. Investors are also watching the movement of crude oil prices. "Overall steep increase in crude works as a headwind for equity markets. India being a net importer of crude, higher crude oil prices widens our current account deficit and the rupee comes under pressure," Rahul Agarwal, director, Wealth Discovery/EZ Wealth.

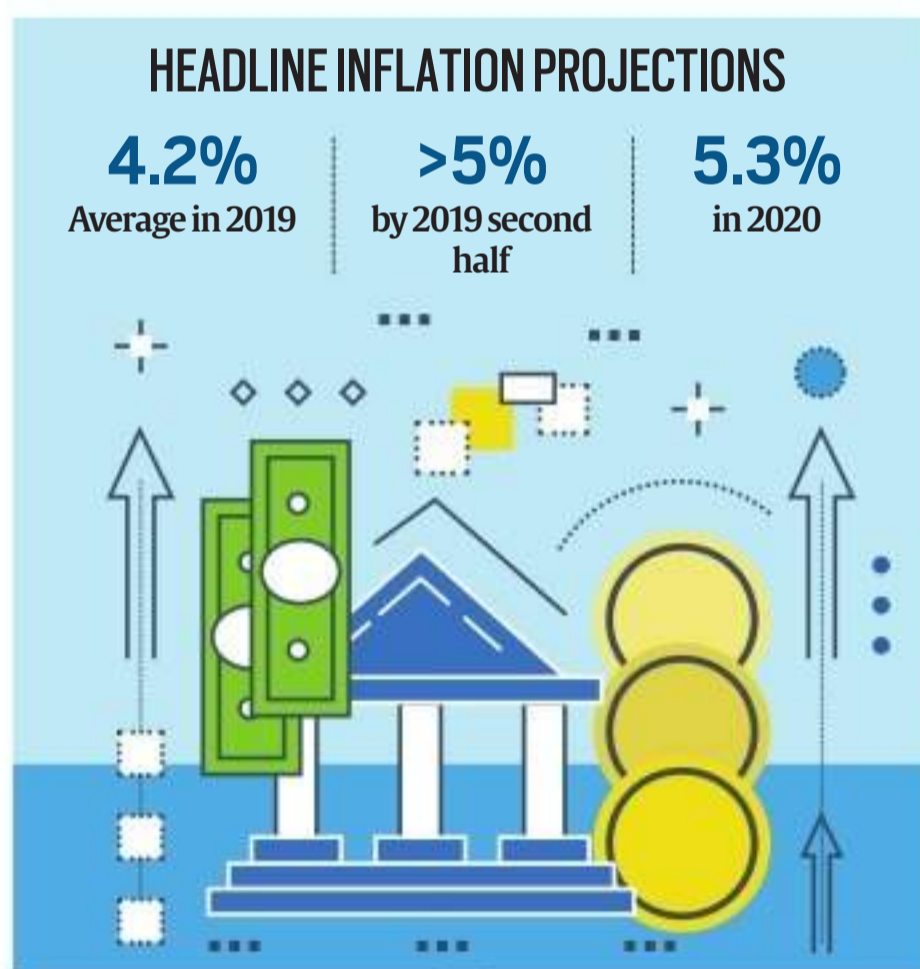
‘RBI likely to cut interest rate again in June’

Reserve Bank is likely to cut interest rates one more time in June before rising inflation pressures and elevated fiscal deficits leave little room for further accommodation in rest of the year, according to an IHS Markit report

Two 25 bps cuts: RBI had cut interest rate by 25 basis points (bps) each in February and April to boost economic growth

Tightened policy stance: The London-based global information provider said RBI is likely to tighten its monetary policy stance in early-to-mid 2020

Support to growth in H1FY20: Monetary policy easing, coupled with relaxation of lending rules and greater election-driven fiscal spending in the first quarter of 2019, will provide some support to growth during the first half of 2019-20 fiscal



Acceleration in food, fuel prices: The IHS Markit report noted that food and fuel prices should accelerate in coming months particularly in the event of a sub-normal monsoon

Lack of tightening to stabilise growth: The lack of further tightening and, in some cases, easing will help to stabilise growth and limit any further deceleration. Some central banks like the People's Bank of China and RBI have begun to ease; others will likely follow or at least leave interest rates on hold for a while

TO 25% FROM 10%: EFFECTIVE MAY 10

US files plans to raise tariffs on \$200 billion of Chinese imports

REUTERS
WASHINGTON/BEIJING, MAY 8

THE US will raise tariffs on \$200 billion worth of Chinese imports to 25 per cent from 10 per cent effective on Friday, according to a notice posted to the Federal Register on Wednesday.

The US Trade Representative's office will establish a process to seek exclusions for certain products from additional tariffs, the Federal Register notice said.

US President Donald Trump said in a tweet that he would be "very happy with over \$100 Billion a year in Tariffs filling US coffers."

His comments followed a Reuters report that quoted US government and private-sector sources as saying China had backtracked on almost all aspects of a draft trade agreement with the US. The tariff increase, if implemented, would come in the middle of two days of talks in Washington between US and Chinese officials. China is sending Vice Premier Liu He, its lead negotiator for the US-China trade dispute, to the talks.

"The reason for the China pull-back & attempted renegotiation of the Trade Deal is the sincere HOPE that they will be able to 'negotiate' with Joe Biden or one of the very weak Democrats," Trump, a Republican, tweeted on Wednesday morning. "Guess what, that's not going to happen! China has just informed us that they (Vice-Premier) are now coming to the US to make a deal. We'll see, but I am very happy with over \$100 Billion a year in Tariffs filling US coffers," he added. The US and China have waged a 10-month

China April exports fall unexpectedly

Beijing: China's exports unexpectedly shrank in April but imports surprised with their first increase in five months, painting a mixed picture of the economy as Washington ratchets up pressure on Beijing with threats of more punishing tariffs. Exports fell 2.7 per cent from a year earlier, customs data showed.

Imports, however, beat expectations with a 4 per cent rise year-on-year, much better than March's 7.6 per cent drop. **REUTERS**

trade war marked by tit-for-tat tariffs on hundreds of billions of dollars of each others' goods, roiling financial markets, disrupting supply chains and crimping global economic growth prospects.

Meanwhile, China's Commerce Ministry said on Wednesday it would take retaliatory measures if Washington went ahead with a plan to raise tariffs. Escalating trade frictions were not in the interests of either country or the world, the ministry said.

White House spokeswoman Sarah Sanders said that the US has received an indication from China that Beijing wants to make a trade deal. "We got an indication they want to make a deal," Sanders told reporters. "Our teams are in continued negotiations. They're going to sit down tomorrow..."

HDFC puts Jet's BKC office on the block

SHRITAMA BOSE
MUMBAI, MAY 8

HOUSING DEVELOPMENT and Finance Corporation (HDFC) has put on sale Jet Airways' 52,775-sq ft office space on the fourth floor of Jet Airways Godrej BKC in Mumbai at a reserve price of Rs 245 crore.

The sale process was initiated after the now-grounded airline failed to repay Rs 415 crore of dues, in addition to interest and other charges, owed to the mortgage financier.

In these circumstances, notice is hereby given to the public in general and in particular to the borrower that the below described Immovable Property mortgaged to HDFC Limited, the physical possession of which has been taken by the receiver appointed by HDFC Limited on April 16, 2019, will be sold by HDFC Limited in enforcement of the mortgage created in its favour, on an "as is where is basis", "as is what is basis", "whatever there is basis" and "without recourse basis" by way of public auction, on May 15, 2019, for realisation of HDFC Limited's dues together with further interest, additional interest and rests along with liquidated damages, costs, charges, etc, HDFC said in the notice.

Sale process was initiated after the airline failed to repay Rs 415 crore of dues, in addition to interest and other charges

Jet Airways, which first defaulted on its repayment commitments on December 31, 2018, has turned into one of the largest stressed assets plaguing the banking system at the moment.

The airline owes its lenders around Rs 8,500 crore and had to shut down operations after banks failed to arrive at a consensus on extending fresh funding to keep it afloat. Bankers are now awaiting binding offers from potential acquirers for the airline, who have not been forthcoming so far. The deadline for sending in binding offers is Friday.

In April, eight parties had put in bids for Jet. Apart from Jet's 24 per cent equity partner Etihad Airways, other major parties to have put in bids were US-based private equity firms TPG and Indigo Partners, which had bid separately, and Think Equity Partner and Redcliffe Capital, who had put in a joint bid.

Banks have already begun to make provisions against their exposure to Jet. **FE**

Builders to refund GST on cancellation of flats booked in FY19

ENSECONOMIC BUREAU
NEW DELHI, MAY 8

ISSUING CLARIFICATION in the form of FAQs on GST rate changes for real estate sector, the Central Board of Indirect Taxes and Customs (CBIC) said that builders will have to refund GST paid by homebuyers if he/she cancels the flat booked in the last fiscal and will be allowed to avail credit adjustment for such refunds. Also, builders, not buyers, will have the power to choose between the optional GST rates decided for the real estate sector by May 10.

The FAQs come after the GST Council reduced GST rate to 5 per cent for residential units and 1 per cent for affordable housing with-

out the benefit of input tax credit (ITC) effective April 1, 2019 for projects which commence on or after April 1. For ongoing projects, the real estate promoters have the option to choose between a 12 per cent rate with the option of input tax credit (ITC) or 5 per cent without it, and in the case of affordable housing projects, an 8 per cent rate with tax credit or a 1 per cent rate.

If realtor opts for new rate, 80 per cent of inputs and input services have to be purchased from registered vendors and value of purchases less than 80 per cent will invite a reverse charge of 18 per cent, except in case of cement, where applicable rate is 28 per cent. A "Residential Real Estate Project" has been defined as the one where carpet area of the com-

Builders, not buyers, will have power to choose between the optional GST rates decided for the sector by May 10

mercial apartments is not more than 15 per cent of total carpet area of all apartments in the project.

If a real estate developer has collected 12 per cent GST from homebuyers beginning April 1, 2019, but later opted for 5 per cent rate, the builder will have to refund the extra tax (7 per cent) collected to the buyer. The FAQs, however, did not clearly spell out whether 7 per cent tax refunded by the builder will be adjusted

against his GST liability. The FAQs said developer will be able to issue a 'Credit Note' to the buyer as per provisions of Section 34 in case of change in price or cancellation of booking. "Developer shall be able to take adjustment of tax paid in respect of the amount of such Credit Note," the FAQ said.

Explaining through an example, it said a developer who paid GST of Rs 1.20 lakh at the rate of 12 per cent in respect of a gross amount of booking of Rs 10 lakh before April 1, 2019, shall be entitled to take adjustment of tax of Rs 1.20 lakh upon cancellation of said booking on or after April 1, 2019, against other liability of GST. The FAQs also said once a real estate developer opts for either old GST taxation regime or new one for ongoing projects manually with jurisdic-

tional Commissioner, he will not be permitted to modify it.

With regard to purchase of land from owner by developer commonly termed as Transfer of Development Right (TDR), the FAQ said GST would not apply on agreements entered into on or after April 1, 2019. However, for TDR agreements entered into prior to April 1, 2019, the developer will not be able to claim credit for GST already paid. TDRs were taxed at 18 per cent in the GST regime. All towers registered as different projects under RERA will be treated as distinct projects, for which the builder will have to maintain separate books of accounts, it said. PwC India partner and leader (Indirect Tax) Pratik Jain said, "de-

velopers need to carefully evaluate as to which scheme is more efficient and clearly communicate to the customers accordingly".

Jain said there might be situations, where one project is registered under RERA but different part of project (e.g. towers) are at different stages of completion (e.g. completion certificate has been received for one of the towers and others are still under construction). "As per the FAQ, in such case, tax rate still needs to be determined for project as a whole. It still needs to be clarified whether GST would still be applicable on flats sold in first tower (as same is outside GST as per GST Act itself). Logically, there should not be any GST with respect to towers where flats are sold after completion," he said.

VOLKSWAGEN EMISSION SCANDAL

Six years ago, he helped expose VW's diesel fraud. This year, GM let him go

JACK EWING
FRANKFURT, MAY 8

HEMANTH KAPPANNA might seem like just another victim of corporate restructuring, a foreign worker whose skills were no longer needed, a middle-aged man with dashed American dreams. But Kappanna, an engineer born in India who was laid off by General Motors in February, changed automotive history.

In 2013, he was part of a small team of engineering students in West Virginia whose research helped expose Volkswagen's decade-long conspiracy to lie about its diesel cars' emissions. The German carmaker has paid \$23 billion to resolve criminal charges and lawsuits in the United

States, and \$33 billion over all.

The cost to Volkswagen rose on Tuesday. The company's Porsche division said it had agreed to pay a fine of 535 million euros, or \$600 million, after the German authorities accused the sports-car maker of selling nearly 100,000 diesel sport utility vehicles with software designed to conceal excess emissions. Kappanna's role as a hero in bringing the Volkswagen scandal to light did not protect him when his supervisor called him into a conference room in Milford, Mich., this past winter.

Kappanna, who had studied and lived in the United States for 17 years, joined GM in December 2014 after finishing his doctorate. His most recent job involved communicating with the Environmental Protection Agency

about the American carmaker's emissions technology.

The supervisor said it was nothing personal, Kappanna, 41, recalled by telephone from Michigan last week. His severance package consisted of two months' pay and a one-way ticket to India. He was one of about 4,000 GM workers laid off in what the company called a "strategic transformation." "They let me go," he said, still sounding bewildered. Unable to find a job before his work visa's 60-day grace period expired, Kappanna returned to Bangalore, his hometown, a few days later.

Kappanna was a graduate student when he got involved in a "Mad Max" sort of experiment on Volkswagens. He was studying at West Virginia University in Morgantown, which is known for



Hemanth Kappanna, the former GM engineer. The New York Times

its research on auto emissions, when the director of his program asked him to complete a grant application from the International Council on Clean Transportation.

The council, a nonprofit group, wanted to test the emissions of German diesel cars sold in America. Kappanna was pursuing a doctorate, and his proposal helped the university win a modest \$70,000 grant.

The university planned a real-time test of emissions, and it rigged up an ingenious way to scrutinize the exhaust generated under open-road conditions. The standard practice was to test cars in specially equipped garages, which is much easier than trying to analyze fumes from a moving vehicle.

Kappanna and two other graduate students, Marc Besch from Switzerland and Arvind Thiruvengadam from India, were chosen to do the fieldwork. They bolted portable emissions-testing equipment to a sheet of plywood

and crammed it into the back of a Volkswagen diesel station wagon. The rig, powered by a portable gasoline generator, was noisy and smelly, but with every mile, it churned out data that challenged sticker-price assurances. The emissions were dirtier than anyone would have imagined. Kappanna and his fellow students did not know it, but they were gathering evidence of a crime.

Volkswagen engineers had devised so-called defeat device software that could recognize the standardized procedure used by regulators in their testing labs.

Kappanna, Besch and Thiruvengadam documented that Volkswagens polluted far more than regulations allowed when they were driven on highways and city streets. In March

2014, Besch presented the findings at a conference for emissions experts in San Diego.

Their paper did not directly accuse Volkswagen of wrongdoing. But the data it included raised red flags for officials with the California Air Resources Board and the Environmental Protection Agency who were in the audience.

The regulators began an investigation that, a year and a half later, forced Volkswagen to confess that it had installed the cheating software in 11 million diesel cars worldwide, including almost 600,000 in the United States. The inquiry called attention to the health hazards of diesel fuel and spurred consumers to shun the technology. Kappanna is proud of his role in unmasking Volkswagen's wrongdoing, but

he also wonders whether he was seen within GM as overly zealous about compliance and too friendly to regulators. "Certainly they could have seen me as biased," he said. "I can't really say." GM said this week that Kappanna's dismissal "was not related to any emissions compliance concerns or related issues." That he was not a United States citizen also played no role, GM said in an emailed statement.

Whatever the reason, Kappanna and other GM workers arrived at work in Milford on Feb. 4 to find notices taped to conference room doors: The rooms had been reserved for human resources meetings. Kappanna soon received a phone call from the director of his division to meet him in one of the rooms. **NYT**

Advisory panel to examine NSSO report on services sector: MoSPI

ENS ECONOMIC BUREAU
NEW DELHI, MAY 8

CLARIFYING ON the findings of a technical committee that has found gaps in number of services sector companies, the Ministry of Statistics and Programme Implementation (MoSPI) Wednesday said the GDP estimates announced so far are not affected.

It added that an official committee will examine the NSSO's technical report on services sector enterprises for July 2016-June 2017.

The clarification comes after a technical report by the National Sample Survey Office (NSSO) has stated that over one-third of the service sector companies forming part of MCA-21 database, used in computing GDP, could not be either identified or traced in the field. The technical report based on a survey of service sector enterprises was done as a prelude to the proposed Annual Survey on Services Sector.

"It is emphasised that there is no impact on the existing GDP/GVA estimates for the cor-

"It is emphasised that there is no impact on the existing GDP/GVA estimates for the corporate sector as due care is taken to appropriately adjust the corporate filings at the aggregate level based on the paid up capital"

MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

porate sector as due care is taken to appropriately adjust the corporate filings at the aggregate level based on the paid up capital," it said in a statement.

The MoSPI further said that work for the Seventh Economic Census will begin in June this year. The Seventh Economic Census for all economic establishments aims to assess the nature and distribution of establishments along with companies forming part of MCA-21 database, used in computing GDP, could not be either identified or traced in the field.

Further, the Ministry said that the exercise was undertaken to know data gaps and take remedial steps.

"The recent exercise of the National Sample Survey to bring out a technical report on the services sector was commissioned by the Ministry to

understand the data gaps and take remedial steps, while undertaking the new base revision exercise for the proposed 2017-18 series. The results of this NSS Report will be further examined by the Advisory Committee before finalising the approach and methodology for the proposed 2017-18 series," the Ministry stated.

The government is proposing to revise the base year for GDP to 2017-18 from 2011-12, along with corresponding revision in base years for IIP and CPI.

The technical report has stated that out of the 39 per cent out-of-survey units in Ministry of Corporate Affairs (MCA), 21 per cent were found to be out of coverage and another 12 per cent were non-traceable, which in number is nearly 4,000 units.

FINANCE PANEL MEMBERS TO MEET BANKERS, ECONOMISTS

RBI, FinComm explore formation of State Finance Commissions

Continuity of Finance Commission also discussed during meeting in Mumbai

ENS ECONOMIC BUREAU
MUMBAI, MAY 8

THE RESERVE Bank of India (RBI) and the 15th Finance Commission, headed by N K Singh, on Wednesday discussed the necessity of setting up State Finance Commissions (SFC) for respective state governments and public sector borrowing requirements.

Key issues raised by Reserve Bank Governor Shaktikanta Das and Singh were discussed in detail at a meeting between the finance panel members and the RBI officials.

The meeting also discussed the continuity of the Finance Commission.

"It was felt that this was required more in view of the fiscal management requirements of the States, especially given the absence of mid-term reviews of awards granted by the Finance

RESERVE BANK LISTS OUT SPECIFIC FACTORS

■ During the meeting, the Reserve Bank said specific factors drive fiscal slippages: these factors include UDAY in the past and farm loan waivers and income support schemes in 2018-19 revised estimates

■ Fiscal deficit of states is budgeted to be lower in 2019-20 BE (budget estimate), but the revised estimate (RE) and actuals deviate significantly (reflecting poor fiscal marksmanship), the Reserve Bank said

Commission, as it used to happen earlier with the awards granted by the Planning Commission," an official statement said.

The RBI and the Finance Commission also discussed about expenditure codes, especially given that expenditure norms vary from state to state, and the role of states in growth and inflation and the role of states in ease of doing business. The finance panel members

will also meet bankers and economists during their two-day Mumbai visit.

The RBI made a detailed presentation to the Finance Commission on state government finances for 2019-20. The central bank said that the importance of states in the economy has increased with the shift in composition of government finances.

"Fiscal deficit of states is budgeted to be lower in 2019-20 BE

(budget estimate), but the revised estimate (RE) and actuals deviate significantly (reflecting poor fiscal marksmanship)," the RBI said.

The RBI said specific factors drive fiscal slippages: these factors include UDAY in the past and farm loan waivers and income support schemes in 2018-19 RE. The outstanding debt as percentage of gross domestic product (GDP) has been rising, despite moderation in interest payment as percentage of revenue receipts, the RBI statement added.

The banking regulator also made another presentation on the issues and challenges of the market borrowings of state governments. The main issues raised in this presentation included the increasing orientation of state governments' borrowing to markets, improving secondary market liquidity and cash management.

'Banks expected to realise ₹80K cr from IBC in FY20'

ENSECONOMICBUREAU
MUMBAI, MAY 8

BANKS ARE expected to realise more than Rs 80,000 crore in FY20 from the Insolvency and Bankruptcy Code (IBC) compared to about Rs 66,000 crore realised in FY19, says a report. The higher realisation in FY20 would be driven by the expected conclusion of the corporate insolvency resolution process (CIRP) of two large accounts, Essar Steel Ltd and Bhushan Steel and Power Ltd, according to ICRA Ratings.

Both these accounts are part of the Reserve Bank of India's list of the 12 largest defaulting companies announced in June 2017.

The progress of the CIRP under the IBC has been hampered over the past two years by the over-burdened NCLTs, innumerable litigations, defiant promoters and failing sectors. Even then, the process under the IBC has chugged on, albeit at a slower pace than envisioned.

As of March 2019, 715 cases of defaulting corporate debtors had been closed under the IBC. Of the same, a significant portion of corporate debtors (378 cases) were ordered into liquidation, while only 92 CIRPs yielded a resolution plan where the companies continue to operate as going-concerns.

Abhishek Dafria, vice president & co-head, Corporate

The higher realisation in FY20 would be driven by the expected conclusion of the CIRP of Essar Steel Ltd and Bhushan Steel and Power Ltd, Icra said

Ratings, ICRA, said, "Successful completion of the CIRP for two accounts would bring closure to eight companies from the RBI's list and could help strengthen the confidence in the IBC, despite the significant delays seen in the process with most of the CIRPs lasting more than 500 days."

"However, despite the hurdles being faced by the IBC, we expect the number of cases being admitted to the National Company Law Tribunal (NCLT) to continue to increase, especially from the operational creditors who are responsible for 50 per cent of all cases admitted by the NCLT," he added.

In April 2019, the Supreme Court cancelled the February 2018 circular of the Reserve Bank which directed banks to recognise one-day defaults by large corporates and refer the large defaulting entities (classified as those with loans in excess of Rs 2,000 crore) to the NCLT if a resolution plan was not in place 180 days after the default.

The RBI's circular would have channelled the resolution process

of the defaulting corporate debtors through the framework set by the IBC and thereby encouraged the creditors to approach the NCLT at an early stage of default.

The SC decision is a blow to the IBC and it is important for the RBI to find a new mechanism to ensure that resolution of stressed assets happen in a disciplined manner. The NCLTs continue to remain heavily burdened as the number of cases being admitted continues to increase quarter-on-quarter with the highest quarterly admissions of 359 cases reported in Q4 of FY19.

As the timelines for the CIRP continue to get stretched, with 32 per cent of the ongoing CIRPs as on March 31, 2019, having already crossed the maximum allowed time of 270 days, the number of admitted cases that are yet to be resolved are only increasing.

"As of March 31, 2019, the number of ongoing CIRPs had increased to 1,143. In order to improve the overall efficiency of the process, more steps are desired. The recent decision to setup two more NCLT benches at Amaravati in Andhra Pradesh and at Indore in Madhya Pradesh is a step in the right direction.

"Over the long run, the IBC will continue to play an important role in the country's economy as long as the key stakeholders remain proactive in discharging their duties and continue to have confidence in the process," Dafria said.

'C-LEVEL EXECUTIVES LATEST TARGET OF CYBERCRIME'

C-level executives, who have access to a company's most sensitive information, are now the target of social engineering attacks, according to the 2019 Data Breach Investigations Report (DBIR) by digital network solution firm Verizon



Zee Entertainment shares decline 10%

ENSECONOMICBUREAU
MUMBAI, MAY 8

SHARES OF Zee Entertainment Enterprises Ltd (ZEEL) plunged 10 per cent on Wednesday amid concerns over stake sale by its promoters and the audit of financial statements. The scrip tumbled 9.72 per cent to close at Rs 333.30 on the BSE. During the day, it dived 12.66 per cent to Rs 322.45.

Meanwhile, ZEEL Wednesday said its board will consider stand-alone and consolidated results for fiscal 2018-19 on May 27, scotching "market rumours" that raised concerns about audit of the company's financial statements.

In a regulatory filing, the company said it has been informed that "there are certain rumours floating in the market raising concerns about audit of the financial statements of the company for the

fiscal year ended March 31, 2019." "We deny the above rumours floating in the market relating to audit of the financial statements of the company," it said.

In a separate filing, the company said it was not in a position to provide any comment or clarification regarding stake sale process by its promoters, Essel Group.

In November, the promoters had stated they planned to divest up to 50 per cent of their stake in

ZEEL to a strategic partner.

"Understandably, in accordance with the said intent, the promoters have been in discussions or negotiations with various prospective investors and the company is not in a position to provide any comment or clarification until such time any potential investor is identified and such arrangement is disclosed by the promoters to the board of directors of the company," ZEEL said.

'India to add 11.5 lakh jobs in first half of FY20'

PRESS TRUST OF INDIA
MUMBAI, MAY 8

INDIA WILL witness an addition of 11.5 lakh jobs in the first half of 2019-20, led by travel, hospitality and BPO/ITeS, as per a report.

"The positive outlook created by the stock market rally and increased investments seems to be having a corresponding impact on the employment outlook. It has revived the net employment outlook which had witnessed a drop of 2 per cent in the last half year to a 3 per cent rise in the current half year," TeamLease Services executive vice president Rituparna Chakraborty said.

The buoyancy witnessed will also translate positively on the job creation front and, in fact, around 11.5 lakh new jobs will be created in the formal sector, Chakraborty said quoting "Employment Outlook" report.

"Retail, logistic, educational services and fast moving consumer goods and durables alone will add around 1.66 lakh, 1.49 lakh, 1.17 lakh and 1.10 lakh jobs respectively," she added.

The report is based on survey across 19 sectors and 14 geographies among 775 enterprises in India and 85 employers across the globe to evaluate employment outlook trends.

Eyeing IPO riches, Uber drivers go on strike in the UK and US

REUTERS
LONDON/NEW YORK, MAY 8

UBER DRIVERS in London and New York started a day of strikes Wednesday to protest the disparity between gig-economy conditions and the sums that investors are likely to make in Friday's blockbuster stock market debut.

Drivers and regulators around the world have long criticised the business tactics of Uber Technologies Inc, and the expected \$90 billion valuation in its initial public offering on Friday is proving to be the latest flashpoint.

Unions in Britain said support for the strike was strong, with drivers staying at home and passengers using the #UberShutDown hashtag to pledge solidarity on social media. The Uber app indicated fares were higher in London during a rainy morning rush hour due to increased demand. "Stand with these workers on strike today, across the UK and the world," said Jeremy Corbyn, the leader of Britain's opposition Labour Party.

Drivers in London were due to log off the app between 7 am and 4 pm local time, before counterparts in New York, Chicago, Los Angeles, San Francisco and other major cities joined in.

Uber has 3 million drivers globally, and it is not clear if the action would significantly slow service, although organisers have received widespread publicity.

CEO Dara Khosrowshahi, hired to help move the company past a series of scandals and manage the IPO, has promised to treat



Uber and Lyft drivers, with signs on their vehicles supporting better wages, cross the Brooklyn Bridge in a caravan of about 25 vehicles on Wednesday in New York. AP

drivers better. Uber is paying more than a million drivers about \$300 million in one-time bonuses, for instance, and has changed policies such as allowing riders to tip.

"Whether it's being able to track your earnings or stronger insurance protections, we'll continue working to improve the experience for and with drivers," the company said. Uber has steadfastly, and mostly successfully, beaten back attempts to compel it to treat drivers as employees, arguing that its main business is a platform that brings riders and drivers together. And the money-losing company is under pressure to cut costs. "It is the drivers who have created this extraordinary wealth but they continue to be denied even the most basic workplace rights," said James Farrar, chair of Britain's United Private Hire Drivers, calling for a "digital picket line." Many drivers want better pay from Uber rival Lyft Inc as well. "I'm striking because Uber

has broken their promises to drivers time and again," said Syed Ali, an Uber driver and member of the striking New York Taxi Workers Alliance, in a statement. "They have grown and grown and gotten richer and richer, but I haven't grown with the company. My condition as an Uber driver has gotten worse and worse."

It was not clear how many drivers were participating in the US strikes. US representatives for Uber and Lyft did not immediately respond to calls for comment early Wednesday. Uber and Lyft have cut back on incentives and bonuses in more established markets to attract new drivers. They have also devised more complicated formulas for determining what riders pay and what drivers earn. Both companies recently slashed the per-mile rate drivers earn in Los Angeles and San Francisco, and some drivers estimated a loss of 10 per cent to 20 per cent in earnings.

Trump unveils Iran mining sanctions, hopes for talks 'someday'

PRESS TRUST OF INDIA
WASHINGTON, MAY 8

US PRESIDENT Donald Trump targeted Iran's steel and mining sectors Wednesday in his latest tough sanctions but said that the "someday" hoped to negotiate face-to-face with the clerical regime.

The announcement came hours after Iran said it was suspending some limits set by a multinational nuclear deal — on the one-year anniversary of Trump's pullout from the accord.

The White House said it was imposing sanctions on all trade of Iran's iron, steel, aluminum and copper, the country's biggest export after oil — which the US is already working to halt completely.

"Today's action targets Iran's revenue from the export of industrial metals — 10 per cent of its export economy — and puts other nations on notice that allowing Iranian steel and other metals into your ports will no longer be tolerated," Trump said in a statement.

"Tehran can expect further actions unless it fundamentally alters its conduct." But in a switch in tone, Trump, who talked tough on North Korea before entering landmark talks with leader Kim Jong Un, said he was also willing to negotiate. "I look forward to someday meeting with the leaders of Iran in order to work out an agreement and, very importantly, taking steps to give Iran the future it deserves," he said.

'IL&FS resolution on track; green firms' ₹12K cr debt likely to be settled by July'

PRESS TRUST OF INDIA
NEW DELHI, MAY 8

LOAN EXPOSURE worth Rs 12,000 crore of almost 55 green companies of crisis-hit IL&FS group is likely to be settled by July end, a senior government official said as he asserted that the resolution process is on track. Besides, many of the green companies have positive equity which means that after settling debt obligations, shareholders would "get something in return for their equity stake", Corporate Affairs Secretary Injeti Srinivas said.

The board of diversified IL&FS group, estimated to have a debt burden of over Rs 94,000 crore, was superseded by the Corporate Affairs Ministry in October last.

Since then, the National

Company Law Tribunal-appointed board is managing the affairs to ensure orderly settlement. As part of the resolution efforts, the group companies have been classified into three categories, mainly based on their financial positions — green, amber and red.

Srinivas said the IL&FS resolution process is on track and expects to reach "some kind of conclusion" in a time-bound manner. There are almost 55 companies in the green category and they have a loan exposure of about Rs 12,000 crore. Ten out of the 55 companies account for nearly 90 per cent of the loan exposure, he noted.

"In the green category, the major focus is on settling dues with respect to those ten large companies. If the dues of the ten companies can be settled, then 90 per

cent of the Rs 12,000 crore can be settled... By July end, we will be aspiring to settle the debt of green companies, which is around Rs 12,000 crore," he said.

In an interview to PTI, Srinivas also said there are a few cases where creditors are willing to restructure the entire loan to make 'amber' assets green.

"We are open to that. If they can be made into green, then around Rs 2,000 to 4,000 crore of debt may shift from amber to green," he noted.

The amber companies have debt obligations worth around Rs 20,000 crore and since there is a moratorium, the dues of these firms are not being paid yet.

Amber companies are those that have enough money to pay senior secured creditors but not unsecured ones.

L&T buys Mindtree stock worth ₹368 cr

PRESS TRUST OF INDIA
MUMBAI, MAY 8

INFRASTRUCTURE MAJOR Larsen & Toubro Wednesday bought shares of Mindtree worth about Rs 368 crore through open market transactions.

According to bulk deal data available with the NSE, L&T bought over 37.53 lakh shares, or 2.28 per cent stake, worth Rs 367.8 crore, with the average price being Rs 979.96 per scrip. Meanwhile in a separate transaction, one Rekha N Shah sold 26.84 lakh shares of Mindtree for Rs 263 crore. Mindtree is in the midst of a takeover battle, with Larsen &

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Toubro (L&T) seeking to take control of the mid-sized IT firm. However, Mindtree's promoters are opposed to the proposed deal. L&T has been buying Mindtree shares from the open market for three consecutive days.

It had on Monday bought shares worth about Rs 113 crore.

On Tuesday, L&T purchased

8.43 lakh shares at Rs 979.9 per scrip, translating into a deal size of Rs 82.6 crore. Last week, L&T had purchased around 20 per cent stake of V G Siddhartha and Coffee Day in Mindtree through block deal for about Rs 3,210 crore.

L&T had signed a deal to buy Cafe Coffee Day owner Siddhartha's 20.32 per cent stake in Mindtree and also placed an order with brokers to pick up another 15 per cent of the company's shares from the open market for about Rs 2,500 crore.

Subsequent to these deals, L&T would make an open offer to buy additional 31 per cent stake.

Shares of Mindtree ended 0.21 per cent higher at Rs 982 on NSE.

BRIEFLY

India, Turkey to step up trade ties

New Delhi: India and Turkey on Wednesday resolved to step up their economic ties with an aim to reach \$10 billion bilateral trade by 2020.

'India, China to discuss trade related issues'

New Delhi: Senior officials of India and China will meet here Thursday to discuss trade-related issues, particularly matters concerning agriculture sector, a senior official said.

FPIs get Sebi nod to invest in municipal bonds

New Delhi: Foreign portfolio investors can now invest in municipal bonds, Sebi said in a circular Wednesday.

Titan Q4 net profit up 14% at ₹348 crore

New Delhi: Tata Group firm Titan Company Wednesday posted a 14.41 per cent increase in consolidated net profit at Rs 348.30 crore for fourth quarter of 2018-19.

BharatPe launches UPI for merchants

New Delhi: BharatPe, a fintech startup enabling payments for merchants through interoperable UPI QR codes, has announced its foray into merchant services with a new app. PTI

Softbank to spend \$4 bn to hike Yahoo stake

Tokyo: Japanese telecoms company Softbank Corp. says it will spend 456.5 billion yen to increase its stake in Yahoo Japan to nearly 45 per cent. AP

'Domestic air passenger market falls'

New Delhi: The growth of India's domestic passenger market fell to 3.1 per cent in March as compared to 8.3 per cent in February, global airlines body IATA said. PTI