# ECONOMY



₹

**⊘** ₹69.70





\$61.16\*



₹38,220

SENSEX: 39,046.34 ▲ 85.55 NIFTY: 11,691.50 ▲ 19.35 NIKKEI: 20,972.71 ▼ 151.29 HANG SENG: 27,498.77 ▲ 271.61 FTSE: 7,423.32 ▲ 66.0 DAX: 12,243.73 ▲ 157.91

#### SECTOR SCAN **AVIATION**

## May domestic air passenger traffic grows by 2.96% after slump in April

This was the first full month after Jet Airways suspended operations

**ENS ECONOMIC BUREAU** 

NEW DELHI, JUNE 18

FOLLOWING A dip in April, domestic air passenger traffic saw a rebound in May increasing 2.96 per cent year-on-year, according to data released by the Directorate General of Civil Aviation(DGCA). This was the first full month after Jet Airways suspended operations. In April, domestic air passenger traffic had dropped by 4.5 per cent over the same month last year.

Suspension of operations by Jet Airways on April 17 due to lack of funds was considreasons why domestic air traffic saw a fall in that month. IndiGo, which had a market share of 49.9 per cent in April, maintained its lead position with 49 per cent share of the domestic passenger market in May. Experts believe that the airline will become subject to greater regulatory scrutiny the Competition Commission of India (CCI) once its market share crosses 50 per cent.

SpiceJet's market share increased from 13.1 per cent in April to 14.8 per cent in May, giving it the number two spot, as per the data. The market share of Air India, GoAir, AirAsia and Vistara were 13.5 per cent, 11.1 per cent, 6.3 per cent and 4.7 per cent, respectively, in May this year.

The passenger load factor (PLF) – which is measured by dividing the number of passengers to the number of available seats in a flight – for Spicelet was 93.9 per cent in May, as per the data. "For the 50th month in a row SpiceJet has flown with the highest loads in India. In May, our PLF stood at 93.9 per cent. This is a feat unparalleled in global aviation industry and a huge milestone for SpiceJet. This record firmly establishes

## **'EXPECT HIGHER**

**GROWTH SOON'** 

- Experts had pegged increase in fares due to restrained capacity on account of suspension of Jet' operations could be hurdle for traffic growth
- **Expect higher** growth in the coming months as more seat capacity comes in, an analyst said

ered to be one of the primary SpiceJet's standing as country's most preferred airline,' said Shilpa Bhatia, chief sales and revenue officer of SpiceJet.

> For GoAir, IndiGo, Air Asia and Vistara, the passenger load factor stood at 93.3 per cent, 90.9 per cent, 87.8 per cent and 85.6 per cent, respectively, in May. Air India's passenger load factor was at 85 per cent in May, the DGCA data showed.

Sharat Dhall, chief operating officer (B2C) of Yatra.com, said: "Considering the slow growth in the last two months due to turbulence in the aviation industry, it is encouraging to see a month-on-month growth of 2.96 per cent." "Induction of new aircraft and discounts offered by the airlines has marginally lifted the passenger traffic. We expect higher growth in the coming months as more seat capacity comes in and airlines are also likely to announce further sales as we move into the offpeak period," he added.

Sectoral experts had earlier pegged that increase in fares due to restrained capacity on account of suspension of Jet' operations could be a hurdle for India's air traffic growth. India's domestic air traffic witnessed double digit growth for 24 straight months.

IAG inks letter of intent

for 200 Boeing 737MAX

#### WITHIN THE NEXT 10 DAYS

## Draft e-commerce policy: Goyal asks firms to submit concerns

Meeting was held in order to understand the concerns of the tech industry

**ENS ECONOMIC BUREAU** NEW DELHI, JUNE 18

**COMMERCE AND Industry** minister Piyush Goyal has requested e-commerce firms to send their concerns about India's draft e-commerce policy to the Department for Promotion of Industry and Internal Trade (DPIIT) within the next 10 days.

The meeting, coming months after DPIIT circulated the 42-page draft policy that caused alarm especially among foreign e-commerce players, was held in order for the minister to understand the concerns of the tech industry and Indian and foreign e-commerce companies.

Goyal sought their suggestions towards building "a robust data protection framework that will achieve the dual purpose of privacy and innovation and strengthen India's position as a global tech leader with focus on trust and innovation," stated the Commerce Ministry in a release following the meeting.

The e-commerce industry representatives present at the meeting felt the draft was "not adequately consultative", ac-

#### **NOT ADEQUATELY CONSULTATIVE, FIRMS SAID**

■The firms also put

processing related

guidelines. "Deputy

assured the industry

Governor, B P Kanungo,

representatives that the

will look into this," the

Ministry statement said

Reserve Bank of India (RBI)

Electronics and Information

Technology's (MeitY) Data

Protection Bill have "more clar-

ity around classification of data

and the manner of cross border

MeitY and the National

Association of Software and

Services Companies (NASS-

COM) may deal with the con-

cerns of companies who build

products in India and store

that the Bill "must reflect this."

Prakash Sawhney assured e-

commerce companies that the

bill would reflect "all" the con-

sultations that had taken place

with the industry during its for-

MeitY secretary Ajay

The minister also said that

flow of data".

forward concerns related to

Reserve Bank of India's data

storage requirements and

■ Representatives from the e-commerce industry present at the meeting felt the draft policy was "not adequately consultative", according to the ministry, adding that Commerce Minister Piyush Goyal assured them that "each and every concern of the industry will be addressed"

cording to the ministry, adding that the minister assured them that "each and every concern of the industry will be addressed".

The companies represented in this meeting also put forward concerns related to Reserve Bank of India's data storage requirements and processing related guidelines. "Deputy Governor of RBI, B.P. Kanungo, assured the industry representatives that the Reserve Bank of India will look into this," stated the release.

Principles of data protection and privacy were discussed "at length" during the meeting, with industry representatives requesting the minister to ensure that the Ministry of mulation, it added.

The ministries of commerce and industry, MeitY and RBI plan to work "in synergy" towards realizing the "full use of digital technology together with trade and investment" while being mindful of India's priorities and sensitivities, according to the Commerce Ministry. The meeting assumes significance with the government still in the process of finalising India's e-commerce policy, which has created concern among multinational ecommerce firms over certain provisions.

The draft policy, released in February, indicated an intent towards fully blocking foreignfunded e-commerce companies from holding inventory and expressed an aim to invite and encourage foreign investment in the marketplace model "alone". It addresses six broad issues of the e-commerce ecosystem — data, infrastructure development, e-comtheir data in the country and merce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through ecommerce.

It further proposed setting up a framework to restrict cross-border flow of data.

## SBI moves NCLT against Jet Airways; shares plunge 41%

**ENSECONOMIC BUREAU** MUMBAI. JUNE 18

STATE BANK of India (SBI) on Tuesday moved the Mumbai bench of National Company Law Tribunal (NCLT) for resolution of Jet Airways under the Insolvency and Bankruptcy Code (IBC). Jet Airways shares plunged nearly 41 per cent on the stock exchanges following the decision of lenders to take the airline to NCLT.

NCLT is likely to take up the petition on Wednesday. Other banks in the consortium which lent funds to the crippled airline are also expected to join the petition. "We are hopeful of a resolution under the IBC rather than liquidation. Bidders are likely to be attracted by exemptions under IBC. Exemption from Sebi open offer may be possible through IBC," said a banking source.

Jet Airways owes over Rs 8,500 crore to lenders.

Etihad Airways, which holds around 24 per cent stake in let Airways, was the only shortlisted bidder to put in a bid. The Hinduja group later made its interest in let Airways public, and the two groups were in talks for a possible deal. Lenders said that they had received just one conditional bid, and that the investor had asked for Sebi exemption.

Meanwhile, Jet Airways scrip plummeted 40.78 per cent to close at Rs 40.45 on the BSE. During the day, it tanked 52.78 per cent to hit an all-time low of Rs 32.25. Over 60.5 lakh shares of the company were traded on the BSE and over four crore shares on the NSE during the day. This the 12th consecutive trading day's fall for Jet and the scrip has plunged over 73 per cent during this time, wiping out Rs 1,253.5 crore from its market valuation on the BSE.

**ENSECONOMIC BUREAU** 

AWEEK after sacking "errant" in

come tax officers, the government

Tuesday compulsorily retired

from service 15 senior customs

and central excise officials, includ-

ing one of the rank of Principal

Additional Director General

(ADG), following alleged charges

of corruption and bribery.

Invoking rule 56(j) of the

Fundamental Rules, the govern-

ment has sacked these Central

Board of Indirect Taxes and

Customs (CBIC) officers ranging

from the ranks of Principal

Commissioner to Assistant

Commissioner, some of whom

NEW DELHII, JUNE 18

EXPLAINED

#### Banks to take a hit if Jet goes for liquidation

AS PER the IBC procedure, once NCLT takes up the case, an Insolvency professional (IP) will be appointed who in turn will assess the company's financial position and work out potential resolution plans, including liquidation or identifying a suitable investor.

If the airline goes for liquidation, banks are unlikely to get much as there are not much tangible assets for loan recovery.

The scrip has also been on a backfoot following announcement that stock exchanges will impose restrictions on trading in Jet Airways' shares from June 28 as part of preventive surveillance measures to curb excessive volatility, according to a circular issued last week. After a meeting of the 26 lenders on Monday, SBI in a statement said that "after due deliberations, the lenders have decided to seek resolution for Jet Airways under the bankruptcy code since only a conditional bid was received". The fate of the airline, which shut down operations on April 17, 2019 after it ran out of cash, will be decided as per the Iune 7 circular of the RBI.

#### 'FY20 wind capacity addition likely to rise 3.5-4.0 GW' Wind energy generation capacity addition is likely to improve to 3.5-4.0 GW this fiscal, while land

acquisition and transmission connectivity challenges will remain crucial, rating agency Icra said

**MEASURES TAKEN BY GOVT TOWARDS RESOLVING ISSUES FACED BY DEVELOPERS** ■ Facilitation charge to

state governments providing support for land acquisition ■ Investments towards augmenting inter-state

**FACTORS LEADING** TO RISE IN AVERAGE **BID TARIFF** 

transmission

infrastructure

- Higher implementation risks in projects awarded so far
- Lower competition with bids being
- under-subscribed ■ Financing challenges

# >12 GW 1.6 GW

Overall wind power capacity awarded by central nodal agencies and state distribution utilities since February 2017

Wind power capacity added in FY2019, owing to delays in execution caused by land acquisition issues and securing transmission connectivity

₹2.64/unit Average bid tariff in calendar year 2018, as against Rs 3.01 per unit in calendar year 2017

<₹3/unit

Tariff discovered in

recent wind power

auctions

₹2.85/unit Average bid tariff in five months of calendar year 2019

## Connectivity is foundation for Internet of Things revolution, says IT Secretary

**REUTERS** LE BOURGET, FRANCE, JUNE 18

BOEING WON a major vote of

confidence at the Paris Airshow on Tuesday as British Airways owner IAG signed a letter of intent (LoI) to buy 200 of its 737 MAX aircraft that have been grounded since March after two deadly crashes.

News of the deal, worth more than \$24 billion at list prices, sent shockwaves round the world's largest air show which had struggled to find its rhythm amid the 737 MAX crisis and concerns about an economic slowdown.

Airbus, the current supplier of IAG's British Airways (BA) and Vueling brands, was stunned by

the announcement which came months after it lost a major BA wide-body aircraft order to its US rival. Industry sources said it seemed unlikely the European company had been offered a chance to bid.

"We have every confidence in Boeing and expect that the aircraft will make a successful return to service in the coming months," IAG Chief Executive Willie Walsh said of the 737 MAX, announcing the first deal for the plane since its grounding.

IAG said it planned for the mix of 737-8 and 737-10 aircraft to be delivered between 2023 and 2027. Meanwhile, Airbus and Boeing bagged more than \$17 billion in plane deals.

**KARISHMA MEHROTRA** NEW DELHI, JUNE 18

COMMENTING ON the 7 per cent growth of internet domain names in India as compared to the global 3 per cent growth, IT Secretary Ajay Sawhney said the numbers are still not adequate enough.

"Compared with the global 3 per cent, 7 per cent might seem like a lot, but we don't get very impressed with 7 per cent growth. We are underwhelmed by this. Anything less than double digits here is actually sort of unacceptable," he said to foreign visitors from the global organisation Internet Corporation for Assigned Names and Numbers (ICANN).

7 per cent might seem like a lot, but we don't get very impressed with 7 per cent growth. We are underwhelmed by this. Anything less than double digits here is actually sort of unacceptable, he said

ICANN, a non-profit that maintains the world's internet domain names, announced its partnership with India's NASSCOM for a new research partnership 'Internet Identifier Innovation Center'. The initial project will focus on the technological concept called 'Internet of Things' (IoT), which are Internet-connected sensors in physical devices that can send and receive data about those devices.

Globally, IoT most often refers

security systems or lights and speakers), but Sawhney urged the stakeholders to innovate for India's problems and gave the examples of soil conditions, irrigation, pollution, and transportation. ICANN is currently working in Ghana and Argentina to place IoT devices on free range cattle to stop them from stomping on farmland.

However, the foundation for India's IoT revolution is further in-

to household appliances (such as

ternet expansion, Sawhney said. "Covering 500 million users, we still have room to grow to more than double this. One could still say it is early times," he said.

Last year's National Digital Communications Policy includes calls for broadband for all, four million more digital communication jobs, and ensuring digital sovereignty by 2022. "I sometimes wonder myself how will we accomplish all these extremely ambitious goals for ourselves," Sawhney said of the policy.

He also announced plans to scale up the 'National Knowledge Network' (NKM) that connects 500 districts and 1680 research institutions to a common Internet and data centers.

were already under suspension, according to a Finance Ministry statement. These officers either had corruption cases registered against them by the CBI or were involved in bribery, extortion and disproportionate assets cases, Finance Commissioner, (IRS 2003 Batch) Ministry sources said. Among Mohd Altaf, (IRS 2009 Batch). those compulsorily retired include Principal Commissioner Anup Kumar Srivastava, who was

serving as Principal ADG (Audit)

in the CBIC in Delhi, and Joint

Commissioner Nalin Kumar who

is presently under suspension, the

order said. Sources said that the CBI had in 1996 registered a criminal conspiracy case against Srivastava and alleged that he had shown favours to a house building society which was trying to obtain NOC for land purchases in violation of law. The CBI had booked another case against him in 2012 for allegedly demanding and accepting bribe from an importer to cover up a duty evasion case. He also had complaints of selective arrests, harassment and extortion against him, and the Estate Office had imposed a penalty of Rs 20 lakh against Principal ADG for non vacation of government flat. Joint Commissioner Nalin Kumar, who was under suspension, had CBI cases against him relating to al-

on Tuesday. The other officers compulsorily retired include: Atul Dikshit, Commissioner, (IRS 1988 Batch), Sansar Chand, Commissioner, (IRS

lowing fraudulent drawback and

disproportionate assets, too was

compulsorily retired from service

Sacked officers range from ranks of Principal **Commissioner to Assistant Commissioner,** some of whom were under suspension

Govt retires 15 customs,

excise officers facing

corruption charges

1986 Batch), Gaddala Sree Harsha, Commissioner, (IRS 1990 Batch), Vinay Brij Singh, Commissioner (IRS 1995 Batch), Ashok Ratilal Mahida, Additional Commissioner, (IRS 1990 Batch) Virendra Kuma Agarwal Additional Commissioner, (IRS 1990 Batch), Amresh Jain, Deputy Commissioner (IRS 1992 Batch) Surendra Singh Pabana, Assistant Commissioner, (IRS 2014 Batch) Surendra Singh Bisht, (IRS 2014 Batch), Vinod Kumar Sanga Assistant Commissioner, (IRS 2014 Batch), Raju Sekar, Additional Commissioner, (IRS 1992 Batch) Ashok Kumar Aswal, Deputy

"In exercise of the powers conferred by Clause (j) of Rule 56 of the Fundamental Rules, the President of India has retired 15 officers of Indian Revenue Service (IRS)(C&CE) in public interest with immediate effect on completing 50 years of age," the finance ministry said. "All these 15 Officers will be paid a sum equivalent to the pay and allowances for a period of three months calculated at the same rate at reach they are supposed to be withdrawing then (Pay & Allowances) immediately before their retirement," it said.

Rule 56(j) of the Fundamental Rules allows the appropriate authority to retire any government servant, in public interest, by giving notice of three months. Commissioner in Kolkata Sansai Chand, who was allegedly involved in bribery, while Chennaibased Commissioner G Shree Harsha, who had a disproportionate asset case to the extent of Rs 2.24 crore, too were compulsorily retired. In case of these two officers, CBI had laid a trap and nabbed them. Last week, the government

had compulsorily retired 12 senior IRS (income tax) officers, following charges of corruption, extortion and professional misconduct against them.

#### Days After India Hike Customs Duties On 28 US Products

## Worsening trade with India hurts California almond growers: US Senator

"California almond exports to India are worth more

than \$650 million a year. The president must stop

**LALIT K JHA** 

WASHINGTON, JUNE 18

A TOP US Senator has slammed President Donald Trump for "damaging" trade ties with India, saying his actions are hurting California almond growers who export more than \$650 million worth of nuts to the country every year.

California Senator Dianne Feinstein's criticism of the US President came days after India announced a hike in customs duties on as many as 28 US

products, including almond, pulses and walnut, in response to higher tariffs imposed by Washington on Indian products like steel and aluminium.

"India just placed a 75 per cent tariff on almonds in response to President Trump's trade war. His actions are hurting Californians.

"California almond exports to India are worth more than \$650 million a year. The president must stop damaging trade relations with our allies," Senator Feinstein said.

Almond growers in the US

damaging trade relations with our allies," **DIANNE FEINSTEIN CALIFORNIA SENATOR** 

California almond crop for the upcoming production year. According to the Almond al-

are a worried lot as authorities

last month predicted a record

liance of California, its almond export is being badly hit by retaliatory tariffs from both China and India.

California almond orchards

are expected to produce 2.50 billion pounds of nuts this year, up 8.69 per cent from last year's 2.30 billion-pound crop, it said.

The Indian move is also seen in retaliation to Trump's decision terminating India's designation as a beneficiary developing nation under the key GSP trade programme after deter-

mining that it has not assured the US that it will provide "equitable and reasonable access to its markets". The suspension became effective June 5. India's retaliatory tariffs came into effect Sunday.

Apple and almond are some of the other American agricultural products to be impacted by India's retaliatory tariffs. The move will hurt

American exporters of these 28 items as they will have to pay higher duties, making those items costlier in the Indian mar-

Earlier, the list included 29 goods but India has removed artemia, a kind of shrimp, from the list. The country would get about \$217 million additional revenue from such imports. America had in March last

year imposed 25 per cent tariff on steel and a 10 per cent import duty on aluminium products. Earlier, there was no duty on these goods.

India's exports to the US in 2017-18 stood at \$47.9 billion, while imports were at \$26.7 billion. The trade balance is in favour of India. PTI

#### World Bank lends \$918 mn for Pakistan tax reforms

**ASIFSHAHZAD** ISLAMABAD. JUNE 18

PAKISTAN AND the World Bank signed on Tuesday a \$918 million loan agreement to support the economy, reform the tax system and broaden the revenue base.

Low rates of tax collection have long been one of the biggest obstacles to economic development in Pakistan, which has a large informal economy and a fast-expanding population of 208 million people. Only 1.8 million people file income tax returns.

Under one of three separate programmes, the World Bank will lend Pakistan \$400 million to contribute to a sustainable increase in domestic revenue by broadening the tax base and facilitating compliance, the finance ministry said. The programme's targets in-

clude increasing the tax to gross domestic product ratio to 17 per cent, raising the number of active taxpayers to 3.5 million, reducing the compliance burden of paying taxes and improving the efficiency of customs controls. Another \$400 million will go to higher education to support research in strategic sectors of the economy, the ministry stated. **REUTERS** 

**ENSECONOMIC BUREAU** 

THE SECURITIES Appellate

Tribunal (SAT) on Tuesday stayed

an order passed by market regula-

tor Securities and Exchange Board

of India (Sebi) barring New Delhi

Television (NDTV) promoters

Prannoy Roy and Radhika Roy

from holding managerial posi-

tions at news television network.

would not be in the interest of the

shareholders of NDTV or for that

matter the investors at this stage,"

SAT said in an order adding that

the company "cannot remain

Sebi for not giving a copy of the

ban-order, issued last Friday to the

Roys and the company after so

many days having elapsed, SAT

asked the markets watchdog to

ensure that its orders are served

weeks to file its replies and three

The tribunal gave Sebi six

RISL invites ebids from the eligible bidders for the following

letails can be seen on the websites htpp://eproc.rajasthan.gov.in

to the aggrieved party first.

Raj. Samwad/C/745/2019-20

Coming down heavily on the

headless.'

"Such orders prima facie

MUMBAI/DELHI, JUNE 18

SAT stays Sebi ban

hearing on Sept 16

on Roys, NDTV; next

### ED attaches over 6,000 vehicles of Surat-based firm in bank fraud case

**EXPRESS NEWS SERVICE** NEW DELHI, JUNE 18

**ENFORCEMENT DIRECTORATE** (ED) has attached over 6,000 vehicles of a car rental company in Gujarat, in a case of alleged money laundering arising out of a bank loan fraud. The agency has attached 6,170 vehicles worth Rs 1,609.78 crore belonging to Suratbased Siddhi Vinayak Logistics Ltd (SVLL) and its director Rupachand Baid, who is alleged to have diverted bank loans for personal purposes and to service old loans. Baid was earlier arrested by

the agency in the case for his alleged role in "aiding and laundering of tainted money in the Bank of Maharashtra loan fraud case" to the tune of Rs 836.29 crore.

The ED, which had also attached assets of the firm worth over Rs 19 crore in June 2017, said it filed the money laundering case against the company and its directors on the basis of a CBI FIR.

"Investigation made so far revealed that the loans were availed on the basis of forged or fabricated documents and in the name of employees and drivers who were kept in dark by SVLL. Investigation also revealed that Baid routed

weeks to the appellants thereafter

to file their rejoinders and listed

the matter for hearing on

September 16. Restraining the

Roys from occupying position as

a director of NDTV will be prima

facie not in the best "interest of the

shareholders of the company or

for that matter the investors at this

stage", the SAT said on the appeal

by the Roys and their holding

and operation of the impugned

order till the next date of hearing.

However, the appellants (Roys)

shall not alienate or create any en-

cumbrance on their shareholding

in NDTV till further orders," a SAT

bench comprising presiding offi-

cer Tarun Agarwala, along with

member CKG Nair and judicial

Radhika Roy and RRPR Holdings—

from the markets for two years

and also restrained the Roys from

holding any board/top manage-

ment positions in the firm during

Start of sale,

Last date

10.06.2019

30.06.2019

**Managing Director** 

DGM (Civil)

)111/HP

Sebi had barred Prannoy and

member MT Joshi, said.

this period. **WITH PTI** 

Rs. 3.50 Crore/

"Therefore, we stay the effect

company RRPR Holdings.

#### The EDsaid it filed the money laundering case in the matter on the basis of a CBI FIR

**KHUSHBOONARAYAN** 

A CUSTOMS tribunal on June 6

overturned a Directorate of

Revenue Intelligence (DRI) order

that accused debt-ridden firm

ABG Shipyard of making "sham"

imports of about Rs 582.18 crore

to "fraudulently" obtain letters of

credit(LCs)from banks and remit-

ted forex abroad in the "guise" of

aside the crucial order of the rev-

enue department even though

the two main accused in the case

ABG Shipyard and its promoter

have not appealed against the

cance as ABG Shipyard owes

about Rs 18,245 crore to a clutch

of banks and was cleared for liq-

uidation by National Company

Law Tribunal (NCLT) last month.

The firm — which has assets of

only about Rs 2,000 crore and also

owes money to the Indian Navy —

is one of three private shipyards in

India approved by Navy to build

ABG Shipyard and its associate

various types of naval vessels.

The ruling assumes signifi-

DRI order in the tribunal.

Incidentally, the tribunal set

such imports for "siphoning".

MUMBAI. JUNE 18

these loans through accounts of various related entities," the ED said in a statement. It also said that funds were raised from banks in the form of loans or credit facilities under many schemes, including the 'Chalak se Malak' (driver to owner) scheme, in which loans were availed in the name of drivers and employees of SVLL for purchase of old and new vehicles.

The ED said the loans were not used for intended purpose and were routed through the accounts of SVLL and its related entities and finally were diverted for personal gains, company expenses and repayment of old pending loans.

The agency alleged Baid was the "main conspirator" in the bank loan fraud case, adding that in the past investigation had revealed that the loan amount of Rs 836.29 crore was disbursed for purchase of vehicles to various firms on Baid's directions to bank authorities under the 'Chalak se Malak' scheme for drivers by Baid.

#### RBI imposes firms have come under the scan-**₹1 cr fine on**

**ENSECONOMIC BUREAU** MUMBAI, JUNE 18

**HDFC Bank** 

THE RESERVE Bank of India has imposed a penalty of Rs one crore on HDFC Bank for non-compliance with directions on 'know your customer/and anti-money laundering' (KYC/AML) norms and on reporting of frauds.

"The RBI had received a reference from customs authorities regarding submission of forged bill of entries by certain importers to the bank for remittance of foreign currency," RBI said. "Examination in this regard revealed violations of RBI directions on 'KYC/AML norms' and on reporting of frauds based on which a notice was issued to the bank advising it to show cause as to why monetary penalty should not be imposed for non-compliance with the aforesaid directions," it said.

"After considering the bank's reply, oral submissions made during the personal hearing and additional submission made by the bank after the personal hearing, the RBI came to the conclusion that the charges of non-compliance with the RBI directions were substantiated and warranted imposition of monetary penalty," the banking regulator said.

"The penalty has been imposed in exercise of powers vested in RBI under the provisions of the Banking Regulation Act, 1949 ..." the Reserve Bank added.

#### **UNDER SCANNER OF MULTIPLE AGENCIES**

FIRM, ITS PROMOTER HAVE NOT APPEALED AGAINST DRI ORDER

DRI order against ABG Shipyard

overturned by customs tribunal

NCLT had cleared company, which owes ₹18,245 crore to banks, for liquidation

■ ABG Shipyard and its associate firms have come under the scanner of multiple investigating agencies, including

ner of multiple investigating agencies, including Economic Offences Wing of Mumbai police and the Serious Fraud Investigation Office (SFIO). The shipbuilder is among the 12 large companies that the Reserve Bank of India had identified in June 2017 for banks to refer to the bankruptcy court for res-

"Four employees of ABG Shipyard had approached the customs tribunal seeking to quash their individual penalty of Rs 5 lakh each in the case booked by DRI. The employees contested they had no role in the import of goods by ABG Shipyard.

"While the tribunal has ruled in favour of the employees, it has also gone ahead and set aside the order of DRI against the company. It is partly a reflection on the qual-

Public cloud services revenue in India will

grow 24.3 per cent from 2018 to \$2.4 billion in

2019, making the country the third fastest

growing markets in the world, a report by

consultancy firm Gartner said

bankruptcy court for resolution or liquidation ity of orders passed by customs tribunals, that are battling a considerable backlog of cases," said a

senior indirect tax lawyer familiar

with the case.

the 12 large companies that

the Reserve Bank of India

for banks to refer to the

had identified in June 2017

The Indian Express has reviewed a copy of the tribunal order. Emails sent to ABG Shipyard did not elicit any response. As early as 2015, the DRI alleged siphoning of money by ABG Shipyard and its promoters through overvaluation of imports of drawings, (which attract zero duty), for expansion and modern-

The DRI probe found that ABG Shipyard's imports from a

in the form of LCs to raise funds as they were "facing some financial difficulty and were in need of funds to service their liabilities".

The Singapore firm was allegedly set up by ABG Shipyard, had common directors and registered address as the foreign firms of ABG, said DRI, adding that the firm also did not have any expertise in creating these drawings. The agency also alleged that the imported drawings were actually prepared by ABG Shipyard in India. The DRI alleged that these imported drawings had "no functional or commercial utility" and were never used by ABG Shipyard

for modernisation of vessels. "ABG Shipyard was aware that they could obtain buyer's credit for the purchase and import of goods by opening Letters of Credit that would become payable in 180 days. Goods identified by them were drawings as significantly high values could be assigned to such goods as they did not attract any duty," said the DRI report accessed by The Indian Express.

The DRI alleged that using this modus operandi, ABG Shipyard "illicitly" remitted Rs 582.18 crore outside India for atleast 76 consignments of drawings.

#### **BRIEFLY**

#### **PM** to meet economists on June 22

New Delhi: Prime Minister Narendra Modi will interact with leading economists and experts on Saturday, in a meeting organised by NITI Aayog, to deliberate on the economic policy roadmap.

#### Canara Bank board approves CFHL sale plan

New Delhi: Canara Bank Tuesday said its board has approved plan to sell part or full stake in housing finance subsidiary Can Fin Homes Ltd (CFHL).

#### **RBI to infuse** ₹12.5K crvia bond purchases

*Mumbai:* The Reserve Bank Tuesday said it will infuse Rs 12,500 crore of liquidity into the system through purchase of government bonds. The central bank would purchase five government bonds under open market operations on June 20.

#### 'Google not relaunching China services'

*New York:* Google, which quit China in 2010 in protest over Beijing's strict censorship policies, is not relaunching its services in the country without the "right conditions," CEO Sundar Pichai has said.

#### Revolt unveils first electric motorcycle

*New Delhi:* Startup electric two-wheeler maker Revolt Intellicorp Tuesday unveiled its first electric motorcycle RV400, with plans to roll it out seven major cities in the next four months. PTI

#### Leela: ITC seeks shareholding norm waiver

New Delhi: ITC, which owns less than 10 per cent in Hotel Leelaventure, on Tuesday sought to argue on its application for waiver of the minimum shareholding requirement. It comes as ITC's plea claiming oppression of minority shareholders is on hold amid ongoing Sebi probe into the proposed sale of Hotel Leelaventure's undertakings to Brookfield. **ENS** 

### ■The shipbuilder is among

**Economic Offences Wing of** Mumbai police and the SFIO

olution or liquidation.

ization of their vessels.

Singapore-based firm was a bogus transaction "hatched by a close coterie of a select few in the company" to fraudulently obtained credit from their bankers

16%

World average cloud

\$3.04 bn

The shift from 'cloud first' to

Projected overall public

services revenue growth;

raise cloud services nine countries growing spending in 2019 faster than world average

1.2%

'Public cloud services revenue to grow 24% in 2019'

India's overall revenue share of global public cloud services

Of chief information

officers of firms likely to

cloud service revenue in 2020, rising by 24 per cent

**OTHER FASTEST GROWING MARKETS ■** China, 33 per cent growth

■ Indonesia, 29

per cent growth

a 'cloud only' model is pushing organizations in India to increase their spending on public cloud services to advance their digital business initiatives

**SID NAG** 

RESEARCH VICE PRESIDENT, GARTNER

## Razorpay raises \$75 mn from Sequoia Capital, others

**ENSECONOMIC BUREAU** BENGALURU, JUNE 18

PAYMENTS SOLUTION firm Razorpay Tuesday announced its Series Cfunding of \$75 million, led by Seguoia India and Ribbit Capital, along with participation

from Tiger Global and Y Combinator. It raised a total \$31.5 million in Series A (2016) and Series B(2018) rounds, along with 33 angel investors and a strategic investment by MasterCard.

Razorpay said a large portion of the funds will be used to develop new technologies and scale

up its recently expanded product suite, Razorpay X and Razorpay Capital. The company expects its neo-banking platform (Razorpay X) and lending arm (Razorpay Capital), along with the non-payment gateway suite to contribute to 40 per cent of its revenue by next year.

Razorpay X is a product suite which is used for accepting pay-

The product, which is still in go live in a month. **FE** 

#### ments, managing cash flows and reconciling transactions and providing flexible payouts.

beta stage and has about 1,500 merchants using it, is expected to

#### BRIDGE & ROOF CO. (INDIA) LTD. (A GOVERNMENT OF INDIA ENTERPRISE) B AND R CIN No.U27310WB1920GOI003601 "KANKARIA CENTRE", (4TH & 5TH FLOOR), 2/1, RUSSEL STREET, KOL-71

RajCOMP Info Services Limited (RISL)

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Notice Inviting Tender (NIT) NO. B&R / TY / NIT / 40084 / Tankage Work / 01 Offers are invited from reputed, resourceful and experienced

parties meeting prescribed QUALIFICATION CRITERIA for the work of "Carrying out Tankage works for HINCOL Haldia Terminal Project at Haldia, West Bengal". For details please log on to our website www.bridgeroof.co.in

Corrigendum / Addendum, if any shall be hosted in Company's website only.



NIT NO. SCC/KT/OT (Press)/SVL/Unit Fabrication/N.ET-0699 SUB: Biennial rate contract for fabrication of structural units at vendors' premise: for Survey Vessel (large)

Due date: 21 days from date of publication

Details will be available in e-tendering portal https://eprocuregrse.co.in and websites http://www.grse.in/index.php/tender.html & https://eprocure.gov.in/cppp/ Any addendum / corrigendum to this tender enquiry will be published in above websites only.

'In pursuit of Excellence and Quality in Shipbuilding" Visit us at : www.grse.in

	NMDC (A Government of Donimalai IRO Donimalai Township-583118, Dist.: Bellary (Ka	India Enterprise) N ORE MINE	
777 93	Corrigendum	() au	
		Amended as	
Tender No.	Name of the work	Last time and date for sale/downloa ding submission	opening of Part-I of
CE/W/1	6th Corrigendum Dated : 01.06.2019		

#### 09.01. 2019, 08.02.2019,07.03.2019, 04.04.2019, 02.05.2019 Up to 15:00 hours At 15:30 hours 2017. 'Construction of Shed for Keeping HT on 01.07.2019 LT Motors, Transformers, Panels etc 23.10.2018 at Loading Plant, DIOM\*. CE/W/1 2nd Corrigendum Dated : (856)/2019 Construction of Silt Settling Tank a At 15:30 hours Up to 15:00 hours on 04.07.2019 Location N-5 at DIOM." 2.03.2019 Other terms/conditions/clauses etc of tender document will remain unchanged For and on behalf of NMDC Ltd.

Head Office, Information Technology Department, Star House-2, 8th floor, C-4, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051. E-mail: headoffice.it@bankofindia.co.in

बैंक ऑफ़ इंडिया Bank of India

Comprehensive Onsite Maintenance and End To End Support Services For Entire GPS-Middleware Solution Ref: BOI:HO:IT:AL:263 Dated 07/06/2019 The captioned RFP is available on Bank's corporate website www.bankofindia.co.in

under "Tender" section since 07.06.2019. Subsequent changes if any, will henceforth be uploaded only on the website. The last date of submission: 24-06-2019

RITES LTD., 3A, Bharath Apartments, #44/1, Fair Field Layout, Race Course Road, Bangalore - 01 FRITES NOTICE INVITING e-TENDER GM(C), RITES Ltd. Bengaluru invites on behalf of the Department of Collegiate

Education, Bengaluru online percentage rate bids in Two Packet System for the following works: (i) NIT No. RITES/BLR/OT/25/2019 Date 17.06.2019, "Construction of Additional Classrooms, Laboratories, Library, Auditorium and Toilet Blocks for Govt First Grade colleges at Hagaribommanahalli, Mariyammanahalli, Kampli and Hospete in Ballari Rural District Package I for DCE 2018-19", Est. Cost is Rs.903.79 Lakhs

(Approx.), EMD Rs. 9.04 Lakhs, Period of completion 18 months, Last date and time of

submission of bid 10.07.2019 upto 11.00 hrs. (ii) NIT No. RITES/BLR/OT/26/2019 Date 17.06.2019, "Construction of Additional Classrooms, Library, Laboratory, Auditorium and Toilet Block for Govt First Grade College at Ballari, SN Pete in Ballari Town, Sandur, Siriguppa and Kurugodu in Ballari Rural District Package II for DCE 2018-19". Est. Cost is Rs1136.34 Lakhs

(Approx.), EMD Rs. 11.36Lakhs, Period of completion 18 months, Last date and time of submission of bid 11.07.2019 upto 11.00 hrs. The bid forms and other details can be obtained from the website https://etenders. gov.in/eprocure/app. Addendum / Corrigendum, if any, shall be hosted online only.

Telephone No. 0177-2673551/552 Fax No. 0177-2673553 E-mail: ceenergy09@gmail.com

Chief Engineer (Energy), Directorate of Energy, Shanti Bhawan, Phase-III, Sector -06, New Shimla-09, **Himachal Pradesh** 

General Manager (C), RITES Ltd. For and on behalf of DCE, Bengaluru

### Govt to verify exporters' IGST refund claims before sanctioning

**PRESSTRUSTOFINDIA** NEW DELHI, JUNE 18

WITHTHE government detecting fraudulent refund claims by exporters, the CBIC has asked customs and GST officers to closely verify the IGST refund claims before sanctioning them.

The Central Board of Indirect Taxes and Customs (CBIC) has also asked director-general (systems) to identify a list of "risky exporters" and share it with customs and GST officers, so that an alert can be generated for 100 per cent

examination of their export consignments. Currently, Integrated GST (IGST) refunds are issued to exporters automatically based on shipping bills filed with customs and goods and services tax returns filed with central tax authorities. The refunds are issued within a fortnight days of filing of returns without any manual intervention.

Tax experts said the move to verify the refund claims would delay the process of refund issuances to exporters. In a letter to field offices, the CBIC said it has observed instances of availment of IGST refund using fraudulent ITC claims.

NEW DELHI, JUNE 18 WORKFORCE UNDER flexi-

**PRESSTRUSTOFINDIA** 

staffing, or those provided through contractors to various employers, grew at a compound annual growth rate (CAGR) of 16.3 per cent to 3.3 million in 2018 as compared with 2.1 million in 2015, according to a report by the India Staffing Federation (ISF).

The rise in number of flexistaffing workers indicates formalisation of workforce. They get

rises to 3.3 mn in 2018' provident fund, group insurance health insurance and other social security benefits available to for-

> mal sector workers. Besides, the employers have virtually no need to comply as many as 44 labour laws. The con-

'Indian flexi-workforce

tractors, or flexi-staffing firms, providing the workforce take care of all such legal obligation. According to the report, the re-

forms that had significant impact on job formalization includes Skil India Initiative, GST Reform, EPF Reform and ESIC Reform among others.

Intertrust buys Viteos for \$330 million

**ENS ECONOMIC BUREAU** MUMBAI, JUNE 18

INTERTRUST, A firm that provides administrative services to corporates, funds, capital markets and private wealth clients, announced on Tuesday that it has acquired technology solutions provider Viteos, from PPC Enterprises, FiveW Capital and Viteos management, for \$330 million.

middle and back office administration for hedge funds, private equity, real estate, private debt and other alternative asset managers Intertrust provides adminis-

Viteos provides end-to-end

trative services to clients operating and investing in the international business environment. FE

### DIRECTORATE OF ENERGY. HIMACHAL PRADESH SHANTI BHAWAN, PHASE-III, SECTOR-VI, NEW-SHIMLA, SHIMLA-171009 CORRIGENDUM

The Last Date of Receipt and Opening of Tender(s) for Sale of Hydro Power Entitlement of GoHP during Summer/Monsoon months (1st July-19 to 15th Sep-19) on Short Term Basis called vide this office Letter No. GoHP/DoE/ Tender/Sale of Power/2019-20-2157-60 dated 10.06.2019 (Tender No. DOE (Sale of Power)-01/2019) is hereby Extended up to 25.06.2019 by 14:30 hrs and shall be Opened at 15:30 hrs. on the same day. All other terms and conditions on Bid/Tender Document shall remain unchanged. This Corrigendum & Bid/Tender Document is available at official website of Directorate of Energy i.e. http://admis.hp.nic.in/doe.

#### RCom swell to ₹57,382 crore

New Delhi: Claims against Reliance Communications (RCom) have risen to Rs 57,382.5 crore with new entities, including some Reliance Anil Dhirubhai Ambani Group companies, joining the creditors' list, according to a regulatory filing.

among several others. **PTI** 

The list shows that China Development Bank (CDB) tries would abate. claimed dues of Rs 9,863.89 crore and the IRP has admitted the entire claim. The filing said the fresh claims except for admitted dues have been put for verification. The IRP also admitted full claims made by Life Insurance Corporation (Rs 4.758 crore), Exim Bank of China (Rs 3,356.44 crore), Standard Chartered Bank (Rs 2,130.23 crore) and ICBC (Rs 1,832.89 crore),

#### Claims against US, China rekindle trade talks ahead of Trump-Xi G20 meet the G-20 in Japan. Our respec-**REUTERS**

WASHINGTON. JUNE 18

CHINA AND the United States are rekindling trade talks ahead of a meeting next week between Presidents Donald Trump and Xi Jinping, cheering financial markets with hope that an escalating trade war between the two coun-

Trump said on Tuesday that teams from the two sides would begin preparations for the leaders to sit down at the G20 summit in Osaka. China, which previously declined to say whether the two leaders would meet, confirmed the get-together.

"Had a very good telephone conversation with President Xi of China. We will be having an extended meeting next week at

tive teams will begin talks prior to our meeting," Trump said in a post on Twitter. The world's two largest

economies are in the middle of a costly trade dispute that has pressured financial markets and damaged the world economy. Meanwhile, the top US trade

official said on Tuesday that US tariffs on Chinese goods may not be enough to force Beijing to make the economic reforms demanded by the United States, but the trade barriers are the only recourse given dialogue has failed.

"I don't know if it will get them to stop cheating, tariffs alone," US Trade Representative Robert Lighthizer told lawmakers at a hearing of the Senate Finance Committee.