

POLICY WATCH
INSOLVENCY & BANKRUPTCY CODE

Resolution of steel companies under IBC yields higher recovery

Of 94 cases resolved, 16 are steel firms, while rest 78 are from other sectors

SUNNY VERMA
NEW DELHI, JUNE 20

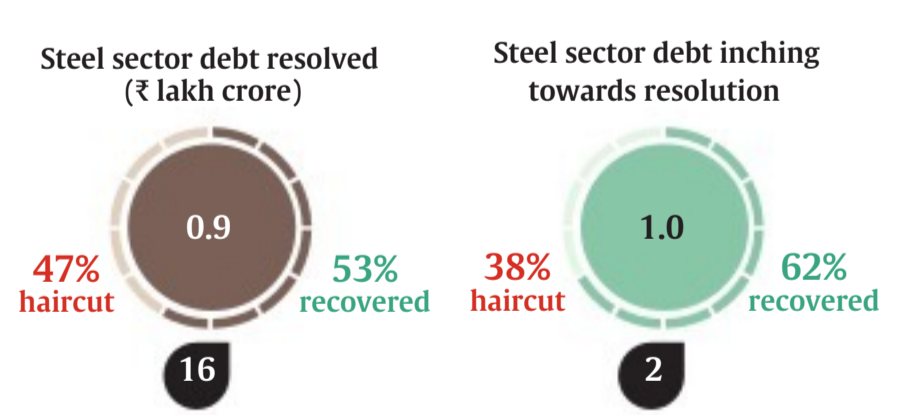
FINANCIAL AND operational creditors could recover the highest percentage of loans stuck with steel companies through resolution under the Insolvency and Bankruptcy Code (IBC).

In the total 94 cases that were successfully resolved under the IBC till March-end 2019, 16 steel companies accounting for over half of the stressed debt yielded recovery of 53 per cent and haircut of 47 per cent. For 78 companies in textiles, construction, and auto components, among other sectors, creditors took haircut as high as 69 per cent and the recovery was only 31 per cent, according to research report issued Thursday by rating agency CRISIL. Creditors could recover Rs 70,000 crore out of the total Rs 1.7 lakh crore in cases resolved under the IBC till March-end – a recovery rate of 58 per cent, it said.

While steel sector led to higher overall recovery so far, the next lot of assets in the same industry with outstanding debt of Rs 62,000 crore could see lower recovery rates. "Unlike the first wave of debt clean-up the upcoming resolution cases shall largely be smaller assets concentrated in the long integrated, sponge iron, and flat-rolling space. Of the Rs 62,000 crore outstanding liability, 42 per cent resides with 6 long integrated players, 38 per cent with 6 sponge iron/pig iron players, 18 per cent with 3 flat rollers, and the balance with alloy steel and other players," the agency said adding that these segments typically have lower recovery rates.

As two other large resolution cases – Essar Steel and Bhushan Power & Steel – get resolved, the haircut involved in this sector will fall to 42 per cent from 47 per cent. Haircut is part of the claim a bank is unable to recover from its borrower. "Further, if we consider two steel assets from the National Company Law Tribunal-I list that are inching towards resolution/closure,

STATUS OF STEEL SECTOR DEBT RESOLVED/ INCHING TOWARDS RESOLUTION UNDER IBC



Source: Insolvency and Bankruptcy Board of India, Industry, CRISIL Research
Note: Essar Steel and Bhushan Power & Steel (BPSL) are inching resolution under NCLT-I. Highest last bid has been considered for recovery

BUYING LED BY BANKING, HEALTHCARE AND AUTO COUNTERS

Sensex soars 489 points as dovish Fed lifts global markets

Hopes of a breakthrough in US-China trade talks also boosted the sentiment

ENS ECONOMIC BUREAU
MUMBAI, JUNE 20

JOINING A global market rally, the benchmark Sensex on Thursday surged 489 points after the US Federal Reserve's dovish stance boosted the investor sentiment.

After a lacklustre opening, the 30-share Sensex witnessed across-the-board buying led by banking, healthcare and auto counters. It finally settled 488.89 points, or 1.25 per cent, higher at 39,601.63. Similarly, the broader NSE Nifty soared 140.30 points, or 1.20 per cent, to finish at 11,831.75. Hopes of a breakthrough in US-China trade talks also boosted the sentiment.

The rupee also surged 24 paise to close at a one-week high of 69.44 against the US currency on the back of a rally in equities and losses in the dollar after the US Fed hinted at a possible rate cut in near future.

RUPEE SURGES 24p, CLOSES AT ONE WEEK-HIGH

■ The rupee also surged 24 paise to close at a one-week high of 69.44 against the US currency on the back of a rally in equities and losses in the dollar after the US Fed hinted at a possible rate cut in near future

■ Analysts said global equities rose after the US central bank indicated its rate cut cycle might begin as soon as next month

■ Market was concerned that government has not yet provided any hint or relief to the slowing economy. On hearing a series of meetings by PM and FM to draw a road map for 100 days agenda and budget, provided a confidence to the market

■ Shanghai, Hong Kong, Tokyo and Seoul bourses ended significantly higher

trade war and low inflation. Analysts said global equities rose after the US central bank indicated its rate cut cycle might begin as soon as next month. The Fed left the interest rates unchanged after its two-day policy meeting Wednesday, but said it was ready to take action to support growth amid growing uncertainty. A strengthening rupee and expectations of business-friendly measures in the forthcoming Budget further boosted sentiment. Shanghai, Hong Kong,

Tokyo and Seoul bourses ended significantly higher. Markets in Europe too were trading in the green in early deals. Vinod Nair, head of research, Geojit Financial Services, said, "The market was concerned that government has not yet provided any hint or relief to the slowing economy. On hearing a series of meetings by PM and FM to draw a road map for 100 days agenda and budget, provided a confidence to the market. Additionally, the GST Council is likely to meet and re-

view its position. Also a relief rally in the global market given the dovish view by Fed yesterday night supported the domestic market."

Rahul Agarwal, Director, wealth discovery, EZ/Wealth, said, "The US Federal Reserve kept the policy rate unchanged but hinted at possible rate cuts later this year for the first time in more than a decade if the economic outlook weakens. This development was a major catalyst for the world equity markets today."

Among sectors, brisk buying was seen in the financials, auto, energy, infra, pharma and metals. FMCG and IT were the under-performers.

Yes Bank gained 10.94 per cent. Other gainers included Sun Pharma, IndusInd Bank, L&T, ICICI Bank, Maruti, Bajaj Auto, Tata Motors and ONGC rallied by up to 4.01 per cent.

All sectoral indices ended in the green, with BSE auto, capital goods, healthcare, telecom, consumer durables, realty and metal surging up to 2.46 per cent. The broader BSE midcap and smallcap indices gained up to 1.64 per cent.

Crop insurance claims surge, delay in disbursements falls

GEORGE MATHEW
MUMBAI, JUNE 20

THE GOVERNMENT'S crop insurance scheme – Pradhan Mantri Fasal Bima Yojana (PMFBY) – has witnessed a rise in claims from the farmers across the country in fiscal 2018-19.

The claims ratio of the general insurance industry has gone up to 93 per cent for the year ended March 2019 as against 85 per cent in the previous year, according to General Insurance Corporation of India (GIC Re). This means farmers have claimed 93 per cent (over Rs 25,110 crore) of the Rs 27,000 crore of the crop insurance portfolio under the scheme as against 85 per cent (around Rs 20,400 crore) of around Rs 24,000 crore portfolio in the previous year.

"Our reinsurance portfolio is around half of the total crop business at Rs 13,500 crore. The crop insurance premium was more or less stable. During the year, there was a marginal rise of around one per cent in premium," said S Tripathy, general manager, GIC Re. There was a rise of 10-12 per cent rise in crop insurance premium in the previous year. While most of the claims have come from states like Maharashtra, Tamil Nadu and Karnataka, given that crop insurance penetration was lower in heartland states like Bihar and UP. In overall terms, India has become the third largest crop insurance market in the world, after the US and China.

rate (APR), the farmer has to pay a maximum 2 per cent premium for Kharif and 1.5 per cent for Rabi crops and 5 per cent for commercial/horticultural crops. The difference between actuarial premium rate and the rate of insurance charges payable by farmers is being treated as the normal premium subsidy, which will be shared equally by the Centre and states. This means as much as 98 per cent of the premium is paid by central and state governments.

The PMFBY mandates compulsory coverage for all loanee farmers and non-loanee farmers too are encouraged. The scheme is open to all food and oilseed crops and annual commercial/horticultural crops for which past yield data is available and for which requisite number of crop cutting experiments are conducted as part of the General Crop Estimation Survey (GCES).

However, to reduce basis risk (i.e. mismatch in farmer expectations and payment from scheme) under PMFBY, localised losses (due to hailstorm, landslide and inundation) and post-harvest losses (due to cyclone/cyclonic rains and unseasonal rain) are assessed on individual farm level survey basis.

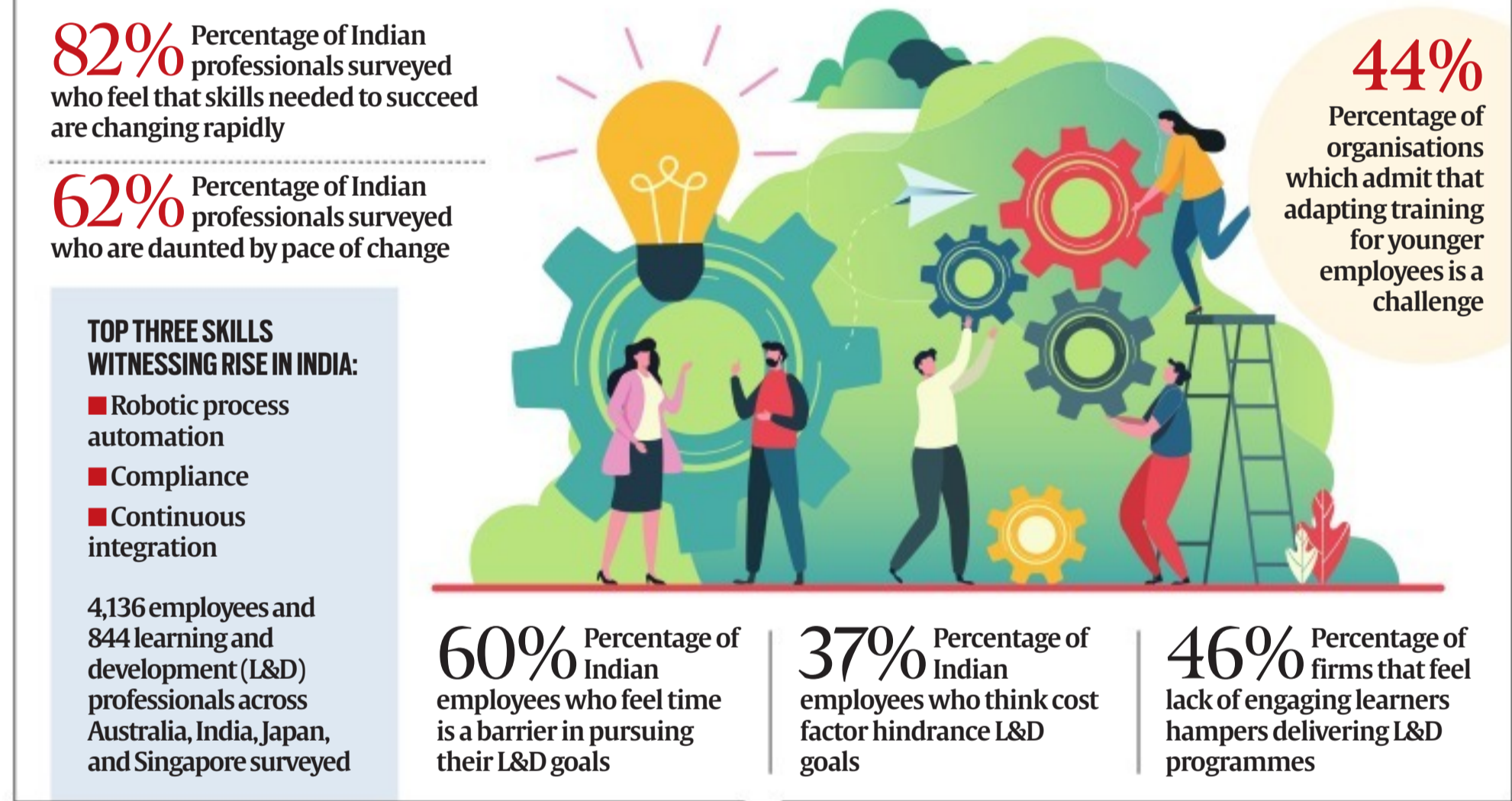
"We have an exposure of \$10-12 million in the US crop insurance market. In China, we have \$20-25 million exposure. We would like to bring down our exposure in China," Tripathy said.

He said the delay in disbursements under crop insurance scheme has come down from 7-9 months to 2-3 months. The delay in disbursements happens when the state government delays payment of premium. "The situation has improved now," he said.

In the case of PMFBY, while the insurance companies charge the actuarial priced premium

'62% professionals feel daunted by pace of changing skills'

As traditional industries go through digital transformation, job roles have evolved to the extent that as many as 62 per cent professionals feel "daunted" by the rapid pace of changing skills, LinkedIn said in a report



L&T gets 3 seats on Mindtree's board

ENSE ECONOMIC BUREAU
NEW DELHI, JUNE 20

MINDTREE ON Thursday approved and recommended the appointments of Larsen and Toubro's (L&T) CEO and managing director S N Subrahmanyam, its chief financial officer R Shankar Raman, and JD Patil, senior executive vice-president of L&T's defence business, as non-executive directors in the company. Also, appointment of two independent directors – M R Prasanna and Deepa Gopalan Wadhwa – has been approved by the board.

The proposal, cleared by the nomination and remuneration committee and the board, will now be put to vote for the shareholders at the company's annual general meeting to be held on July

Proposal cleared by nomination and remuneration committee and the board will now be put to vote for shareholders at the firm's annual general meeting

16, as per a notice on the BSE.

The move also brings down the curtains on the hostile takeover saga that started earlier this year. Ever since it became clear in March that L&T will look for a bigger play in Mindtree post its deal with VG Siddhartha and his related entities to acquire 20.32 per cent stake in the IT company, Mindtree promoters had expressed their disapproval of the move by the L&T.

Over the last few weeks, the engineering major has been busy shoring up shares in the IT firm. The total shareholding of L&T as on June 7, 2019 stood at 28.90 per

cent, according to shareholding data on the BSE.

Apart from the delay in commencement of the open offer, as L&T got delayed in sending its responses to the queries raised by the Securities and Exchange Board of India regarding the letter of offer, the takeover battle for the IT company has been a smooth one.

The open offer of nearly Rs 5,030 crore, for acquisition of over 5.13 crore equity shares representing 31 per cent of the voting share capital of Mindtree at a price of Rs 980 a piece, opened on June 17 and will end on June 28. Earlier, the open offer was supposed to

commence on May 14 and end on May 27. A committee of independent directors of Mindtree, on June 12, recommended the open offer as 'fair and reasonable' advising the shareholders to take an informed decision.

Meanwhile, Subroto Bagchi, co-founder of Mindtree and its executive chairman from 2012-2016, retires by rotation and has not offered himself for re-appointment, the company informed BSE on Thursday. He is a non-executive director on Mindtree's board. Bagchi, who was most recently serving as the chairman of Odisha Skill Development Authority, had quit the post stating he wanted to steer Mindtree through the current takeover crises.

Mindtree's share price closed up 0.22 per cent at Rs 973.70 on the BSE on Thursday. **FE**

NCLT admits insolvency plea against Jet; shares zoom over 137% intra-day

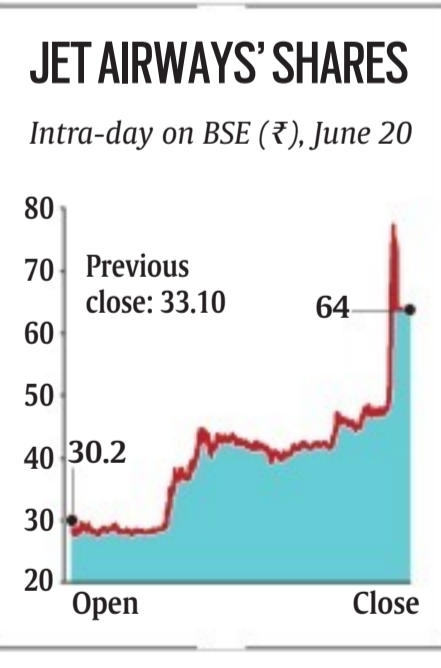
ENSE ECONOMIC BUREAU
MUMBAI, JUNE 20

SHARES OF grounded Jet Airways on Thursday shot up by 137 per cent on intra-day low to close at Rs 64 amid huge short covering, even as the National Company Law Tribunal (NCLT) admitted the bankruptcy petition filed by State Bank of India.

The stock spurred 186 per cent to hit an intraday high of Rs 77.35 after hitting a record low of Rs 27 (down 33.1 per cent intra-day) in the morning session on the BSE. The stock ended the day at Rs 64.00, up Rs 30.90 or 93.35 per cent on the BSE.

The NCLT on Thursday decided to admit the insolvency petition against Jet Airways filed by its creditors and appointed a Resolution Professional, in an attempt to salvage their exposure of around Rs 8,500 crore. The insolvency process will allow lenders led by State Bank of India to sell the company as a whole or sell its assets and bring to an end weeks of uncertainty over the airline's future. The tribunal has appointed Ashish Chhaucharia of Grant Thornton as the Resolution Professional (RP) for the airline, that stopped operations on April 17. The tribunal directed the RP to finish the resolution process in three months, even though the RBI norms allow six months for resolution.

SBI had made a claim of Rs 967 crore in the petition. The petition, however, rejected the plea of two operational creditors and vendors.



were huge short positions on the counter, which will not be available for trading in the F&O segment from the July series.

"There was heavy short coverings on Thursday. Investors who short sold the shares in the last few days, bought back the stocks to square up their positions," said a dealer. In the last 13 trading days, shares of Jet Airways tumbled 78 per cent. On June 18, the scrip plummeted 40.78 per cent to close at Rs 40.45 on the BSE. "Traders were short selling the shares, anticipating more bad news. The stock won't be available for trading in F&O segment from July series," said a market source.

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 June 7 circular of the Reserve Bank.

INDIA YET TO DECIDE WHETHER HUAWEI CAN TAKE PART IN 5G TRIALS OR NOT

China asks India to make independent judgement on Huawei

KJM VARMA
BEIJING, JUNE 20

CHINA ON Thursday urged India to make an "independent judgement" about Huawei's operations in the country without being guided by the US ban on the Chinese telecom giant's products and provide an "unbiased and non-discriminatory" environment for the Chinese businesses.

The US has banned Huawei, the world's leader in telecom equipment and the number two smartphone producer, over concerns of security and Washington has been pressuring other coun-

tries to restrict the operations of the Chinese telecom firm. India, however, is yet to take a call on whether it intends to place curbs on Huawei or allow the Chinese telecom equipment maker to participate in the upcoming 5G trials, that are scheduled to commence in 100 days.

Earlier this month, India's Telecom Minister Ravi Shankar Prasad had said India has its security issues over allowing Huawei to participate in the upcoming 5G trials. "We will take a firm view on it. There are also security issues...it is not only a matter of technology, as regard their participation in 5G is concerned...Participation of 5G

"China firmly opposes any other country in exercising unilateral sanctions based on its domestic law and we also oppose using the security as a catch off phrase to abuse the export control,"

LU KANG
SPOKESMAN, FOREIGN MINISTRY, CHINA

is not conditional upon the trial being started. Whether a particular company is allowed to participate or not, is a complex question including security issues," he had said.

China has always asked Chinese businesses to abide by laws and regulations in the foreign countries that they operate and to do business in accordance with

law, Foreign Ministry spokesman Lu Kang told a media briefing here Thursday when asked about reports that US asked India that Indian companies found supplying equipment and other products of American equipment to Huawei will face punitive actions.

However, "China firmly opposes any other country in exercising unilateral sanctions based

on its domestic law and we also oppose using the security as a catch off phrase to abuse the export control," Lu said.

"I think more and more countries have expressed their unbiased attitude concerning Huawei's participation in 5G. We hope that India will make independent judgement and provide fair, unbiased and non-discriminatory environment for Chinese businesses for mutual benefit," he said.

Concerns over Huawei's operations abroad has risen after China passed a new security law which requires Chinese companies "to provide necessary support, assis-

tance and cooperation" with national intelligence work, if called upon.

US President Donald Trump who has launched a trade war with China last year and made Huawei a prime target. Last month, the Trump administration placed Huawei and its affiliates on a blacklist, a move that essentially banned the Chinese telecom equipment company from purchasing parts and components from American firms without the US government approval.

Huawei has huge operations in India and an R & D centre in Bangalore. **PTI**

In talks with US on H-1B visas, no official word on limits: MEA

REUTERS
NEW DELHI, JUNE 20

INDIA IS in talks with the United States on H-1B work visas but has not heard anything official from Washington on capping such permits for Indians, the Ministry of External Affairs (MEA) said on Thursday. Reuters reported on Wednesday the US had told India it was considering caps on H-1B work visas for countries that force foreign companies to store data locally, according to sources familiar with the matter.

Asked about the report at a news conference, MEA spokesman Raveesh Kumar said there had been no official communication from the United States on the issue. "We have not heard anything officially from the US government. We continue to reiterate and engage with the US government on this matter," he said, without elaborating.

News of the US plan to restrict H-1B visas comes days before a visit to India by US Secretary of State Mike Pompeo. Disagreements between the countries over trade have resulted in tit-for-tat tariffs in recent weeks.

Two senior Indian officials, who remained anonymous, said they were briefed last week on the US plan to cap the number of H-1B visas given annually to Indians at between 10 per cent and 15 per cent of the total number issued.

MINUTES OF MONETARY POLICY COMMITTEE MEETING

Clear evidence of economic activity losing traction: Das

MPC had, during June 6 meeting, cut Repo rate by 25 basis points to 5.75%

ENSE ECONOMIC BUREAU
MUMBAI, JUNE 20

WHILE ANNOUNCING the Repo rate cut by 25 basis points to 5.75 per cent at the Monetary Policy Committee meeting (MPC) on June 6, Reserve Bank Governor Shaktikanta Das had said there is clear evidence of "economic activity losing traction" with GDP growth in fourth quarter of FY19 slowing down to 5.8 per cent.

"Since the last MPC meeting in April 2019, greater clarity has emerged about the evolving macroeconomic situation. CPI inflation excluding food and fuel registered a 20-month low in April 2019 even as the headline CPI inflation evolved broadly along the projected lines. High frequency indicators suggest that the global economy could not sustain the improved performance in Q1 of 2019 in the face of a sharp slowdown in trade and manufacturing," the RBI Governor said, as per minutes of the MPC meeting.

"Consequently, central banks in both advanced and emerging market economies have adopted an accommodative stance in monetary policy. Growth impulses have clearly weakened, while the headline inflation trajectory is projected to remain be-



"Keeping in view the evolving growth-inflation dynamics, there is a need for decisive monetary policy action."

SHAKTIKANTA DAS
RESERVE BANK GOVERNOR

low 4.0 per cent throughout 2019-20 even after considering the expected transmission of the past two policy rate cuts," Das had said.

"Keeping in view the evolving growth-inflation dynamics, there is a need for decisive monetary policy action. Hence, my vote is to reduce the policy repo rate by 25 basis points. My vote is also to shift the stance of monetary policy from neutral to accommodative to send a clear signal," he added.

According to Das, CPI inflation in April 2019 remained unchanged at the previous month's level of 2.9 per cent, though there were significant compositional shifts. "Inflation in the food group increased sharply to 1.4 per cent in April 2019 from 0.7 per cent in March, with vegetables moving out of deflation after nine months. Inflation in the fuel and light group also rose to 2.6 per cent in April from the February low of 1.2 per

cent, mainly due to an increase in the prices of liquefied petroleum gas following increase in international prices," Das said.

However, the rise in food and fuel inflation was entirely offset by a sharp fall in inflation in items excluding food and fuel to 4.5 per cent in April from 5.1 per cent in March – the largest monthly decline since April 2017.

"The moderation in inflation excluding food and fuel, reflecting weakening of demand conditions, was quite broad-based, spread across several groups like household goods and services, personal care and effects, education and housing. Inflation expectations of households in the May 2019 round of the Reserve Bank's survey softened further by 20 basis points for the three-month ahead horizon as compared with the previous round, though they remained unchanged for the one-

year ahead horizon," Das said.

"In spite of my dilemma, I vote – albeit with some hesitation – to frontload the policy rate cut from 6 per cent to 5.75 per cent (a 50 basis points rate cut from my April vote to keep the policy rate at 6.25 per cent). This would provide an insurance to help prevent the output gap from widening further or the finance-neutral output gap (FNOG) from turning negative. The MPC will need to remain on guard and be prepared to provide such insurance in a symmetric manner if upside risks to inflation were to materialize," RBI Deputy Governor Viral Acharya had said.

"I also vote to change the monetary policy stance from neutral to accommodative. This is because the uncertainty around the upside risks to inflation I have highlighted will resolve only gradually over the next few months and can be factored into future MPC decisions in a data-dependent manner, but seem highly unlikely to lead to a rate hike at the next policy," he had said. The upcoming Budget is, thereby, key to understanding inflation outlook, especially the response to the ongoing distress in agrarian economy, caused in part by low food prices and reflected in rural inflation of below 2 per cent as against urban inflation of above 4 per cent.

IFIN laundered over ₹5K cr of shareholder money: ED tells court

SADAF MODAK
MUMBAI, JUNE 20

IN A remand application filed in a Mumbai court seeking custody of former joint MD of IL&FS Arun Kumar Saha and former MD of IL&FS Transportation Network (ITNL) Karunakaran Ramchand, the Enforcement Directorate (ED) has alleged that more than Rs 5,000 crore of shareholder money has been laundered by IL&FS Financial Services Ltd (IFIN), part of the IL&FS Group.

The two were arrested on June 19, and sent to ED's custody till June 25. As per ED, Karunakaran role was 'decisive' in the ITNL case.

"He (Ramchand) was one of the core members of IL&FS Group and was also MD of ITNL. ITNL, as on date, is staring at a debt of more than Rs 35,000 crore. He was running ITNL as his personal fiefdom and had scant regard for due process of law and well-being of the group," the agency claimed through its special public prosecutor Hiten Venegonkar. It added that in order to hide ITNL's precarious situation, Ramchand was taking loans from IFIN indirectly through the contracting firms of IL&FS Group to hide facts from regulators. This led to the liabilities to the companies increasing.

As of March 31, 2018, out of total lending of IFIN of Rs 14,740 crore, Rs 1,150 crore was sanctioned to ITNL. Apart from that, third party funding was done to ITNL, to the tune of Rs 2,270 crore,

As of March 31, 2018, out of total lending of IFIN of Rs 14,740 crore, Rs 1,150 crore was sanctioned to ITNL, the ED remand plea said

said the ED remand plea.

The agency also alleged that Saha was 'aware' of the stressed asset portfolio but did not ensure adequate disclosure or reporting of the facts in the reports of RBI from 2016 to 2018. "He connived with the management and overlooked the numerous indicators by agreeing with the decisions of management to differ the provision of diminution in books of accounts," the ED stated, further claiming that both the accused managed to maintain the rating of IFIN despite a decline in its profits and the amount received by them was "proceeds of crime".

Lawyers Niranjan Mundargi and Gunjan Mangla, representing Saha and Ramchand, said that they had cooperated with the police probe and had visited the ED office when summoned. The ED, however, said that during investigation, the two had denied knowledge of any such transactions altogether. The agency also found that IL&FS and ITNL raised bogus invoices and "assigned multiple works to various bogus companies in order to generate cash worth Rs 74 crore".

BRIEFLY

GST Council meeting to be held today

New Delhi: The 35th meeting of GST Council on Friday will discuss slashing GST rate on electric vehicles to 5 per cent, from 12 per cent currently, along with extension of the tenure of the anti-profiteering authority by a year till November 2020, an official said. The meeting, the first under Finance Minister Nirmala Sitharaman, will also consider some anti-evasion steps, such as integration of e-way bill with NHA's FASTag.

Govt identifies 5,106 'risky exporters'

New Delhi: The government on Thursday said it has identified 5,106 "risky exporters" so far who have claimed GST refunds based on bogus invoices, and would manually check their claims before issuing refunds.

FX-Retail ready for rollout by August 5: RBI

New Delhi: The Reserve Bank on Thursday said foreign exchange trading platform (FX-Retail) for retail participants is ready for rollout by the Clearing Corporation of India Ltd (CCIL) on August 5. As a further facility for retail clients, the RBI said no transaction charges will be levied by CCIL on transactions of customers, if transactions do not exceed \$50,000 per day.

No pledging of certain clients' securities: Sebi

New Delhi: Trading members have been barred from pledging to banks and NBFCs the securities of clients lying in certain accounts even with their authorisation, with markets regulator Sebi putting in place stricter norms. The latest requirements would be effective September 1.

Swiss regulator 'in contact' with Libra 'initiators'

Geneva: Switzerland's market watchdog, Financial Market Supervisory Authority (FINMA), on Thursday confirmed that it is in contact with the "initiators" of Facebook's new cryptocurrency, as questions mount over how the money will be regulated.

Walmart to pay \$282 mn for norms violation

Washington: International retail giant Walmart Thursday agreed to pay over \$282 million to various US bodies to settle charges of violating anti-corporation regulations while conducting its business in India, China, Brazil and Mexico. PTI

Amid JLR woes, Moody's downgrades Tata Motors

Mumbai: Moody's Investors Service on Thursday downgraded the corporate family rating (CFR) of Tata Motors (TML) and Jaguar Land Rover Automotive (JLR).

The ratings agency downgraded the CFR of TML and the company's senior unsecured instruments rating has been downgraded to Ba3 from Ba2 and stated that the outlook remains negative.

Though TML saw its first profit for FY19 in the March quarter, on account of a Rs 1,108.86 crore consolidated net profit, the ongoing

stress in China for its cash cow JLR meant the amount was almost half of what it was a year ago.

"The downgrade reflects the sustained deterioration in TML's credit profile, with weaker than anticipated credit metrics – led by the weak performance of JLR – and our expectation that it will take longer than we had previously expected for the company's free cash flows to return to positive territory," said Kaustubh Chaubal, lead analyst for the company at Moody's. ENS

₹293 cr money laundering by Pune firm: ED conducts multiple searches

EXPRESS NEWS SERVICE
PUNE, JUNE 20

THE ENFORCEMENT Directorate (ED) Thursday conducted searches at various places in Pune, Ratnagiri, Sangli and Nagpur, in connection with a fraud of over Rs 293 crores involving a Pune-headquartered company which use non-genuine letters of credit (LCs) to siphon off money.

ED officials said the searches were part of a probe into alleged money laundering by the firm and its office-bearers. The said ED probe is a fallout of a 2017 case registered by Bank Securities and Fraud Cell (BS&FC) of the Central Bureau of Investigation (CBI) against the company, its director and unidentified bank officials.

An ED press statement said, "The Directorate of Enforcement on Thursday conducted searches

at various places at Pune, Ratnagiri, Sangli and Nagpur in a Letter of Credit (LCs) fraud case of Bank of India involving Varron Aluminium Pvt Ltd (VAPL) and Varron Auto Comp Pvt Ltd (VACL). The searches were conducted at factory premises, residential premises concerning Varron Group and its directors."

"A case was registered by CBI, against VAPL, VACL and others on the basis of complaint received from Bank of India (BOI), Pune Zonal Office, wherein it is reported that VAPL has been maintaining a current account with Karve Road Pune Branch of BOI. Shrikant Pandhurang Sawaikar is one of the Directors of VAPL and the principal responsible person for running the day to day activities in the company. VAPL submitted LCs and Bills drawn under the LCs issued by Canara Bank, Deccan Gymkhana Branch, Pune and the same were discounted

by BOI's Karve Road Branch.

"The bills were discounted by BOI after the verification of LC and acceptance of all the bills by the authorised officials of Deccan Gymkhana Branch of Canara Bank and the aggregate amount of Rs 293 crore was credited to the account of M/s. VAPL. On due date, BOI approached Canara Bank for the repayment of the dues. Canara Bank informed that the purported LC was neither issued nor bills were accepted by their branch through approved mode of Structured Financial Messaging System (SFMS) and thus they did not entertain repayment request of BOI. The same has caused loss to the BOI," the statement added.

The Directorate further said that taking cognisance of the complaints, it has initiated an investigation under the provisions of the Prevention of Money Laundering Act (PMLA), 2002.

BSR & Associates quits as auditor of IFIN

PRESS TRUST OF INDIA
NEW DELHI, JUNE 20

AUDIT FIRM BSR & Associates LLP Thursday said it has resigned as the auditors of IL&FS Financial Services (IFIN) and will continue to defend itself in the NCLT on petitions filed by the MCA.

"We confirm that BSR & Associates LLP has resigned as auditors of IL&FS Financial Services (IFIN) on June 19, 2019. We had received a notice dated May 13, 2019 from the board of directors of IFIN seeking an explanation on our removal as auditors," it said in a statement. BSR said it had filed a written response to the notice from IFIN on May 29.

"While IFIN has not communicated its decision to us as yet, we do not intend to impose ourselves as auditors of the company. Our resignation will allow the company to appoint another auditor

"While IFIN has not communicated its decision to us as yet, we do not intend to impose ourselves as auditors of the company,"

BSR & ASSOCIATES LLP

so that the work on the audit for FY 2019 may progress.

"We believe, we have discharged our duties in good faith and have acted in a bona fide manner and we will continue defending ourselves. We have also filed our replies to the petitions and applications filed by the Ministry of Corporate Affairs with National Company Law Tribunal and we will continue defending ourselves vigorously. As the matter is subjudice, we are unable to provide any further comments at this time," the audit firm associated with KPMG added.

The Brihanmumbai Electric Supply & Transport Undertaking
(OF THE BRIHANMUMBAI MAHANAGARPALIKA)

TENDER NOTICE

e-tenders are invited for the supply of following items.

(1) 43993 - 33KV, 3C x 300 sq.mm Water T.R. XLPE Cu. Cable, (2) Supply of LED Flood Lanterns with latest Chip On Board (COB) Technology, (3) Display of Advertisements by affixing Kiosks on Street Lighting Poles,

Re-invited e-tenders

(4) 41699 - Biennial Rate Contract for Supply, Installation, Connection & Testing of Earth Electrodes, (5) 43697 - Supply, Installation, Testing & Commissioning of Digi Radio Trunking Set.

Note : For more details, log on to website www.besttender.com

PRO/AAM(M)/37/2019 **GENERAL MANAGER**

NMDC Limited
(A GOVERNMENT OF INDIA ENTERPRISE)

DONIMALAI COMPLEX, DONIMALAI TOWNSHIP PO- SANDUR TALUK, BALLARI DISTRICT KARNATAKA, PIN CODE - 583118. CIN : L13100AP19560001874.

CORRIGENDUM Dated 21/06/2019

Name of the Work	Last date & Time for download/sale and submission of tender document Up to 15.00 Hrs and for opening of Part-I by 15.30 hrs. As per Original Tender	Amended as
"Repair and Maintenance of OD (Dre Dressing) lab at DIOM."	08/03/2019	05/07/2019
"Construction Of 2 Nos Toilet Block (Ladies and Gents) including Electrical Works at Bommaghatta Village"	07/06/2019	06/07/2019
"Construction Of Silt Settling Tank at Location N-18 at DIOM."	10/05/2019	09/07/2019
"Construction Of New Toilet at Crawler Shop and Laying Bitumen Road from Main Store to Survey Office."	11/03/2019	03/07/2019

Other terms / Conditions / clauses etc. of tender document will remain unchanged. The details of tender document can be viewed / downloaded from our website www.nmdc.co.in

For and on behalf of NMDC Limited,
Dy. General Manager (Civil)

BARMER LIGNITE MINING COMPANY LIMITED
[A Joint Venture between Rajasthan State Mines and Minerals Ltd.(RSMML) and JSW Energy (Barmer) Limited (JSWEL)]

INVITATION FOR BIDS (IFB)

FOR DEVELOPMENT AND OPERATION OF JALIPA AND KAPURDI LIGNITE BLOCK, STATE OF RAJASTHAN, INDIA (Domestic Competitive Bidding)

NIT No/ Bidding Doc. No: CS-9925-602-9 **Date: 21.06.2019**

NTPC Limited (NTPC) on behalf of Barmer Lignite Mining Company Limited (BLMCL) invites online bids on **Single Stage Two Envelope bidding basis (Envelope-I: Techno-Commercial Proposal & Envelope-II: Price Proposal) with Reverse Auction** from eligible bidders for aforesaid package. Bidding documents shall be on sale from **21.06.2019**. Bids (both Techno-Commercial proposal and Price proposal) shall be received upto **1500 Hrs (IST) on 22.07.2019 only. Envelope-I (Techno-Commercial Proposal) will be opened on 24.07.2019 at 1530Hrs (IST)**. The date of opening of Envelope-II (Price Proposal) and Reverse Auction shall be intimated separately.

For detailed IFB and Bidding Documents, please visit at: <https://eprocurementnpc.in> or www.nptctender.com or www.ntpc.co.in or may contact AGM (CS) or Sr. Manager (CS) or Manager (CS) on Tel. No.: 0120-4946664/6605/6627 or at office NTPC Limited, 6th Floor, Engineering Office Complex, Plot. No. A-8A, Sector-24, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh, India, Pin - 201301. Fax No. : 0120-2410215/2410011 and Email : sanjaydeo@barmlmtpc.co.in, gstrandhawa@barmlmtpc.co.in, abhanandini@barmlmtpc.co.in

Registered Office : Barmer Lignite Mining Company Limited, "Khanji Bhawan", Udyog Bhawan Campus, Tilak Marg, C-Scheme, Jaipur - 302005, Rajasthan, India, Corporate Identification Number: U14109RJ2007SGC023687, Website: www.blmcl.in

नालको NALCO
National Aluminium Company Limited
(A Government of India Enterprise)

Nalco Bhawan, Nayapalli, Bhubaneswar - 751 013, Odisha, India
CIN : L27203OR1981GOI000820
A NAVRATNA COMPANY

NOTICE INVITING E-TENDER
Digitally signed online bids for Two Part, Open Tender through Central Public Procurement e-procure Portal are invited for the following Works.

1. RFP No. TNC-014/2019 : Exterior vinyl wrapping work inclusive of supply, printing and pasting new vinyl graphics in 03 rakes of New Delhi Bhubaneswar Rajdhani Express and unwrapping of vinyl on completion of the contract.

For details visit www.eprocure.gov.in or www.nalcoindia.com. Any Updates / Amendments / Extension / Corrigendum will only be hosted in above websites.

AGM (Elect.), T&C

STATE PLANNING COMMISSION
Chepauk, Chennai - 600 005.

TENDER NOTIFICATION

REQUEST FOR QUALIFICATIONS FOR EMPANELMENT OF PRIVATE, PUBLIC & GRAPHIC DESIGN HOUSE AND PRINTING AGENCIES TO SUPPORT DEPARTMENTS/AGENCIES OF GOTM IN DESIGNING AND LAYOUT OF MATERIAL

State Planning Commission, Government of Tamil Nadu proposes to Empanel Institutions for Graphic Design House and Printing Agencies (Printers Single Demy/Double Demy Offset Press with DTP facility for Printing, designing and layout of material) for a period of two years and an extension one year if needed for assisting the State Planning Commission (SPC), Department of Evaluation and Applied Research (E&AR), the Department of Economics & Statistics (DES) or any other Government Department or Agency to support in designing and layout of material to showcase its performances which in turn will create awareness on Government Programmes and play an advisory role in supporting the Government in the process of informed decision making on programmes and Policies.

The empanelled organizations and institutions will be used by various departments. This may be done through a limited tender process within the empanelled organizations and institutions. The Terms of Reference and the methodology of selection and the commercial terms will vary with each work entrusted and will be decided upon by the concerned department.

The information and the details received will be evaluated based on the criteria given and qualified applicants will be shortlisted for selection in accordance with the procedures set out in the Tamil Nadu Tenders Transparency Act 1998, (TT Act) and TT Rules 2002 there under.

Interested applicants must provide all the relevant information as per the prescribed format. Applicants may associate other to enhance their qualifications. If the applicants are bidding jointly, a bidding declaration may be given of the lease firm stating what form the cooperation will be with an indication of the nature of agreement and a copy of the same.

The details can be downloaded from the websites www.tenders.tn.gov.in and www.spc.tn.gov.in. The RFO documents must be delivered in the office of the Member Secretary, State Planning Commission (SPC), Ethilagam, 5th Floor, Chepauk, Chennai-600 005 from **21.06.2019 upto 3.00 PM on 04.07.2019** and RFO must be accompanied by processing Fees (non-refundable) for the assignment of Rs.5,000/- (Rupees five thousand only) in the form of Demand Draft payable at Chennai drawn in favour of "Accounts Officer, State Planning Commission, Chennai".

The details must be delivered to the address below with superscribing "EMPANELMENT FOR - GRAPHIC DESIGN HOUSE AND PRINTING AGENCIES TO SUPPORT DEPARTMENTS/AGENCIES OF GOTM IN DESIGNING AND LAYOUT OF MATERIAL".

In order to obtain first-hand information on the assignment and the local conditions, if any, it is required a representative of your firm may contact Head of Division, (PC), State Planning Commission, Chennai - 600 005. Phone No.044-28550402, email id: hdpspc_pc@nic.in before the proposal is submitted. Please ensure that advance intimation regarding your visit is sent to enable the HD (PC), to make appropriate arrangement.

The applicants may send their queries on this RFO addressed to Member Secretary, State Planning Commission (SPC), Ethilagam, 5th Floor, Chepauk, Chennai - 600 005. Phone No.044-28544560, email id: msspc.tn@nic.in at least one day before the pre proposal conference if organized.

RFO Proposals without the superscription as instructed above in the cover will not be opened and summarily rejected. Member Secretary, State Planning Commission.

DIPR/2084/TENDER/2019 **Member Secretary, SPC**

Sundaram Fin to acquire BNP stakes in 2 JVs

Chennai: Sundaram Finance (SFL) Thursday said it has reached agreements with its partner BNP Paribas for acquiring stakes held by the latter in their two joint venture companies for a total consideration of around Rs 1,000 crore.

The entire 49 per cent equity stake of BNP Paribas Securities Services in Sundaram BNP Paribas Fund Services Ltd would be acquired for Rs 15 million. Similarly, BNP Paribas Personal Finance's 49.9 per cent stake in Sundaram BNP Paribas Home Finance Limited will be acquired for about Rs 999.66 crore, said a filing. PTI



Kia Motors Corporation CEO Han-Woo Park (right) and Kia Motors India MD Kookhyun Shim at the global debut of Seltos in Gurgaon. The SUV is priced between Rs 11 and 17 lakh. PTI

Oil jumps 5% on Iran tension

REUTERS
NEW YORK, JUNE 20

OIL SOARED more than 5 per cent higher on Thursday after Iran shot down a US military drone, raising fears of a military confrontation between Tehran and Washington.

Expectations that the US Federal Reserve could cut interest rates at its next meeting, stimulating growth in the world's largest oil-consuming country, and a drop in US crude inventories also supported prices.

"It's a confluence of events: there's a looming easing cycle which is going to hit the dollar and prop up commodity prices and there are also the tensions with Iran," said John Kilduff, a partner at Again Capital Management in New York.

The security premium built into oil prices could rise further as tensions between the US and Iran heat up, he said. Brent crude, the global benchmark, was up \$2.40, or 3.9 per cent, at \$64.22 a barrel by 11:33 a.m. EDT (1533 GMT).

US West Texas Intermediate crude rose \$2.92, or 5.4 per cent, to \$56.68 a barrel. The contract was up more than \$3 a barrel earlier in the session. Brent's premium over WTI narrowed to its lowest since April.

US looking at taking some actions against 'unfair' Indian moves: Lighthizer

LALIT K JHA
WASHINGTON, JUN 20

THE TRUMP Administration said that it was looking at a variety of "unfair actions" by India and it plans to take "some actions" against them.

"We have spent a lot of time worrying about India. It is massive economy and it's going to only get bigger. It is a great opportunity for a lot of American farmers and businesses. Having said that, we have a series of problems with them, the things that we've raised with them over a period of months," US Trade Representative Robert Lighthizer said on Wednesday.

During a Congressional hearing, Lighthizer told the members of the House Ways and Means Committee that the Trump Administration over the past few months did a review of CSP, after which President Donald Trump

decided to take the GSP away.

"Because we made literally no headway on the issues over the course of months and months and months," he said. "We are looking at a variety of other unfair actions (by India) that may provoke us to take some other kinds of, some additional action," he said, responding to a question.

His remarks came days after India on June 15 announced a hike in customs duties on as many as 28 US products in response to higher tariffs imposed by Washington on Indian products like steel and aluminium.

"They have a new government now. Obviously it's the same leader, but a new government... And I will talk to him in the next few days. My hope is that) we can jumpstart and make some headway," he said. At the same time, he alleged that India has about the "highest tariffs of any country you can imagine" in the world. PTI