

17 ECONOMY

SENSEX: 39,194.49 ▼ 407.14 NIFTY: 11,724.10 ▼ 107.65 NIKKEI: 21,258.64 ▼ 204.22 HANG SENG: 28,473.71 ▼ 76.72 FTSE: 7,428.63 ▲ 4.19 DAX: 12,333.60 ▼ 21.79

GOLD	RUPEE	OIL	SILVER
₹34,300	₹69.58	\$63.19*	₹39,100

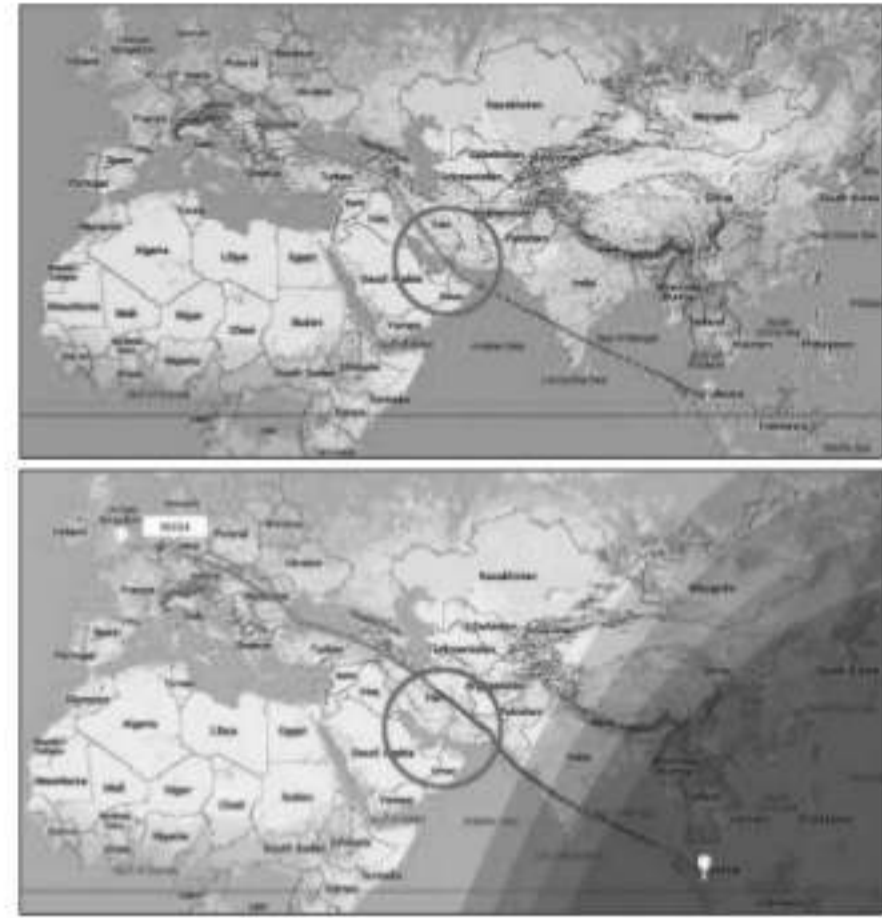
*Indian basket as on June 20, 2019

International market data till 1900 IST

GLOBAL WATCH AVIATION

As US-Iran tension heightens, flights avoid overwater area of Tehran airspace

FAA restricts US aircraft from flying over Persian Gulf, Gulf of Oman



Route taken by Malaysian Airlines flight MH4 from Kuala Lumpur to London on Thursday (Top); the same flight's route on Friday (bottom). Source: Flightradar24

PRANAV MUKUL
NEW DELHI, JUNE 21

HEIGHTENED MILITARY activities and political tensions between the United States and Iran, following the latter shooting down an American surveillance drone over the Strait of Hormuz, has affected east-bound flight operations for US-based carriers as well as some Asian carriers passing through the region.

The US Federal Aviation Administration (FAA) Friday issued an emergency directive restricting US-registered aircraft from operating over the Persian Gulf, the Gulf of Oman and the overwater area of the Tehran airspace.

Following the US aviation regulator's order, United Airlines temporarily suspended its Newark-Mumbai service and even cancelled the return leg of the flight from Mumbai on Friday. United is currently the only US-based airline to fly to India.

Flag-carrier Air India operates direct flights from various Indian stations to US cities of New York, Chicago, San Francisco and Washington DC. United's Newark-Delhi service is already under suspension due to restrictions over Pakistan airspace.

"The FAA has issued a Notice to Airmen (NOTAM) prohibiting US-registered aircraft from operating over the Persian Gulf and Gulf of Oman. The NOTAM warns pilots that flights are not permitted in the overwater area of the Tehran Flight Information Region until further notice, due to heightened military activities and increased political tensions that might place commercial flights at risk. The NOTAM applies to all US air carriers and commercial operators," the US watchdog said

in a statement.

Apart from US carriers, several other airlines have also avoided flying over the tensed region as a precautionary measure. According to live flight tracking portal Flightradar24, Malaysian Airlines' Kuala Lumpur-London flight, which till Thursday flew over the Strait of Hormuz, on Friday took a detour avoiding the region. Similarly, a Singapore Airlines flight to London also took a different route to avoid flying over the region.

In addition to this, carriers like KLM, Lufthansa, Qantas and British Airways have also said that their flights will reroute to prevent flying over the tensed region.

There have been precedents where civilian flights have come under safety threat when flying over regions with ongoing geopolitical tensions. The most recent case being shooting down of Malaysian Airlines flight MH17 using a surface-to-air missile over eastern Ukraine in 2014 at the height of the Crimean crisis. Similarly, in 1983, a Korean Air passenger aircraft was shot down in restricted Soviet airspace by a Russian fighter jet during the Cold War. In both cases, the passenger jets were mistaken for military or spy planes.

Furthermore, in July 1988, Iran Air's flight 655 was shot down by a surface-to-air missile fired by a US Navy ship exchanging fire with Iranian ships in the Persian Gulf.

Among Indian carriers, an Air India spokesperson said that the airline's services were operating normally. India's largest airline IndiGo said in a statement: "IndiGo is operating flights as normal until specific instructions from the authorities. We have not received any advisory notices as yet."

Apple recalls Macbook Pros over battery fire risk

PRESSTRUST OF INDIA
SAN FRANCISCO, JUNE 21

APPLE HAS recalled a number of its older generation Macbook Pro because their batteries may overheat and "pose a fire safety risk." The recall affects 15-inch Macbook Pros with Retina displays sold between September 2015 and February 2017, the company said, adding it would replace batteries free of charge.

A number of countries are covered by the recall. In mainland China, around 63,000 units may be affected by the problem, China's State Administration for Market Regulation said.

The regulator said there have been six reported incidents of overheating among laptops that qualify for the recall in China. The tech giant, however, said it had not

Foxconn chief stepping down

Taipei: The chairman of Foxconn, the world's largest contract assembler of consumer electronics for companies such as Apple, is stepping down amid speculation he could be planning a presidential run in Taiwan next year.

Terry Gou, 68, made the announcement Friday at the company's annual shareholders meeting. AP

received any reports of significant damage to computers or injuries due to the defect, but urged owners of the affected devices to stop using them immediately.

RATE-RELATED CHANGES FOR EVs REFERRED TO FITMENT PANEL

GST Council meet: Extension to NAA, annual return filing deadline

E-invoicing system for B2B transactions to be introduced in phase-wise manner

ENSECONOMIC BUREAU
NEW DELHI, JUNE 21

A TWO-YEAR extension to the National Anti-profiteering Authority (NAA), approval to electronic invoice system for business-to-business (B2B) transactions from January 2020 and a two-month extension in the June 30 deadline for annual returns was approved in the 35th meeting of the Goods and Services Tax (GST) Council Friday. The meeting, first to be chaired by Finance Minister Nirmala Sitharaman, however, referred the rate-related changes for electric vehicles (EVs), solar power generating systems and wind turbines to the fitment committee.

The Council also approved allowing Aadhaar as a document for registration under GST, while referring the legal view regarding levy of taxation on lottery to the Attorney General (AG) since some cases disputing the levy are pending in courts.

As per an official release, approval was also given to mandatory generation of electronic ticket by registered multiplexes, who shall be required to issue a tax invoice electronically. The electronic ticket issued by them shall be deemed to be a tax invoice.

Explaining the rationale behind seeking the AG's opinion on taxing lotteries, Sitharaman said the principle of taxation under GST is that it should be one rate across the country, whereas in the case of lotteries, two rates are be-



Finance Minister Nirmala Sitharaman along with MoS Finance Anurag Thakur and Revenue Secretary Ajay Bhushan Pandey during the 35th GST council meeting in New Delhi, on Friday. PTI

ing charged. "Hence, it was decided to obtain clarity on Article 340," she said. Currently, a state-organised lottery attracts 12 per cent GST while a state-authorized lottery attracts 28 per cent GST.

The electronic invoicing system will be introduced in a phase-wise manner for B2B transactions, with the first phase expected to be rolled out from January 2020. "E-invoicing is a rapidly expanding technology which would help taxpayers in backward integration and automation of tax relevant processes. It would also help tax authorities in combating the menace of tax evasion. The Phase 1 is proposed to be voluntary and it shall be rolled out from Jan 2020," the release said.

The e-invoice will subsume generation of e-way bill. "Under the proposed plan, invoice can be generated on a portal and can act like an e-way bill," Ajay Bhushan Pandey, Revenue Secretary, said.

The Council also gave its in-principle approval to the transition plan for the proposed new return filing system, wherein small businesses, with aggregate annual turnover in the previous financial year upto Rs 5 crore, would file their first compulsory quarterly return in January 2020.

On the extension for deadline for filing annual returns for 2017-18, Pandey said several representations were made by traders and businesses. "On account of difficulties being faced by taxpayers in furnishing the annual returns in FORM GSTR-9, FORM GSTR-9A and reconciliation statement in FORM GSTR-9C, the due date for furnishing these returns/reconciliation statements to be extended till 31.08.2019," the release said.

Approval was also given to impose a penalty of up to 10 per cent of the profiteered amount on entities for not passing on benefits of GST rate cuts to consumers, as

against the current norm of levying a maximum fine of Rs 25,000. Compliance related issues also featured in the meeting, with Pandey saying the Centre has shared details relating to generation of fake invoices with states.

He added that the electronic triangulation of data through monitoring customs/shipping bills, Income-tax returns and GST returns will help in strengthening enforcement and raising red flags about tax evasion. A resolution acknowledging the former Finance Minister and Chairperson of GST Council Arun Jaitley was also passed by the Council.

Tax experts welcomed the extension in the deadline for filing annual returns and said that the electronic ticketing for multi-plexes seems to be an extension of e-invoices system for B2C transactions. Pratik Jain, Partner & Leader, Indirect Tax, PwC India said, "Decision to use Aadhaar for the purpose of registration is a significant step and could lead to similar linkages with income tax as well in times to come. Decision to implement e-invoicing model means that technology will continue to play a critical role in tax administration. While this system could initially be implemented for B2B segment only, but with e-ticketing for multi-screen cinema halls a similar mechanism is also proposed for B2C segment. If this experiment turns out to be successful, one could see this mechanism getting extended to other B2C segments as well."

No goals can be achieved if states and Centre don't work in cohesion: FM

ENSECONOMIC BUREAU
NEW DELHI, JUNE 21

AT A pre-Budget consultation meeting with state finance ministers on Friday, Union Finance Minister Nirmala Sitharaman sought support from the states in reviving the economy and said that without their cooperation these goals cannot be achieved.

States including Delhi and Chhattisgarh sought higher allocation of funds in the upcoming Budget from the central government, even as the Centre pointed out that tax devolution has increased from 32 per cent under the 13th Finance Commission to 42 per cent in the 14th Finance Commission, during the first term of the present government.

"No goals can be achieved if states and the Centre don't work together in cohesion... The Centre has the responsibility of setting the direction of the economic growth while it's the responsibility of the states to implement in the field," Sitharaman said in her opening remarks at budget meet, as per tweet by Finance Ministry.

She also sought the cooperation of all states and union territories in achieving the aspirations of the people and extended full cooperation from her side in achieving the desired goals.

India's economy grew at a much-lower-than-expected rate of 5.8 per cent in January-March quarter, its lowest level in five years, as per data released by the Central Statistics Office.

For the full year of 2018-19, GDP growth was at 6.8 per cent, lower than 7.2 per cent in the previous financial year.

At Friday's pre-Budget consultation, states including Delhi and Chhattisgarh sought higher allocation of funds in the upcoming Budget from the Centre

place from centre to the states which has increased in recent times from Rs 8,29,344 crore to Rs 12,38,274 crore". The share of states in tax devolution has increased from 32 per cent under the 13th Finance Commission to 42 per cent in the 14th Finance Commission, during the first term of the present government.

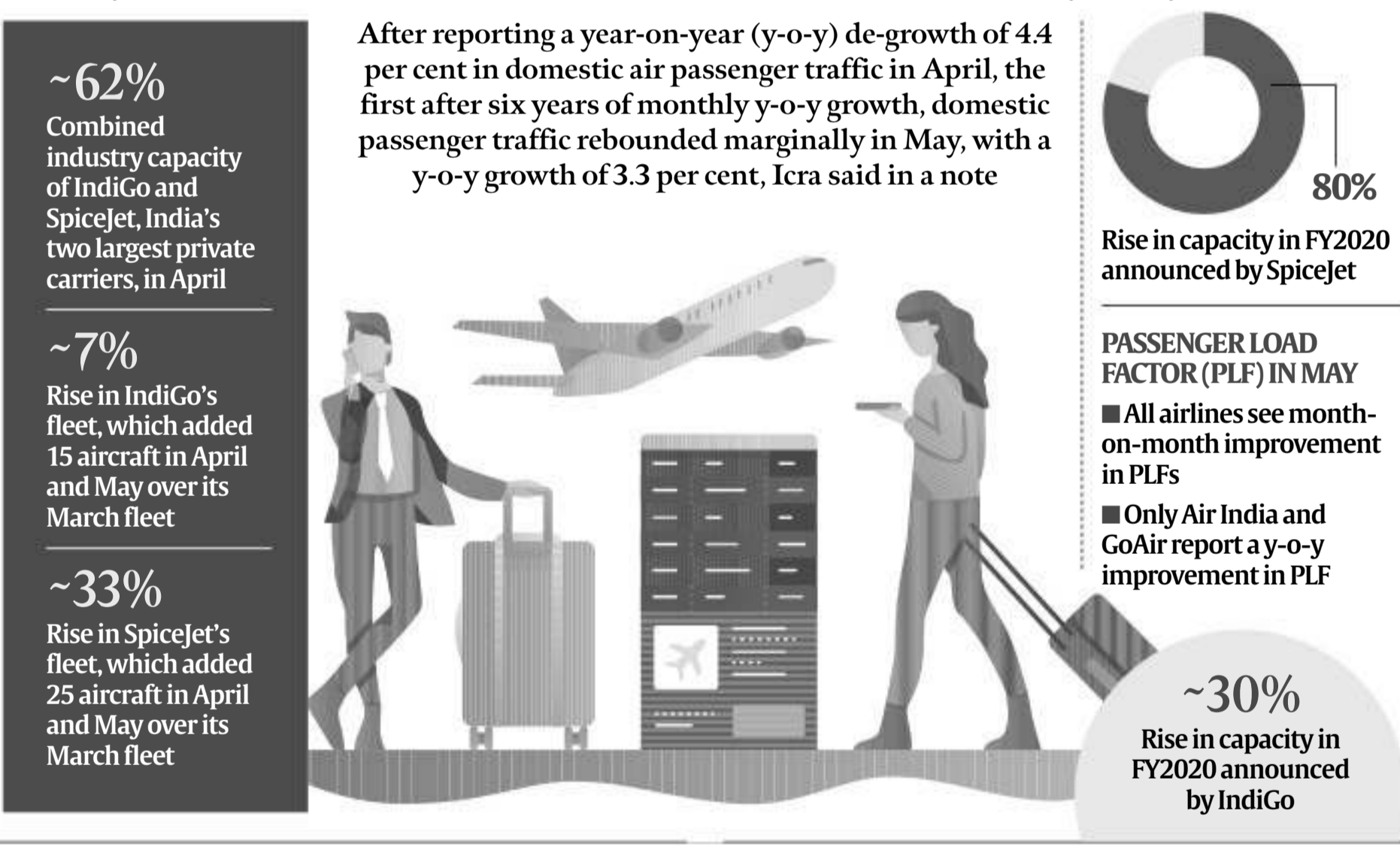
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'May domestic passenger traffic sees 3.3% y-o-y growth'



Sensex plunges 407 pts on US-Iran tension; gold surges to 6-yr high

ENSECONOMIC BUREAU
MUMBAI, JUNE 21

THE BENCHMARK Sensex on Friday plunged 407 points as rising tensions between the US and Iran soured risk appetite globally and investors rushed to safe haven of gold. The rupee also closed 14 paise lower at 69.58 against the US dollar, hit by firming crude oil prices amid intensifying geopolitical tensions in the Gulf region.

The 30-share BSE gauge closed 407.14 points, or 1.03 per cent, lower at 39,194.49. Similarly, the broader NSE Nifty slumped 107.65

points, or 0.91 per cent, to 11,724.10. During the week, the Sensex declined 257.58 points or 0.65 per cent, and the Nifty lost 99.2 points or 0.83 per cent.

Gold prices rose to a six-year high of \$1,415.40 in August futures in overnight trading. Silver prices hit a nearly three-month high overnight. Safe-haven demand heading into a very uncertain weekend is featured in the precious metals markets.

Meanwhile, metals bulls are still feeling the positive effect of the US Federal Reserve and European Central Bank leaning to easier monetary policies this

week. The United States-Iran confrontation in the Persian Gulf region has escalated this week with the shooting down of a US drone by Iran. US President Donald Trump has appeared to downplay that situation by saying it the downing of the drone could have been a mistake by Iran's military.

Gold prices in India surged Rs 280 to Rs 34,300 per 10 gram in the bullion market here on firm global trend and increased buying from jewellers. "Whenever stock markets face uncertainty abroad, investors shift their attention to gold. Prices in India are influenced by global prices," said a dealer.

Global markets spiralled lower while crude oil prices spurted after reports said Trump had approved military strikes against Iran, but later decided against it. Geopolitical tensions in the Middle East have ratcheted up following attacks on two oil tankers and shooting down of a US surveillance drone.

Vinod Nair, head of research, Geojit Financial Services, said, "Concern over short fall in tax collection and the RBI's indication of losing traction on growth impacted the sentiment, where government is not likely to stick on fiscal target of 3.4 per cent for FY20."

EXPLAINED US-Iran, monsoon progress weigh in on the markets

A WEAKENING rupee and the global trade concerns weighed in on domestic market sentiments. While concern over the RBI's indication of losing traction on growth impacted the sentiment, markets also factored in a surge in oil prices due to US-Iran tensions. Going ahead, market sentiments would depend on the future course of action for bringing the economy back on track, solution to the liquidity situation, the Budget as well as the progress of monsoon.

Alexa goes in depth for elections, into users' homes for cricket

NANDAGOPAL RAJAN
NEW DELHI, JUNE 21

ELECTIONS ARE not new to either Amazon or its virtual assistant Alexa, but the depth which it ended up covering the Indian elections over the past few months was unprecedented even by its standards.

"I was really pleased with the way the team covered the election in India, both in terms of all the very fine grained detail plus all the value adds like candidate details and candidate backgrounds," says David Hardcastle, Director, Alexa Domains - Information, Amazon. Hardcastle, who leads everything to do with the knowledge

side of Alexa, adds that it was a first for Amazon to integrate these into their election experience.

Speaking to indianexpress.com over phone, Hardcastle explains that while they have covered polls in other markets, the mechanics and structure are different.

"It's a really interesting challenge for us actually, in the design of the ontology and how we design the domain of the data. Because at a very high level, it's a pretty similar stuff that's going on. "But actually it's all in the detail. So understanding how constituencies relate to governments, and how votes in different places either cascade up or, in some countries, you reach a majority, and then you get everything.

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DAVID HARDCASTLE
DIRECTOR, ALEXA DOMAINS - INFORMATION, AMAZON

There are all these different mechanics that you have got to be able to explain to customers," Hardcastle explains, adding how the Alexa team has now "getting pretty good at that".

Alexa is now used more widely in India since its launch a couple of years back. The virtual assistant is available in at least 16 different devices and even as a smartphone app across plat-

forms. While there are lot of things common across the world for events like elections, sports and even awards, they have also got lots of things that are different. "So we keep adding these new rules,"

Hardcastle adds, "One of the challenges we have, in our knowledge, is that it's just so broad that there's different things that you can ask about. And there are lots of different components to getting

it right. So we have to work hard to understand different actions and map back to the right texts."

For instance, people use different vocabularies to ask the same thing. "That two by two, which means two times two in the US, UK means two divided by two. So that's not something you want to get wrong in the understanding." He says this is not a simple as taking a website and localising it by changing all the strings to be in a different language, "there is a lot of culture and context".

Amazon also knows the importance of cricket for success in India. And this is where it employed another unique approach. "So one of the things that actually the team did here for cricket was

they actually went and sat with customers, watching cricket on the TV, listening to cricket on the radio, and just being immersed in the conversation about cricket at home."

During the ICC World Cup, Alexa has new features like notify for important matches, giving users a reminder before start of the game. "We don't have enough instrumentation to be able to figure out where we're not good enough for our customers. And so we do spend time trying to measure that and analysing that data," Hardcastle says. He adds that the important part of being customer obsessed is being self-aware about where our customers would like us to be better.

Etihad conditions for Jet Airways not feasible: SBI

ENS ECONOMIC BUREAU MUMBAI, JUNE 21

STATE BANK OF India, the leader of the consortium that lent funds to grounded Jet Airways, on Friday said the relaxations, including waiver of open offer and assurance of flying slots, sought by Etihad Airways were "not considered feasible to negotiate" as the lenders did not have any authority to accommodate them.

"In view of this, since a sustainable resolution plan could not be devised and two operational creditors have already approached NCLT, the member banks agreed in-principle, to approach NCLT, pursuant to the statutory right available to them under the Insolvency & Bankruptcy Code, 2016," the public sector bank said in an exchange filing. Etihad holds around 24 per cent stake in Jet.

"Subsequent to the closure of the bidding, as no binding bids were received, discussions were held with Etihad (EY) and other prospective investors to find a way for infusion of funds. Etihad had sought certain relaxations viz. waiver of open offer, assurance of flying slots etc," it said.

"An application for Corporate Insolvency Resolution Process (CIRP) has been filed with NCLT, Mumbai on June 17. The bank is only a lender to Jet Airways and is not involved in or responsible for the management of the af-

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STATE BANK OF INDIA

fairs of the company. It is the responsibility of Jet Airways being the listed entity to disclose required information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015," it said.

According to SBI, the bank being a lender, is not in a position to make any disclosures on behalf of Jet Airways. "We, State Bank of India, are not in a position to assess comment on the material impact. However, the lenders have undertaken the instant CIRP against the company in the normal course of business and to protect their interest."

It may be further noted that initiation of instant insolvency proceedings is just a step for resolution/ recovery under the statutory right available to the lenders," SBI said. SBI said financial position of Jet Airways being weak, lenders were continuously trying for viable resolution for last one year on account of operational losses.

"In this regard, reputed consultants, SBI Caps and McKinsey were roped in as process advisors/ advisors. It was also de-

ecided to initiate a bidding process to bring in new investors. As part of the bid process, expression of interest (EOI) for investment in Jet Airways was sought from interested participants. Etihad, NIF, TPG Capital and Indigo Partners had expressed their interest. The bidding process closed on May 10, 2019," it said.

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 also appointed Ashish Chhauchharia of Grant Thornton as the resolution professional (RP) for the airline that stopped operations on April 17. The tribunal directed the RP to try and finish the resolution process in three months even though the RBI norms allow six months for resolution.

M&M Fin sells 49% in AMC arm to Canada firm for \$35 mn

ENS ECONOMIC BUREAU NEW DELHI, JUNE 21

MAHINDRA & Mahindra Finance on Friday said its asset management arm had entered into an agreement with Canada-based investment firm Manulife to divest a 49 per cent stake in its asset management arm for a consideration of \$35 million.

Mahindra Asset Management will own 51 per cent of the venture. The Canadian firm's stake is valued at \$35 million, which will in turn value Mahindra AMC at nearly \$70 million. "The investment by Manulife will go the our asset management arm which will help us boost the retail outreach in our AMC business," said Ramesh Iyer, VC & MD, Mahindra Finance. Mahindra AMC's assets under management (AUM) amounted to Rs 5,000 crore, of which Rs 3,000 crore comes from institutional investors. The management feels they have enough scope to build its retail book.

"Currently, our market share in the mutual fund business is nearly 4 per cent and we look to grow and add new segment of investors," said Ashutosh Bishnoi, managing director and CEO, Mahindra AMC.

On the liquidity situation, Iyer said Mahindra Finance is not finding any pressure as of now. "Look at our balance sheet, we have an excellent ALM match. So we don't have any liquidity pressure in the sense of our ability to raise funds," he said. FE WITH PTI

GOVT FIRM ON 51% FDI IN MULTI-BRAND RETAIL, SAYS MINISTER Stop giving advice which is not in spirit of law: Goyal to industry

Statement assumes significance as stores accuse e-tailers of violating FDI rules

ENS ECONOMIC BUREAU NEW DELHI, JUNE 21

COMMERCE AND Industry minister Piyush Goyal Friday warned the industry against violating the spirit of the law and asked lawyers and consultants, including of the big four firms, not to mislead investors into circumventing rules.

Speaking at an event of industry body CII, Goyal said: "I would urge you all. If there are any lawyers in the room, please pardon me and if there are those Big Four in the room, double pardon me, but please stop giving advice which is not in the spirit of the law that is prevalent in India." The big four firms referred to here are PwC, Deloitte, KPMG and E&Y.

"Please do not try to misguide any investor into finding those elements" from which a company can circumvent norms, he added.

Goyal advised consultants against finding some commas and full-stops in a law with an aim to enable their clients to bypass it, as "that is not possible and that cannot even be possible for us to overlook". Giving an example of foreign direct investment (FDI) limit in multi-brand



Commerce and Industry Minister Piyush Goyal at an interaction with members of CII in New Delhi. Prem Nath Pandey

Will work on foreign currency loans to exporters, says Goyal

New Delhi: Commerce and Industry Minister Piyush Goyal on Friday said the ministry is in dialogue with banks to see ways to extend foreign currency loans to exporters.

Addressing CII members here, he said there are ways to resolve the problem of inadequate and expensive credit without putting a significant stress to the exchequer.

"I would like to articulate a possible alternate scenario to all to consider and see whether that is better. If instead of that (subsidies and interest subvention), we will work on foreign currency loans and I already have dialogues with bankers to see how we can expand foreign currency loans," the minister said. PTI

retail, he said companies must not try to circumvent the law by finding loopholes.

"We have a policy that in

multi-brand retail, only 51 per cent is allowed when it comes to FDI. We stand by that and we are firm on that and I would urge

everybody to follow that, to respect that. The moment you recognise that reality and make your business accordingly, there will be no problem," he said.

The minister's statement assumes significance as brick-and-mortar stores have for long accused e-tailers like Amazon and Flipkart for violating the FDI rules through predatory discounts, even though the FDI policies on e-commerce strictly bar online market places from offering discounts themselves.

E-tailers are also barred from owning inventory of products sold on their platforms (except for the retailing of locally-produced food items). For their part, the e-tailers claim that they have always complied with the rules.

"Go by the spirit of the law. Spirit of the law takes round-tripping very seriously and if any of you have done that, better to acknowledge that and come clean and close the chapter, rather than struggling to evade the law of the land," Goyal said.

"I can assure you that nobody at all who has not done any wrong will have any problem. But at the same time, those who have indulged in any wrong-doing, I can equally assure you that there will be the strictest of action," he warned. FE

'M&A deal activity sees 87% plunge in value in May'

Merger and acquisition (M&A) activity in May saw an 87 per cent year-on-year (y-o-y) fall in terms of value and a 27 per cent y-o-y drop in volume, due to weakness in the rupee, spike in crude oil prices and indecisiveness among investors until results of the general elections, the report by Grant Thornton said



NCLT okays common RP for RCom, two arms

ENS ECONOMIC BUREAU MUMBAI, JUNE 21

THE NATIONAL Company Law Tribunal (NCLT) Friday approved appointment of a common resolution professional (RP) as part of the corporate insolvency resolution proceedings against Reliance Communications (RCom), and its two subsidiaries Reliance Infratel (RITL) and Reliance Telecom.

According to the proceedings, the majority of the committee of creditors (CoC) across the three firms independently voted to appoint Anish Nanavati as the RP to replace the existing interim reso-

The majority of the CoC of the three firms voted to appoint Anish Nanavati as resolution professional

lution professionals (IRP). The process preceding the May 3-4 vote on the new RP involved calling for applications. The CoC received 59 applications, of which 23 applicants were asked to submit detailed applications. Of these, 16 responded with detailed presentations on technical capabilities, of which five were short-listed and asked to respond with financial bids before the final RP selection was made.

The selection for a common RP was also supported by the rationale that the three companies have integrated business affairs with significant overlap of lenders among the three. The NCLT has directed the RP to submit a progress report on July 23. A pending petition by Doha Bank against RITL was not listed for Friday and will be taken up on June 28, the next date of hearing. Earlier this month, the coun-

Soft US factory activity darkens outlook

Washington: US manufacturing activity barely grew in early June and the service sector cooled, signs that President Donald Trump's trade war with China could be weighing on the economy. Data firm IHS Markit said its US manufacturing purchasing managers index (PMI) fell to a reading of 50.1 in early June. REUTERS

Apart from ban, IFIN auditors may also face asset freeze

ENS ECONOMIC BUREAU MUMBAI, JUNE 21

APART FROM a ban for five years the former auditors of IL&FS Financial Services (IFIN), Deloitte Haskin & Sells and BSR & Associates face the possibility of their assets being frozen just as it was done by the National Company Law Tribunal (NCLT) for the top management of the bankrupt company.

The Ministry of Corporate Affairs (MCA) has already moved an application before the tribunal to add the concerned auditors to the list of entities whose assets need to be frozen as they are also part of the chargesheet filed in the matter by the Serious Fraud Investigation Office. However, an order to this effect was reserved by NCLT on Friday.

On the other petition of the MCA seeking a five year ban on the auditors, the counsel for Deloitte Haskin & Sells argued that the NCLT does not have the requisite jurisdiction to do the same. The tribunal will hear the matter now on July 15.

Apart from the assets of the two audit firms, the petition also seeks to freeze the assets of the individual auditors of the team who worked on the IFIN accounts — Udayan Sen, Kalpesh Mehta, and Sampath Ganesh. The petition also seeks to freeze the assets of IFIN's chartered accountant, AP Shah & Associates.

As is known, on December 3, 2018, the NCLT had ordered the freezing of assets of the top man-

APPLICATION MOVED BY MCA

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agement of IL&FS, including Ramesh Bawa, Vaibhav Kapoor, and Hari Sankaran.

The order was later challenged in the appellate tribunal following which on January 16, the NCLT modified it and allowed the respondents to withdraw up to Rs 2 lakh from their bank accounts per month.

In its application, the government has sought the "deemed removal" of the auditors of IL&FS under section 140 (5) of the Companies Act. Under this section, the tribunal can change the auditors of a company, if they have sufficient evidence that the auditors have directly or indirectly acted in a fraudulent manner and appoint new ones in lieu of them. Consequently, the auditors would also then be banned from auditing activities for a period of five years. FE

Walmart to pay \$282 million for violating US anti-corruption rules

Walmart consented to the SEC's order finding that it violated the books and records and internal accounting controls provisions of the Securities Exchange Act of 1934

WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21 WASHINGTON, JUNE 21

and delayed the implementation of appropriate internal accounting controls," he said.

Walmart consented to the SEC's order finding that it violated the books and records and internal accounting controls provisions of the Securities Exchange Act of 1934. According to the SEC's order, Walmart failed to sufficiently investigate or mitigate certain anti-corruption risks and allowed subsidiaries in Brazil, China, India, and Mexico to employ third-party intermediaries who made payments to foreign government officials without reasonable assurances that they complied with the FCPA.

The SEC's order details several instances when Walmart planned to implement proper compliance and training only to put those plans on hold or otherwise allow deficient internal accounting controls to persist even in the face of red flags and corruption allegations. "We're pleased to resolve this matter," Walmart president & CEO, Doug McMillon, said in a statement. PTI

France creates G7 crypto task force, as Libra unsettles govts

FRANCE IS creating a G7 task force to study how central banks ensure cryptocurrencies like Facebook's Libra are governed by regulations ranging from money-laundering laws to consumer-protection rules, France's central bank governor said on Friday. Governor Francois Villeroy de Galhau said the task force would be led by Benoit Coeure, a European Central Bank board member.

Facebook Inc announced plans this week to introduce a new global cryptocurrency called Libra, part of an effort to expand into digital payments. It has joined with 28 partners, including Mastercard, PayPal and Uber, to form Libra Association, a Geneva-based entity that will govern the new digital coin, according to marketing materials and interviews with executives. No banks are yet part of the group.

Clearing corps, bourses asked to deposit fine levied on margin money shortfall in Core SGF

PRESS TRUST OF INDIA NEW DELHI, JUNE 21

TO BRING uniformity in depositing penalties levied on clients for short collection or non collection of margins in the commodity derivatives segment, Sebi Friday asked clearing corporations and exchanges to deposit such penalties in Core SGF.

Earlier, Sebi had asked to deposit such penalties in Investor Protection Fund (IPF) but it noted that while a few clearing corporations and exchanges are crediting the penalties to IPF, others are crediting the same to Core SGF.

Core Settlement Guarantee Fund (SGF) is a fund which is available to meet settlement obligations of clearing corporation in case clearing members fail to honour settlement obligation. Accordingly, "it is hereby clar-

ified that all penalties levied on short-collection/non-collection of margins... shall be credited to Core SGF only," the regulator said in a circular. In futures market, members or brokers are required to collect the margin money from clients, which is later deposited with the exchange.

Margin money refers to the minimum amount of capital that must be available in the account to trade futures contracts.

India seeks 'clear roadmap' from China to ramp up export of pharma products

KJM VARMA BEIJING, JUNE 21

INDIA ON Friday used a hugely popular Chinese movie to seek enhanced market access for Indian medicines in China as the drug regulators of both countries held their first-ever meeting in Shanghai and brainstormed on removing the road blocks. India for long has been press-

ing China to open its huge pharmaceutical market, which is under pressure from the public for the high prices for cancer and generic drugs, for Indian pharma exports to address the yawning trade deficit which last year according to Chinese figures, crossed \$57 billion. In his message to the meeting, Indian Ambassador to China, Vikram Misri, said a "clear roadmap" for increasing share of

BRIEFLY

Total liabilities for Mar-end at ₹84.68 lakh cr

New Delhi: Government's total liabilities reached Rs 84.68 lakh crore at the end of March 2019, up 1.5 per cent over the preceding quarter, a report released by the Finance Ministry said Friday. The total liabilities stood at Rs 83.40 lakh crore at end-December 2018. "The total liabilities (including liabilities under the 'Public Account') of the Government, as per provisional data, increased to Rs 84.68,086 crore at end-March 2019 from Rs 83,40,027 crore at end-December 2018," it said.

Forex reserves decline to \$422.2 billion

Mumbai: India's foreign exchange reserves declined by \$1.358 billion to \$422.2 billion in the week to June 14 due to fall in foreign currency assets, RBI data showed. Foreign exchange reserves had increased by \$1.686 billion to \$423.554 billion in the previous reporting week. Forex reserves had touched a record high of \$426.028 billion in the week to April 13, 2018.

'2-, 3-wheeler makers have to show EV plan'

New Delhi: Government think tank Niti Aayog has asked conventional two- and three-wheeler makers to suggest within two weeks concrete steps towards transition to electric mobility keeping in mind 2025 deadline, according to sources. At a meeting of the manufacturers and start-up electric vehicle (EV) makers called by Niti Aayog on Friday, the industry was cautioned that if they do not take steps to address pollution issues, courts will step in.

USFDA gives warning letter to Aurobindo

New Delhi: Aurobindo Pharma Friday said it has received a warning letter from the US Food and Drug Administration (USFDA) for one of its units in Srikakulam district, Andhra Pradesh, which underwent inspection earlier this year. PTI