

## SECTOR SCAN AVIATION

### After special audit, DGCA sends notices to 4 IndiGo officials over safety lapses

PRANAV MUKUL  
NEW DELHI, JUNE 19

THE DIRECTORATE General of Civil Aviation (DGCA) has asked four top executives of India's largest airline IndiGo to show cause for safety lapses found at the organisation during an unplanned audit by the regulator.

According to a senior DGCA official, the notices dated July 12 have been sent to IndiGo's head of training Captain Sanjiv Bhalla, Captain Hemant Kumar, senior vice president-operations Captain Ashim Mitra, and Captain Rakesh Srivastava, quality assurance and operations safety.

The audit that was conducted at IndiGo's premises in Gurgaon on July 8 and 9, was part of a special audit by DGCA of all airlines and airports that are located in monsoon-affected areas in light of multiple landing incidents across the country.

E-mail query sent to IndiGo did not elicit any response.

In the notice sent to IndiGo's head of training, a copy of which was seen by *The Indian Express*, the DGCA has pointed out that there is no safety action group within the training department to "discuss and resolve critical safety issues concerning training...".

The DGCA's audit of the airline was focused on the ar-

### RAIN-AFFECTED AIRPORTS' AUDIT

■ The audit was a part of special audit by DGCA of all airlines and airports that are located in monsoon-affected areas

■ The notices have been sent to Captain Sanjiv Bhalla, Captain Hemant Kumar, Captain Ashim Mitra, and Captain Rakesh Srivastava

reas of occurrence reporting, flight operations quality assurance monitoring and analysis, implementation of safety management system, aircrew training, flight operations and airworthiness.

The aviation safety regulator also pointed out that IndiGo's flight safety department had not escalated the issue regarding non-availability of crew and there was delay in carrying out corrective training of the involved crew to the safety review board. Those executives who have been issued the show-cause notices have been asked to respond within 15 days, the official said.

The regulator had issued similar notices last week to senior executives of SpiceJet, which saw a spate of runway excursion incidents within days.

## USTR, COMMERCE MINISTRY HOLD MEETING India, US talks follow 'mandate given by Modi-Trump G20 meet'

ENS ECONOMIC BUREAU  
NEW DELHI, JULY 12

INDIA AND the US have agreed to work towards "mutually beneficial" outcomes aimed at addressing mutual trade concerns and growing economic relations between the two countries, the Commerce Ministry said in a release Friday. The statement follows bilateral talks between officials of the office of the United States Trade Representative (USTR) and the Commerce Ministry here earlier in the day.

A delegation led by Assistant USTR (AUSTR) Christopher Wilson visited India on July 11-12 to "explore potential for enhanced bilateral trade and economic engagement with India under the new government," stated the release. The US and India delegation, led by Department of Commerce Additional Secretary Sanjay Chadha, discussed "the broad contours of bilateral trade and commercial ties" between India and the US.

Wilson also "called on" Commerce Minister Piyush Goyal and Commerce Secretary Anup Wadhawan during this visit.

"Met the US Trade Representative team today to strengthen India-US trade ties. We deliberated on several issues to take our deep, historic and strong trade relationship to the next level," Goyal tweeted following the meeting.

"The meeting was cordial and aimed at providing a new impetus to bilateral trade and commercial ties, in line with the mandate given by Prime Minister Narendra Modi and US President Donald



Union Minister for Commerce and Industry Piyush Goyal with Assistant US Trade Representative for South and Central Asia, Christopher Wilson (second from right), Deputy Assistant USTR Brendan Lynch (centre) and US Ambassador to India Kenneth Juster (left), in New Delhi on Friday. PTI

Trump during their meeting at Osaka, Japan on 28 June 2019," stated the Ministry.

The latest talks have come on the heels of remarks by Trump earlier this week reiterating that India's move to impose tariffs on products exported to the country from the US would not be tolerated. Trump, who had met Prime Minister Modi on the sidelines of the G20 summit in Japan, tweeted Tuesday that India has "long had a field day putting tariffs on American products" and that this was "no longer acceptable!"

Talks between the two leaders in June had culminated in them instructing their trade teams to resume discussions and work towards addressing trade concerns.

Meanwhile, Deputy USTR Jeffrey D Gerrish said during a fre-

side chat at a summit held in Washington Friday that President Trump and USTR Robert Lighthizer are frustrated with the lack of balance and reciprocity from India when it comes to trade and tariffs, according to PTI. He had said that the new round of discussions between the two countries is not open ended and that the US wants things to move quickly, it added.

"I think, we are at a pivotal juncture here in our relationship and at a critical intersection between a frustrating last few years that we've had and a possible future relationship that at this point is not really defined and is still being tested," Gerrish was quoted by PTI as saying. The discussions in New Delhi were reportedly expected to be focussed

### EXPLAINED Need to ensure no one-sided terms

THE TALKS have resumed on the heels of remarks by officials from the US side that their administration is "frustrated" with the lack of balance and reciprocity from India. India would have to make sure it engages in constructive discussions, but does not agree to one-sided terms despite the US wish to finalise a resolution quickly.

on various trade-related concerns that have been raised by each side, including tariffs imposed on products traded between the two countries. It was also reportedly expected to restart discussions on a potential trade package that would identify products on which duties can be reduced for more favourable market access.

Such negotiations were earlier disrupted after the US decided to notify its withdrawal of duty-free benefits accorded to India under the country's Generalised System of Preferences Programme (GSP) early in June. India retaliated a few weeks later by increasing the tariffs on 28 products imported from the US, including high value products like almonds and fresh apples.

## SBI's Anshula Kant appointed MD and CFO of World Bank

LALIT K JHA  
WASHINGTON, JULY 12

ANSHULA KANT, Managing director of the State Bank of India, has been appointed as managing director and chief financial officer of the World Bank, its president David Malpass announced Friday.

As Managing Director and Chief Financial Officer, Kant will be responsible for financial and risk management of the World Bank Group, reporting to the President. "I am very pleased to appoint Anshula Kant as World Bank Group Managing Director and CFO. Anshula brings more than 35 years of expertise in finance, banking, and innovative use of technology through her work as CFO of the State Bank of India," Malpass said.

"She's excelled at a diverse array of leadership challenges including risk, treasury, funding, regulatory compliance and operations. I look forward to welcoming her to our management team as we work to increase our effectiveness in supporting good development outcomes," Malpass said.

Among other key management duties, her work will include oversight of financial reporting, risk management, and working closely with the World Bank CEO on mobilisation of IDA and other financial resources.

"Anshula brings more than 35 years of expertise in finance, banking, and innovative use of technology through her work as CFO of the State Bank of India"

DAVID MALPASS  
PRESIDENT, WORLD BANK

As CFO of the SBI, Kant managed \$38 billion of revenues and total assets of \$500 billion. Stewarding the organisation, she greatly improved the capital base and focused on the long-term sustainability of SBI within her mandate. She has been a Managing Director and member of the Board since September 2018, the World Bank said.

With direct responsibility for the SBI's Risk, Compliance, and Stressed Asset Portfolio, Kant led the creation of investment opportunities while empowering risk management throughout the bank. She held several positions across the organisation and helped navigate a diverse array of leadership challenges, the bank said in a statement.

Kant is a graduate in economics honours from Lady Shri Ram College for Women and a post-graduate in economics from Delhi School of Economics. PTI

## Will discuss with the revenue dept: Garg on grandfathering of new tax on buyback

ENS ECONOMIC BUREAU  
NEW DELHI, JULY 12

THE AGOVERNMENT could look at excluding those listed companies who had started the process of buying back their shares before July 5 from paying the new tax on buyback income for these ongoing transactions.

"I am not in a position to say whether that (grandfathering) can work or not, but will discuss this with the revenue department," finance secretary SC Garg said at an event organised by industry body CII here.

In the regular Budget for FY20 presented in Parliament last week, finance minister Nirmala Sitharaman proposed a 20 per cent tax (plus cess and surcharge) on buyback of shares by listed companies effective July 5, the Budget day. The idea behind the move is to discourage the practice of using buyback option to circumvent the dividend distribution tax (DDT) and encourage investments by firms. Over the last few years, listed and cash-rich Indian firms ramped up buybacks in order to reward their shareholders. The hike in DDT rate in the 2016-17 Budget gave a leg-up to the trend.

As per section 115QA of the Act, buyback of unlisted shares attracts additional tax at 20 per cent (plus surcharge and cess) in the hands of the company distributing the income on such buyback. However, such income arising in the hands of shareholders is exempt under section 10(34A) of the Act. However, such provision has hitherto not been applicable on



"Buyback is mainly undertaken by those companies which have cash, but see no investment opportunities..."

SC GARG  
FINANCE SECRETARY

buyback of listed shares. It is now proposed that section 115QA of the Act will be amended to include such tax on buyback of listed shares. Further, section 10(34A) of the Act is consequentially proposed to exempt income received by the shareholders on buyback of listed shares.

Replying to reporters' queries earlier this week, however, the chairman of Central Board of Direct Taxes (CBDT) Pramod Chandra Mody had categorically denied any plan to give a waiver for transactions already underway. The government, he said, was clear that the cut-off date was July 5. Any share buyback post that date would come under the purview of new tax, he iterated.

Garg said buyback is mainly undertaken by those companies which have cash, but see no investment opportunities. "Our preference would be that they invest so that there is no need to do the buyback." FE

## 'India to become 3rd largest economy in 2025'

India will this year overtake the UK to become the world's fifth biggest economy, and is poised to surpass Japan to be the third largest in 2025, IHS Markit said in a report Friday

**\$5.9 trillion economy:** Forecast for Indian gross domestic product (GDP) in 2025, surpassing Japanese GDP to make India world's third-largest economy

**\$3.6 tn** Size of Indian consumer market forecast for 2025, rising from \$1.9 trillion in 2019

**350 mn persons:** Projected increase in India's total population between 2015 and 2050, creating significant fiscal challenges for government

**7% per year:** Average GDP growth forecast for India over 2019-2023 period



**FACTORS FOR sustaining rapid economic growth over next 5 years:**

- Investment
- Savings
- Exports

**77** India's rank among 190 countries included on the World Bank's Ease of Doing Business Index for 2019

**163** India's rank in the world for contract enforcement, according to World Bank's Ease of Doing Business Report

**HIRING JUDGES:** Hiring of additional judges will rapidly reduce the number of

unfilled vacancies and clear long backlogs in the court system

**ACCELERATING DEVELOPMENT OF STARTUPS:** Accelerating development of new economy startups and growing new unicorns will be critical for skilled jobs growth

**POPULATION GROWTH:** India population growth rate is projected to slow rapidly over the next two decades

## 'Gangwal's allegations are much ado about nothing'

New Delhi: Terming co-founder Rakesh Gangwal's allegations of governance lapses at InterGlobe Aviation as much ado about nothing, Rahul Bhatia's group Friday said the company is well run, financially sound and managed by a competent set of managers.

Asserting that "pan ki dukaan" (betel shop) has apparently done well, InterGlobe Enterprises said there was no abuse of rights and Gangwal's proposal for convening an Extraordinary General Meeting (EGM) was rejected on the basis of a legal opinion obtained by the board of InterGlobe Aviation.

Gangwal had said that events go "far beyond just poor gover-

**Gangwal's proposal for convening EGM was rejected on basis of legal opinion, InterGlobe said**

nance and even a "pan ki dukaan" would have handled these matters with more grace". InterGlobe Aviation is the parent of IndiGo.

"Corporate governance is not about levelling baseless charges. It is about ensuring that company's interests as also those of other stakeholders are protected and not harmed," InterGlobe Enterprises said in a statement. PTI

## Long-term third party insurance only for new vehicles: IRDAI

ENS ECONOMIC BUREAU  
MUMBAI, JULY 12

THE INSURANCE Regulatory and Development Authority of India (IRDAI) has clarified that long-term third party motor insurance policy will be applicable only for new private cars and two-wheelers. According to IRDAI clarification, existing vehicles will get only one year insurance cover on renewal while new private cars will have to compulsorily go for three-year policies. Similarly, new two-wheelers will have to get compulsory five-year policy.

"In compliance with a Supreme Court directive in 2018, IRDAI had issued a circular mandating the issuance of long term motor third party cover for two-wheelers and private cars. As per its circular issued on July 11, 2019, the authority has clarified that such long term products will apply only to new private cars and new two-wheelers and will not be offered for renewal of existing policies or for old vehicles. Hence, owners of old vehicles can continue to renew their policies on an annual basis," Subramanyam Brahmajoyulu, head - underwriting & reinsurance, SBI General Insurance, said.

### NOT FOR RENEWAL

■ It is clarified that such long term products will apply only to new private cars and new two wheelers and will not be offered for renewal of existing policies or for old vehicles

■ Owners of old vehicles can continue to renew their policies on an annual basis

took up the matter of long-term policy for new vehicles last year, the General Insurance Council had argued that the industry needed more time as a lot of ground work needed to be completed apart from the fact that the state governments and Regional Transport Offices all over the country should be in position to supervise the issuance of long-term policies at the time of registrations of all new vehicles. Under a motor insurance policy, there are two major components: Third-party insurance and Own Damage Insurance. As per The Motor Vehicles Act, 1988, it is mandatory to insure vehicles with at least third-party insurance cover. OD covers loss or damage

to the vehicle insured due to accident including fire and theft. Third party covers any damage or injury caused by the insured, to another person or property.

Last month, IRDAI had asked general insurers to make available stand-alone annual Own Damage (OD) covers (including stand-alone OD cover for fire or theft if opted for by the policyholder) for cars and two-wheelers.

The new regulation will be applicable for both new and old vehicles. Consequently, with effect from September 1, 2019, the issuance of bundled policies for cars and two-wheelers will not be compulsory. Owners can buy OD and third party policies separately. Further, insurers will have the option to offer package policies, in addition to stand-alone OD and third party (TP) policies. Long term stand-alone OD policy will not be permitted for the present.

For issuance of stand-alone Own Damage annual cover as well as for renewal of Own Damage component of a bundled cover, insurers will have to ensure that OD cover is offered only if a motor TP cover is already in existence or is taken simultaneously. The name of the insurer, policy number and the start date and end date of the TP policy should be indicated in the OD policy document.

## SBI waives off online transfer charges

ENS ECONOMIC BUREAU  
MUMBAI, JULY 12

INDIA'S LARGEST bank, State Bank of India has waived off charges on fund transfers made via Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) transactions for its YONO, internet and mobile banking customers from July 1.

The bank has also decided to give free access to Immediate Payment Service (IMPS) from August 1 after the RBI decided to do away with the charges levied on online fund transfers.

**Before July 1, SBI used to charge Rs 1-5 for transactions through NEFT, and Rs 5-50 for RTGS route**

The RTGS system is meant for large-value instantaneous fund transfers, while NEFT system is used for fund transactions of up to Rs 2 lakh. "In order to provide an impetus to digital funds movement, SBI waived-off RTGS and NEFT charges for You Only Need One, internet banking and mobile

## Infy net up 5.3%; revenue guidance raised for FY20

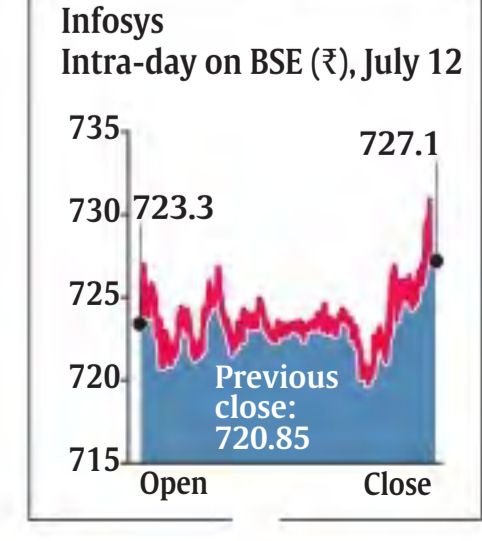
ENS ECONOMIC BUREAU  
MUMBAI/BENGALURU, JULY 12

INFOSYS ON Friday kicked off the new financial year on a strong note, even as rival Tata Consultancy Services (TCS) reported a soft quarter.

Not only has the company bumped up its revenue guidance for the full financial year, it has also decided to distribute 85 per cent of free cash-flows to shareholders through dividends and buybacks over a period of five years against 70 per cent earlier. Analysts believe that the June quarter's performance should drive up consen-

sus estimates for the full year.

The company bumped up its guidance for the fiscal to 8.5-10 per cent from 7.5-9.5 per cent, on the back of its strong performance. The company's net profit increased 5.3 per cent on a year-on-year basis, while it declined 6.8 per cent sequentially to Rs 3,802 crore. Revenues for the quarter ended June 2019 grew by 14 per cent year-on-year and 1.2 per cent sequentially to Rs 21,803 crore. In constant currency, revenues rose 12.4 per cent y-o-y and 2.8 per cent sequentially. The company has also signed large deals worth \$2.7 billion, which is the highest so far. The company had exited



FY19 with total contract value of \$6.28 billion. Operating profit declined 1.5 per cent y-o-y and 3.2 per cent q-

o-q to Rs 4,471 crore. Operating margin was 20.5 per cent. Digital revenues — which now account for 35.7 per cent of total sales — grew by 41.9 per cent y-o-y and 8.6 per cent sequentially.

While the firm exited June quarter with operating margins at 20.5 per cent, the management has maintained that for the full year the margin guidance at 21-23 per cent. Commenting on the company's performance during the quarter, Infosys CEO and MD Salil Parekh said, "We had a strong start to FY20 with constant currency growth accelerating to 12.4 per cent on year-on-year basis and digital revenue growth of 41.9 per

cent. This was achieved through our consistent client focus and investments, which have strengthened our client relationships. Consequently, we are raising our revenue guidance for the year".

Effective from FY20, the company expects to return approximately 85 per cent of free cash flows cumulatively over a five-year period through dividends, share buybacks or special dividends. Infosys CFO Nilanjana Roy said, "Continuing our objective of improving shareholder returns, we have revised our capital allocation policy upwards to distribute 85 per cent of free cash flows cumulatively over a 5-year period." FE



## More than 50% rise in patents granted in FY19 over FY17

ENS ECONOMIC BUREAU  
NEW DELHI, JULY 12

AROUND 1.04 lakh patent applications in India were pending for examination with the country's various patent offices at the end of June this year, down 49 per cent from around 2.04 lakh at the end of the 2016-17 financial year, Commerce and Industry Minister Piyush Goyal told Parliament on Friday.

Currently, the Delhi patent office — with nearly 14,000, or 37.58 per cent — has the highest number of patent applications awaiting examination. This is followed by the Chennai patent office with 36,336 (around 35 per cent) such applications. "The pendency in patent applications in the past... has been primarily due to vastly inadequate strength of examiners and controllers in the patent offices," stated the minister in a written response to a query on whether a "number" of patent applications were pending for approval. "The multi-pronged approach of legislative and administrative measures undertaken has resulted in an increasing trend in disposal of patent applications," he added.

The government measures pendency of patent applications

### TOTAL PATENTS GRANTED AND APPLICATIONS PENDING SINCE 2016-17

Year	Patents granted	Patent applications pending at end of FY
2016-17	9,847	2,04,177
2017-18	13,045	1,67,402
2018-19	15,284	1,12,856
2019-20 (till Jun 30)	4,616	1,03,767

in terms of the number of applications pending for examination, he added. Data given by the minister to the Rajya Sabha also shows that the number of patent applications received and patents granted each year has also slowly been on the rise.

According to the minister, 15,284 patents were granted in 2018-19 compared to 9,847 patents in 2016-17 — an over 50 per cent increase. As of June 30 this year, more than 4,500 patents have been granted.

Around 2,515 (14.60 per cent) of 17,221 patent applications filed in 2018-19 were granted in that period, compared to around 1,311 (9.92 per cent) patents out of 13,219 applications being granted in 2016-17, shows the data submitted by Goyal on Friday.

It is not clear whether the re-

mainting patent applications were disposed at the end of each financial year or are currently in the tally of pending applications that need to be examined.

The government has taken "various" measures to clear pending applications, the minister said. This includes increasing manpower "manifold" by creating new posts, amending the patent rules in 2016 to simplify procedures for disposal of patent applications and implementing various information technology and automation interventions to optimise the "speed and quality" of examinations.

In 2013-14, over 18,000 patents were examined and 4,225 patents were granted, an earlier statement in the Parliament by then commerce minister Nirmala Sitharaman in July 2014 shows.

## CPI INFLATION REMAINS WITHIN RBI'S COMFORT ZONE

# June retail inflation inches up, factory output slumps in May

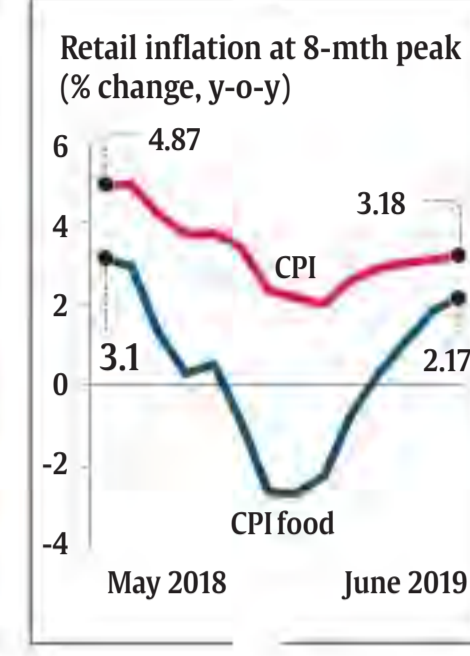
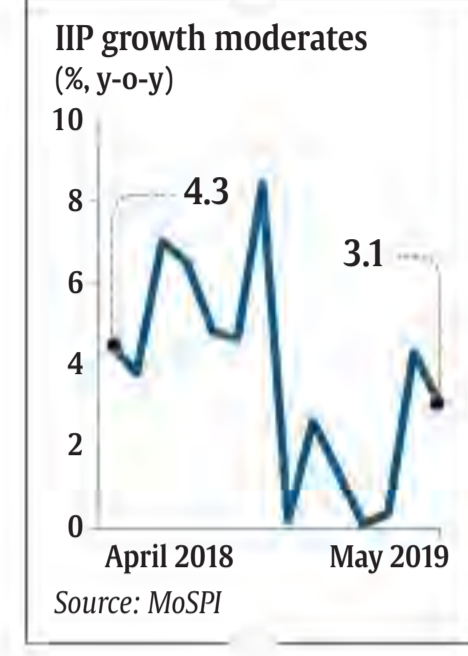
### Subdued performance of mining and manufacturing sectors pull down IIP

ENS ECONOMIC BUREAU  
NEW DELHI, JULY 12

RISING FOR the sixth consecutive month, retail inflation for June reached 3.18 per cent — remaining well within the comfort zone of the Reserve Bank of India — leaving scope for a rate cut by the central bank to bolster industrial production which is yet to gain traction.

As per data released by Central Statistics Office (CSO), factory output growth based on Index of Industrial Production (IIP) fell to 3.1 per cent in May against 4.3 per cent in April, mainly due to subdued performance of mining and manufacturing sectors.

Retail inflation based on Consumer Price Index (CPI) inched up to 3.18 per cent in June, from 3.05 per cent in May, primarily due to firming prices in the food basket, another set of data released by CSO revealed. The Reserve Bank mainly con-



siders retail inflation while deciding its monetary policy.

However, the data also indicated that inflation in vegetables and fruits segments eased over the previous month.

It added that overall food inflation based on consumer food price index rose to 2.17 per cent in June as against 1.83 per cent in the previous month.

In the 'pulses and products' category, the rate of price rise

was sharply higher at 5.68 per cent against 2.13 per cent, while inflation in the 'cereals and products' basket rose to 1.31 per cent from 1.21 per cent in May.

On the factory output front, the CSO data showed that expansion in the mining sector was merely 3.2 per cent in May, as compared to 5.8 per cent in the year-ago month.

Similarly, growth in the manufacturing sector was also sub-

dued at 2.5 per cent in May, compared to 3.6 per cent in the corresponding month of the last financial year. However, the power generation grew at 7.4 per cent in May, as against 4.2 per cent in the same month last year.

Earlier in the day, while replying to a general discussion on the Union Budget 2019-20 in the Rajya Sabha, Finance Minister Nirmala Sitharaman said the government has succeeded in keeping "complete control" over retail inflation.

"Inflation has never been allowed to raise its dirty head to cause inconvenience to the consumers... complete control over inflation is the achievement of this Government...", she said. The RBI has been tasked by the government to ensure the rate of price rise remains around 4 per cent.

While reducing the repo in June by 25 basis points for the third time in a row, the central bank had left the door ajar for more rate cuts. **WITH PTI**

## BRIEFLY

### Piyush Goyal to attend India Day Conclave

New Delhi: Commerce and Industry Minister Piyush Goyal will participate in the India Day Conclave on July 16 in London with an objective to show investment opportunities in India.

### IndusInd net up to 38% for June quarter

Mumbai: IndusInd Bank Friday reported a 38 per cent growth in net income for the June quarter at Rs 1,433 crore, boosted by the merger of micro-lender Bharat Financial's good show.

### Indian-origin US hedge fund owner convicted

New York: Anilesh Ahuja, the Indian-origin founder-CEO of Manhattan-based hedge fund firm Premium Point Investments LP (PPI), and a former trader of the enterprise have been found guilty of securities fraud for their participation in a scheme to inflate the net asset value for hedge funds managed by PPI by over \$100 million.

### ITC to foray into new FMCG categories

Kolkata: At the firm's annual general meeting Friday, ITC Chairman Sanjiv Puri said it will foray into new categories and sub-segments in the FMCG industry, which will be supported by multi-dimensional investments.

### 'Govt plans to list 10 CPSEs in current fiscal'

New Delhi: The government is planning to list 10 more CPSEs and go ahead with strategic sale in a bid to achieve the ambitious disinvestment target of Rs 1,05 lakh crore in the current fiscal, DIPAM Secretary Atanu Chakraborty said Friday. **PTI**

### Baby powder: 'J&J faces criminal probe'

Bengaluru: The US Justice Department is pursuing a criminal probe into whether Johnson & Johnson (J&J) lied about potential cancer risks of its talcum powder. Bloomberg reported, citing sources. **REUTERS**

## Airspace ban along eastern border with India extended till Jul 26 : Pak

PRESS TRUST OF INDIA  
LAHORE, JULY 12

FOR THE fifth time, Pakistan extended its airspace ban along its eastern border with India till July 26, the country's civil aviation authority announced Friday.

Pakistan fully closed its airspace on February 26 after the Indian Air Force fighter jets struck a Jaish-e-Mohammed terrorist training camp in Balakot following the Pulwama terror attack in Kashmir. However, in March, it partially opened its airspace but kept its ban for Indian flights. "Pakistani airspace will be closed until July 26 along its eastern border with India," the Civil Aviation Authority (CAA) said in a notice.

## JET AIRWAYS INSOLVENCY

# NCLAT to hear Dutch court administrator's plea

PRESS TRUST OF INDIA  
NEW DELHI, JULY 12

THE NATIONAL Company Law Appellate Tribunal (NCLAT) Friday agreed to hear a petition filed by a Dutch court administrator in the Jet Airways insolvency case as it stayed parts of a lower court order that declared overseas bankruptcy proceedings null and void.

Jet is facing insolvency proceedings in the Netherlands as well where it was declared bankrupt after it failed to pay two European creditors. Subsequently, a bankruptcy administrator was appointed by the Dutch court. A three-member NCLAT bench headed by Justice S J Mukhopadhyay said it will clarify the law on action to be taken when there are two insolvency petitions filed against the same

company in two different countries.

At the proceedings, the Dutch administrator agreed not to sell the confiscated assets of the debt-ridden Jet Airways. The NCLAT issued notice to the consortium of Jet Airways lenders and directed them to file their reply within two weeks. It fixed August 21 as the next date of hearing.

Meanwhile, in a separate case, the appellate tribunal has asked the government and IL&FS about steps being taken for the 55 loss making retail entities of the group. A two-member NCLAT bench headed by chairman Justice S J Mukhopadhyaya has asked IL&FS and the Ministry of Corporate Affairs to file an affidavit within two weeks stating the time it would take to decide on it. The NCLAT has also asked as whether any such retail entities could be categorised as 'green' or 'amber'.

## Ex-CEA: RBI's reports never mentioned possible IL&FS crisis

PRESS TRUST OF INDIA  
NEW DELHI, JULY 12

FORMER CEA Arvind Subramanian Friday criticised the Reserve Bank for its regulatory failures, saying its Financial Stability Reports never mentioned about the possible liquidity crisis in IL&FS, one of the largest NBFC in India. He added that India's biggest challenge at the moment is twin balance sheet problem.

"While RBI is one of the best institution, we have. We had some massive failures like IL&FS... If you go back, and see Financial Stability Reports of last 4-5 years, I don't think IL&FS was specifically mentioned as a possible problem..." he said at an event here.

## CoC moves apex court against NCLAT order on Essar Steel

ENS ECONOMIC BUREAU  
NEW DELHI, JULY 12

THE STATE Bank of India-led committee of creditors (CoC) of the debt-laden Essar Steel on Friday approached the Supreme Court, challenging last week's National Company Law Appellate Tribunal (NCLAT) order that reduced its share of the sale proceeds from 90 per cent to 60 per cent, apart from putting the operational creditors at par with financial creditors in terms of settlement of claims.

The CoC said that this decision would discourage banks from initiating insolvency proceedings against any defaulting company. This decision means that the financial creditors would have to take a bigger loss on their outstanding dues and this is not in public interest, it added.

While approving

### Operational creditors had made total claims of Rs 19,719 crore and could get Rs 11,969 crore, or 59.6 per cent, as per the NCLAT's order

ArcelorMittal's Rs 42,000-crore offer for Essar Steel, the appellate tribunal had on last Thursday modified a resolution plan cleared by the CoC, holding that the secured creditors including SBI, IDBI Bank and Canara Bank will get Rs 30,030 crore, or 60.7 per cent of their Rs 45,559 crore claims, and the rest will go to operational creditors, treating them at par with the financial creditors.

Operational creditors had made total claims of Rs 19,719 crore and could get Rs 11,969

crore, or 59.6 per cent, as per the NCLAT's order.

The earlier plan approved by the lenders had provided for 90 per cent recovery for all financial creditors and around 20.5 per cent for operational creditors with dues of more than Rs 1 crore.

It also said that the Supreme Court in its earlier ruling had held that the financial creditors and operational creditors could not be treated at par.

The CoC in its appeal before the apex court stated that it has power to deal with all commercial aspects of the resolution plan submitted by ArcelorMittal India.

Citing the NCLAT's earlier order, it said that what should be the percentage of claim amount payable to anyone — financial creditor or the operational creditor or secured creditor or unsecured creditor — can be looked into by the CoC. **FE**

**RAJASTHAN RAJYA VIDYUT UTPADAN NIGAM LIMITED**  
On 101 Chief Engineer (TD), 302, Vaidi Vihar Road, Jaipur, Rajasthan

**E-TENDER NOTICE**  
Online tenders are invited for TN-09 (RVU)1920GL080085 Procurement of Conveyer belts for various Power Plants of RVU with Reverse Auction which shall be carried out on Reverse Auction portal of M/s ITL Ltd. New Delhi ([www.tenderwindow.com/RVUNL](http://www.tenderwindow.com/RVUNL)) and TN-10 (RVU)1920GL080083 Procurement of 05 Nos. 2x600 HP twin governor pack diesel hydraulic shunting locomotives (03 nos. for CSCPTP Chahira and 02 nos for SSCPTP, Suratgarh) through ICE route. Tender details are available on websites <http://eproc.rajjasthan.gov.in> (for e-tender) [www.energy.rajjasthan.gov.in/rvumil](http://www.energy.rajjasthan.gov.in/rvumil) and [www.sppc.rajjasthan.gov.in/RVUPP/3245](http://www.sppc.rajjasthan.gov.in/RVUPP/3245) Raj, Samvad/CI/1323/2019-20 Dy. Chief Engineer (TD)

**RIYES Ltd.**  
(A Govt. of India Enterprise)  
CIN No. L74809DL1974GOI007227

**Notice Inviting e-Tender**  
NIT No.: RITES/WSIECoR/SARLA/WT/2019

GGM (WS), RITES Limited on behalf of East Coast Railways, Bhubaneswar invites through E-Tendering system online percentage rate bid on two packet system from the contractors who fulfill Qualifying Criteria stipulated in the Tender document for the following work: **Name of Work: Setting up of Freight Train maintenance facility with ROH facility for Freight Wagons at Sarla station yard, Sambalpur, Orissa. Estimated Cost: Rs. 50.93 Crores, Earnest Money: Rs. 25.00 Lakhs. Period of completion: 18 Months. Last date of online submission of tender: 11:00 Hrs on 05/08/2019.**

Complete Tender document including qualifying criteria can be purchased/obtained from the website <https://etenders.gov.in/eProcure/eApp> at a cost of Rs.15,000/-.

Addendum/Corrigendum, if any, shall be hosted online only.

**भारतीय कंटेनर लिमिटेड**  
**CONTAINER CORPORATION OF INDIA LTD.**  
(A Govt. of India Undertaking)  
ICD Tughlakabad New Delhi - 110 020

**OPEN TENDER NOTICE (E-Tendering Mode Only)**

Online Open E-bids are invited through Single packet Open tendering system from the RDSO approved/developmental sources for supply of 18000 nos. Bolster Spring Inner as per RDSO Drg. No. CONTR-9404-5/7 (Item 2) Specification WD-01-HLS-1994 Rev 3 Amendment no.2 of August 2018 or Latest, for modification of 100 rates of BLC to 22 Ton Axle Load (BLCAM/BLCBM). The complete bid document can only be downloaded after paying ₹1000/- through online from the website [www.tenderwindow.com/CCIL/](http://www.tenderwindow.com/CCIL/).

Bid Reference	Tender No. CONVT/BLC/SPRING/18000/2019
Earnest Money Deposit	Rs. 2,28,180/- (INR) through e-payment gateway to CONCOR
Cost of Document	Rs. 1,000 through online payment gateway to CONCOR
Tender processing fee (Non-refundable)	Rs. 5310.00 (including GST @18%) through e-payment gateway to CONCOR
Period of Tender Sale (online)	From 13.07.2019 (11:00 Hrs.) to 26.07.2019 (18:00 Hrs.)
Date & time of Submission	27.07.2019 (upto 17:00 Hrs)
Date & time of opening of Bid	At 15:30 Hrs. of 29.07.2019

\* Through e-Payment  
CONCOR reserves the right to reject any or all the tenders without assigning any reasons thereof. For complete details login to [www.tenderwindow.com/CCIL/](http://www.tenderwindow.com/CCIL/) Executive Director/NR

**अखिल भारतीय आयुर्विज्ञान संस्थान, रायपुर (स.ग.)**  
**All India Institute of Medical Sciences, Raipur (C.G.)**  
Talibandhi, G.E. Road, Raipur-492 099 (CG) ([www.allmsraipur.edu.in](http://www.allmsraipur.edu.in))

**No. AIIMS-RPR/Rect. & Advt. Cell/HS/2019/1561, Date: 11-07-2019**

**E-TENDER CALL NOTICE**  
Director, All India Institute of Medical Sciences (AIIMS) Raipur Chhattisgarh, Govt, invites e-tender for following:

Tender Title	EMD Cost	Published on CPPP/Website	Pre-bid Meeting date	Closing date
Annual Rate Contract of Lifesaving products-I for IPD and OPD Services at AIIMS Raipur	₹ 4,70,000.00	11-07-2019	22-07-2019 at 3:30 PM	10-08-2019 at 06:00 PM
Annual Rate Contract of Lifesaving products-III for IPD and OPD Services at AIIMS Raipur	₹ 4,10,000.00	11-07-2019	22-07-2019 at 3:30 PM	10-08-2019 at 06:00 PM

The details terms & conditions are available on the website- [www.allmsraipur.edu.in](http://www.allmsraipur.edu.in) and CPP Portal [www.eprocure.gov.in](http://www.eprocure.gov.in)  
Stores Officer, AIIMS Raipur

## TDS on interest on accident compensation: HC seeks CBDT stance

EXPRESS NEWS SERVICE  
NEW DELHI, JULY 12

THE DELHI High Court on Friday sought the response of the Central Board of Direct Taxes (CBDT) on a PIL seeking to quash the provision mandating tax deduction on the interest received on compensation by a road accident victim.

A bench of Justice S

Muralidhar and Justice Talwant Singh also issued a notice to the Ministry of Finance, asking for its stand on the plea, and listed the matter for further hearing on November 6.

The court was hearing a PIL filed by advocate-activist Amit Sahni, who sought setting aside of CBDT's June 26 order by which it was held that the income tax levied upon the interest accrued upon compensation granted by

the MACT is fair and reasonable.

The CBDT had passed the order while dismissing his representation on the issue and had held that such interest falls in the category of income.

Sahni, in his petition, stated that the receipts of compensation are non-taxable under the Income-tax Act and therefore, the interest under the motor accident claims should not be made taxable.

"But the insurance companies deduct TDS on the interest accrued upon the compensation awarded by the Motor Accident Claims Tribunal (MACT) in view of section ... of the Income Tax Act, 1961," the plea alleged.

It said the compensation awarded by the MACT established under the Motor Vehicle Act, 1988, is meant to substitute the loss of potential income of the victim, and in most cases, is

in fact determined as a multiple of the victim's income.

"Under tax laws, it is well settled that if a receipt is meant to substitute a source of income, it is a capital receipt. Capital receipts are generally not taxable as income unless they are specifically roped into the definition of income as such compensations is not specifically included, they are therefore not taxable," it said.

## Baby powder: 'J&J faces criminal probe'

Bengaluru: The US Justice Department is pursuing a criminal probe into whether Johnson & Johnson (J&J) lied about potential cancer risks of its talcum powder. Bloomberg reported, citing sources. **REUTERS**

**CSIR-National Metallurgical Laboratory**  
(Council of Scientific & Industrial Research)  
Jamshedpur - 831 007, Jharkhand, India  
[www.nmlindia.org](http://www.nmlindia.org)

**ADVERTISEMENT No. 04 / 2019**  
**WALK-IN-INTERVIEW / TEST - on 30.07.2019 (Tuesday) at 9:00 AM (Registration from 09:00 AM to 11:00 AM)**  
**POSITION: RESEARCH ASSOCIATE / PROJECT - JRF / PROJECT - SRF / PROJECT ASSISTANTS**

For details of qualifications, experience, age, Stipend and other terms & conditions etc. please visit our website <http://www.nmlindia.org> Controller of Administration

**BRUHA BENGALURU MAHANAGARA PALIKE**  
Office of the Executive Engineer, BBMP Building, 39th Cross, 18th Main Road, Jayanagar 4th 'T' Block, Bengaluru - 560041

**No.: EE(JN)/e-Proc/07/2019-20 Date : 12.07.2019**

**INVITATION FOR TENDERS (IFT)**  
(Two Cover System) (Through GOK e-Procurement Portal only)  
The Executive Engineer, Jayanagara Division invites tenders from reputed consultants for Consultancy Services for preparation of DPR for the following work.

Sl. No.	Name of Assignment	Project Cost (Rs. in Lakhs)	EMD (in Rs.)
1	Construction of corporator office building and other development of works in 2nd Phase J.P. Nagar Ward No. 177.	175.00	20,000/-

**Calendar of events :** (1) Request for Proposal (RFP) Document may be downloaded from the Government of Karnataka e-Procurement website [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in) from 19.07.2019. (2) Pre-Bid meeting will be held at the office of the Executive Engineer, Jayanagara Division, BBMP Building, 39th Cross, 18th Main Road, Jayanagar 4th 'T' Block, Bengaluru-560041 on 05.08.2019 at 4:00 p.m. (3) The last date for submission of completed documents is 14.08.2019 before 4:00 p.m. (4) Date of Opening of Technical Proposal is 16.08.2019 after 4:00 p.m. Further details may be obtained from the above office during office hours or website [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in).  
Sd/- Executive Engineer, Jayanagara Division, BBMP  
"Pay Development Charges, Help to Develop Bengaluru"

## Australia steps up sugar trade fight with India, seeks probe by WTO

NATASHA CHAKU  
MELBOURNE, JULY 12

AUSTRALIA HAS intensified its sugar related dispute with India by formally asking World Trade Organisation (WTO) to set up a panel to probe if the world's second-largest sugar producer was breaching its obligations, a media report said Friday.

In March, Australia was joined by Brazil to lodge a formal complaint against India with the WTO alleging that India's continued sugar subsidies to farmers have led to a "glut" and "depressed" global prices. Australia along with Brazil and Guatemala joined hands to ask the WTO to set up the dispute panel to probe if India was breaching its obligations.

Australian Financial Review report quoted Australian Trade Minister Simon Birmingham saying "India has not taken concrete action to response to Australia's long-held concerns and continues to provide subsidies in breach of its WTO commitments." "The longer these unfair subsidies continue, the greater the impact will be on our hardworking Australian cane growers and millers and the regional jobs they create," he said.

It says India's subsidies have contributed to a global sugar glut and hurt Australian farmers. "Australia's relationship with

### 'India currently involved in 14 WTO disputes'

New Delhi: India is involved in 14 WTO disputes currently and domestic law firms are handling all of them, Parliament was informed.

In one of these disputes, the expertise of the Geneva-based international law organisation 'Advisory Centre on WTO Law' was engaged to guide a domestic law firm, Commerce Minister Piyush Goyal said in a written reply to the Rajya Sabha Friday. **PTI**

India is strong and it shows how valuable the trading system is that even close partners with good relations can utilise WTO processes to address trade disputes." Agriculture Minister Bridget McKenzie said, "This is about protecting over 40,000 jobs and the regional communities that are supported by our sugar industry."

Australian government's latest action has come with a view to support its 2 billion dollar sugar export sector. The action has been welcomed by local cane growers and millers. The federal government action has been welcomed by local cane growers and millers. **PTI**



## JOINING FORCES

Ford CEO Jim Hackett (right) and Volkswagen CEO Herbert Diess at a news conference in New York, Friday. **AP**

■ Ford Motor Co and Volkswagen AG on Friday said they will spend billions of dollars to jointly develop electric and self-driving vehicles, deepening a global alliance to slash development and manufacturing costs.

■ Volkswagen will invest \$2.6 billion in Argo AI, Ford's self-driving cars venture, in addition to buying \$500 million worth of Argo shares from Ford, giving the two automakers equal stakes in the startup. **REUTERS**

## Cryptocurrencies are 'not money', says Trump

AGENCE FRANCE-PRESSE  
WASHINGTON, JULY 12

DONALD TRUMP expressed his mistrust of cryptocurrency Thursday, saying it was "not money" and warning that those wishing to join the trade would have to abide by banking regulations. "I am not a fan of Bitcoin and other Cryptocurrencies, which are not money, and

whose value is highly volatile and based on thin air," Trump tweeted.

He added that cryptocurrency, whose electronic nature makes it nearly untraceable, could facilitate illegal activity. He also warned Facebook and other firms that, should they launch their own cryptocurrency, they would have to abide by both American and international banking regulations.