

## SECTOR WATCH

## E-NICOTINE DELIVERY SYSTEMS

## Locked in litigation on e-cigarettes, vapes ban, HealthMin seeks opinion of LawMin

PRABHA RAGHAVAN  
NEW DELHI, JULY 30

A MONTH after India's top drug advisory body recommended moves to help the government ban products like e-cigarettes and vapes, the Health Ministry has sought the Law Ministry's opinion on whether it can go ahead with them. *The Indian Express* has learnt. This is because the Health Ministry is locked in litigation opposing the ban, according to senior officials aware of the development.

In June, the Drugs Technical Advisory Board (DTAB) approved a proposal to regulate Electronic Nicotine Delivery Systems (ENDS) as 'drugs' and prohibit their sale in the country — a move that may hit India's nascent vapour products market, reportedly expected to grow nearly 60 per cent annually up to 2022. This includes products like e-cigarettes, vapes, e-sheeshas, e-nicotine flavoured hookahs and heat-not burn devices, all not approved under India's drug regulations.

A senior official confirmed the banning of ENDS is part of the Health Ministry's 100-day agenda, but another said it is holding off on implementing DTAB's recommendations to clear legal hurdles.

"The Ministry wants to know, at this juncture, when the matter is already in court, whether the government can (move ahead with a ban)," the official said on condition of anonymity, adding that views have been sought from the Law Ministry.

Litigation on the proposed ban include petitions at the Delhi High Court by UK-based e-cigarette firm Litemo and Focus Brands Trading (India) against government orders in February asking states and union territories to ensure ENDS products were prohibited in their jurisdictions.

Court orders show Litemo argued the direction was "without the authority of law" as ENDS is not classified as a drug under India's drug regulations. Focus Brands Trading claimed ENDS like e-cigarettes are substitutes to smoking combustible cigarettes and are "healthier" because no tar is inhaled in the process.

The court in March stayed the government's directions, stating the products do not fall within the definition of a 'drug' under the Drugs and Cosmetics Act, 1940.

As a result, the government "would not have the jurisdiction" to issue such directions to states or prevent imports, according to the court, which also stayed a November 2018 circular on prohibiting ENDS to all customs authorities.

US PRESIDENT Donald Trump on Tuesday warned China against waiting out his first term to finalise any trade deal, saying if he wins re-election in the November 2020 US presidential contest, the outcome could be no agreement or a worse one.

"The problem with them waiting... is that if & when I win, the deal that they get will be much tougher than what we are negotiating now... or no deal at all," Trump said in a post on Twitter, as the latest US-China trade talks began in Shanghai. Trump said China appeared to be backing off on a pledge to buy US agricultural products, which US officials have said could be a goodwill gesture

## DTAB GAVE NOD TO REGULATION

■ In June, the Drugs Technical Advisory Board (DTAB) approved a proposal to regulate ENDS as 'drugs' and prohibit their sale

■ In March, the Delhi High Court had stayed the government's directions to ban ENDS, saying that the products do not fall within the definition of a 'drug' under Drugs and Cosmetics Act, 1940

The Mumbai High Court last week also stopped state authorities from acting against Godfrey Philips India while it heard the tobacco maker's case on seizure of its e-cigarettes. "The ministry's view is clear—it wants to ban (ENDS)," said the Health Ministry official earlier.

Various bodies have made representations to the Ministry against banning ENDS products. For instance, the Voluntary Association of Trade Representatives of ENDS in India (TRENDS) on July 24 wrote to Union Health Minister Harsh Vardhan stating 69 nations allow and regulate ENDS. It said it was willing to enforce "self-regulatory measures" to prohibit sale of these products to minors.

Another senior official had earlier said that the government would act on recommendations and evidence produced by its own research bodies, including the Indian Council of Medical Research (ICMR).

"We will go by the risk associated with the products based on recommendations (from our experts)."

ENDS have not been assessed for safety and efficacy in India's population, according to government sources.

E-cigarettes are the most common type of ENDS — more than 460 different brands with over 7,700 flavours are marketed here currently, according to government data. Commerce Ministry data shows that imports of e-cigarettes, its accessories and ENDS grew around 119 per cent to \$83,483.54 in 2018-19 from \$38,126.34 in 2016-17.

ICMR's white paper in May stated that ENDS contain "highly addictive" nicotine solution and ingredients that are "harmful" for health.

Adverse effects include DNA damage, potential cancer formation and respiratory and cardiovascular disorders, according to it.

## ELIGIBLE FIRMS MAY RAISE ECBs WITH 10-YR MATURITY PERIOD

## Reserve Bank relaxes ECB norms for corporates, NBFCs

ENSECONOMIC BUREAU  
MUMBAI, JULY 30

THE RESERVE Bank of India (RBI) has decided to relax the end-use restrictions relating to external commercial borrowings (ECB) for working capital requirements, general corporate purposes and repayment of rupee loans in a move aimed at providing access to cheaper and longer term funds for the corporate sector, especially liquidity-starved non-banking finance companies (NBFCs).

In a notification issued Tuesday, the RBI has allowed eligible borrowers to raise ECBs with a maturity period of 10 years from recognised lenders, except foreign branches and overseas subsidiaries of Indian banks.

Earlier, in its order dated March 26, 2019, the RBI had said ECB proceeds cannot be utilised for working capital purposes, general corporate purposes and repayment of rupee loans except when the ECB is availed from foreign equity holder for a minimum average maturity period of 5 years. Further, on-lending for these activities out of ECB proceeds was also prohibited.

The RBI said ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes will be allowed. "Borrowing

EXPLAINED  
Relief for entities struggling to raise funds domestically

THE RBI move to relax ECB norms will help corporates and NBFCs in accessing cheaper overseas funds at a time when many entities are struggling to raise capital in the domestic market. The central bank has allowed ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes. It has also permitted borrowing for on-lending by struggling non-banking financial companies for the 10 year maturity.

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RBI also allowed ECBs with a minimum average maturity period of 7 years for repayment of rupee loans availed domestically for capital expenditure. "The borrowings for on-lending by NBFCs for the repayment of rupee loans would also be permitted," it said.

"For repayment of rupee loans availed domestically for purposes other than capital expenditure and for on-lending by NBFCs for the same, the minimum average maturity period of the ECB would have to be 10 years," the RBI said.

Analysts said the RBI move will help corporates and NBFCs to

maximum all-in-cost ceiling. Defaults by IL&FS which has a debt of around Rs 94,000 crore had affected the entire financial sector this year. Several NBFCs have been struggling to raise funds. Liquidity woes led to payment delays by housing mortgage firm DHFL. Besides, the economy in general has been facing a slow-down with many corporates coming under margin squeeze.

Led by NBFCs and housing finance companies, the financial services sector was the largest overseas borrower in April-May period of the current financial year in the wake of tight liquidity conditions in the domestic market. Indian corporates raised \$6.7 billion in loans overseas (including via approval and automatic routes) in the first two months of FY20. Of the total borrowing, the share of financial sector stood at \$3 billion or 45 per cent of the total ECBs, according to RBI data.

RBI Governor Shaktikanta Das had recently indicated that the central bank is planning a "fresh look" at the regulatory and supervisory framework of the shadow banking sector.

The Budget 2019-20, announced on July 5, proposed to partially guarantee high-quality pooled assets of NBFCs and the RBI opened an indirect liquidity window for the sector to aid banks to give funds to the sector.

## 63 MOONS SUIT FOR ₹10K CR COMPENSATION

## Bombay HC summons P Chidambaram, KP Krishnan and Ramesh Abhishek to answer

SANDEEP SINGH  
NEW DELHI, JULY 30

TAKING NOTE of the suit filed by 63 moons technologies Ltd in June 2019 seeking damages and compensation to the tune of Rs 10,000 crore from K P Krishnan, Secretary, Ministry of Skill Development and Entrepreneurship; P Chidambaram, former Union Finance Minister and Ramesh Abhishek, Secretary, DPIIT, the Bombay High Court has summoned the three to appear before the court on October 15, 2019 to answer to the plaintiff's claim.

"You are hereby summoned to appear before the Judge in Chambers to answer the plaintiff's claim on the 15th Day of October, 2019 in the forenoon, either in person or by an Advocate entitled to practice in this Hon'ble Court duly instructed and able to answer all material questions relating to the present Suit, or shall be accompanied by some other person able to answer all such questions," said the Bombay High Court in an order passed on July 24, 2019.

The order further said that "if you fail to file your appearance in person or in Vakalatnama and Written Statement as directed above, or if you fail to appear before the Judge on the day before mentioned, the present Suit may be ordered to be set down on Board on the same day or any subsequent day as 'undefended' and you will be liable to have a decree or order passed against you".

In its plea to the high court, 63 moons technologies had sought damages of Rs 10,000 crore for "malicious and mala fide actions" against Abhishek, Krishnan and Chidambaram.

The company had also sought the court to direct them to disclose their assets and requested to pass an order of "temporary injunction" directing to "not sell/alienate/ transfer/ dispose of/ create third party rights in or otherwise deal with, the properties and assets" disclosed by the three.

Responding to the query sent by *The Indian Express*, while Krishnan said that he can't comment as he has received nothing from the Court, Chidambaram also said that he has not received anything from the Court. Calls and messages sent to Abhishek

## 'HAVE NOT RECEIVED ANYTHING FROM COURT'

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CALLS AND messages sent to Abhishek did not elicit any response

did not elicit any response. In its suit, 63 moons technologies has alleged that the former Finance Minister along with the two top bureaucrats destroyed the FTIL Group (now, 63 moons technologies) causing Rs 10,000 crore loss to its shareholders by way of engineering the NSEL payment default crisis.

It has further alleged that the company has been facing continuous targeted and mala fide actions in the wake of an engineered payment default crisis at one of its subsidiaries, the National Spot Exchange Limited (NSEL).

63 moons has alleged that even as no money trail has been traced to NSEL, 63 moons and its founder, the group has been targeted.

The company has already filed criminal complaint against the three individuals with the Central Bureau of Investigation (CBI).

The Rs 5,600-crore NSEL scam broke out in July 2013 after payment default at the National Spot Exchange, promoted by Financial Technologies India Ltd. The then commodities market regulator, Forward Markets Commission, had in July 2013, directed NSEL to stop launch of any fresh contracts in July 2013.

## 'Overall business optimism still subdued in India'

India has been ranked fourth globally in terms of business optimism, as only 64 per cent of corporates are optimistic about its economic growth over the next 12 months, according to Grant Thornton's IBR survey

## TOP NATIONS WITH MOST OPTIMISTIC OUTLOOK

PHILIPPINES:  
73% RESPONDENTS

VIETNAM:  
72% RESPONDENTS

INDONESIA:  
66% RESPONDENTS

## INDIA'S RANKING IN AREAS OF CONCERN

■ 1st: Regulations & red tape

■ 2nd: Shortage of finance

6th  
India's business optimism position in year-ago period



GLOBAL SENTIMENT:  
Around the world, business optimism has fallen to a three-year-low level and economic uncertainty remains elevated

OPTIMISM ON EMPLOYMENT INDIA:  
Indian businesses are optimistic about a rise in employment in the second tenure of the Narendra Modi-led government

## P&amp;W's India MD quits; unrelated to losing out on IndiGo order, says firm

PRANAV MUKUL  
NEW DELHI, JULY 30

PALASH ROY Chowdhury, aircraft engine maker Pratt & Whitney's India managing director, has decided to resign from his position — and this comes a month after the company's top customer in the country IndiGo opted for its rival firm to power the next batch of aircraft deliveries. However, the United Technologies-owned company said that Roy Chowdhury's exit was unrelated

to the company losing out on IndiGo order.

"I have had a phenomenal journey over last 18 years with Pratt & Whitney and UTC, the last eight of which were in India. During this period, India became the fastest growing aviation market globally and the company is well-poised for a strong period of growth in the country. I am now looking forward to pursuing some personal and entrepreneurial interests that I have nurtured for some time," Roy Chowdhury told *The Indian Express*.

## ROY CHOWDHURY PUT IN PAPERS LAST WEEK

■ It could not be ascertained when he would relinquish duties as Pratt & Whitney's India managing director

■ In June, IndiGo announced that it has ordered CFM International

LEAP-1A engines to power 280 Airbus A320neo and A321neo aircraft

■ Sources said that IndiGo's decision to choose CFM was based on commercial considerations

In response to an e-mail query, Pratt & Whitney said: "After 18 years at UTC (United Technologies), Mr Roy

Chowdhury has elected to pursue opportunities outside of Pratt & Whitney. We wish him all the best in his future endeavors."

Sources in the know told this newspaper that Roy Chowdhury, who joined UTC back in 2002, put in his papers last week. It could not be ascertained when he would relinquish duties as Pratt & Whitney's India managing director.

In June, IndiGo announced that it has ordered CFM International LEAP-1A engines to power 280 Airbus A320neo and A321neo aircraft. The contract, which includes spare engines and an overhaul support agreement, is valued at more

than \$20 billion at list price. IndiGo's earlier order of engines for 150 A320 family aircraft was awarded to Pratt & Whitney and the airline moved away from the engine maker following a series of problems with the US-firm's engines on its A320neo planes that often resulted in groundings of these aircraft in the first two years of their service.

However, sources said that IndiGo's decision to choose CFM was based on commercial considerations and not technical ones.

## Jaypee Infra: NCLAT extends resolution period for 90 days

Calls for fresh bids to take over the debt-ridden company

ENSECONOMIC BUREAU  
NEW DELHI, JULY 30

THE NATIONAL Company Law Appellate Tribunal (NCLAT) on Tuesday extended the corporate insolvency resolution process of Jaypee Infratech (JIL) for another 90 days and called for fresh bids to take over the debt-ridden company. The 90-day period includes a 45-day window for the resolution professional and lenders of the debt-ridden firm to invite fresh bids.

The committee of creditors (CoC) and the resolution professional would have 45 days to consider the resolution plans and select a final bidder to complete the process. A two-member bench headed by Chairman

Justice SJ Mukhopadhyaya said that as corporate insolvency resolution was pending for a long time, it would give only 45 days to resolution professional and the committee of creditors of JIL to complete the process of inviting new bids. "In view of aforesaid extraordinary situation, we are of the view that the period from September 17, 2018 i.e. the date of application filed by the association of the allottees for clarification for the order and till the final decision i.e. June 4, 2019 can be excluded for the purpose of counting the 270 days," the NCLAT said.

However it also said that as the matter is pending since long, it was "not inclined to exclude the total period of 260 days and instead in the interest of the allot-

tees, we exclude 90 days for the purpose of counting the period of 270 days of corporate insolvency resolution process, which should be counted from the date of receipt of the copy of this order".

The NCLAT had earlier asked state-owned NBCC, whose bid was rejected by the CoC of JIL, to submit fresh resolution plan for the debt-ridden company. "It is made clear that all the earlier 'resolution plan(s)' including the plans submitted by the NBCC, cannot be considered, having been rejected by the CoC. However, it will be open to the 'NBCC' to file a fresh improved 'resolution plan'," it said on Tuesday.

It barred Jaiprakash Associates (JAL), the promoters of JIL, from submitting a bid. FE



A US embassy car that is part of a convoy carrying the Trade delegation team leaves from the Peace Hotel in Shanghai. AP

and part of any final pact. US and Chinese officials restarted negotiations after talks stalled in May.

Speaking to reporters at the White House, Trump said the trade talks were going well with China, but added the United States

would "either make a great deal or no deal at all." "We'll see what happens," he told reporters.

The US negotiating team arrived for talks in Shanghai on Tuesday afternoon but there was no sighting of US Trade

Representative Robert Lighthizer or US Treasury Secretary Steven Mnuchin. The US and Chinese delegations later appeared to have reached Shanghai's historic Fairmont Peace Hotel where sources say the US delegations are having dinner, but both teams avoided the media and did not make public comments.

On Tuesday, Trump also reiterated that Beijing might stall talks in hopes of inking a laxer deal with "somebody like Elizabeth Warren or Sleepy Joe Biden," singling out two Democratic presidential front-runners, before reversing course.

"China is dying to make a deal with me. But whether or not I do it, is up to me..." he said.

"China is willing to give up a lot. But that doesn't mean I'm willing to accept it."

## Want a large cut from US Fed: Trump

Washington: US President Donald Trump on Tuesday called on the Federal Reserve to cut the benchmark interest rate significantly, moments before the central bank was due to open its two-day policy meeting. "I would like to see a large cut," Trump told reporters at the White House, his latest move in a constant campaign to pressure monetary policymakers.

"I'm very disappointed in the Fed," he said. AFP

## US-CHINA TRADE TALKS BEGIN IN SHANGHAI

## Trump warns China not to wait for 2020 US polls to make deal

REUTERS  
WASHINGTON, JULY 30

US PRESIDENT Donald Trump on Tuesday warned China against waiting out his first term to finalise any trade deal, saying if he wins re-election in the November 2020 US presidential contest, the outcome could be no agreement or a worse one.

"The problem with them waiting... is that if & when I win, the deal that they get will be much tougher than what we are negotiating now... or no deal at all," Trump said in a post on Twitter, as the latest US-China trade talks began in Shanghai. Trump said China appeared to be backing off on a pledge to buy US agricultural products, which US officials have said could be a goodwill gesture

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# Former RBI Deputy Governor Subir Gokarn passes away

PRESS TRUST OF INDIA  
NEW DELHI, JULY 30

EMINENT ECONOMIST and former Reserve Bank of India Deputy Governor Subir Gokarn passed away on Tuesday.

"I share this with a heavy heart... Subir Gokarn, my friend and colleague, passed away a few hours back," Economic

**INDIGO FEUD**  
**Gangwal:**  
**Wish people**  
**had conviction**  
**to be quoted**

PRESS TRUST OF INDIA  
NEW DELHI, JULY 30

INTERGLOBE AVIATION promoter Rakesh Gangwal said he has provided all information, including those related to whistle blowers, to relevant authorities and wondered why people were hiding behind the veil of unnamed sources to spread a false narrative. Gangwal and Rahul Bhatia — promoters of IndiGo — are locked in a bitter battle over alleged corporate governance lapses.

In signs that the feud between the two promoters is far from over, Gangwal on Tuesday referred to reports that Bhatia's InterGlobe Enterprises has said there was no evidence to substantiate allegations on related party transactions. "I wish people had the conviction to be quoted and not hide behind the veil of so called unnamed 'sources' to spread a false narrative in the media," he said.

**"I share this with a heavy heart... Subir Gokarn, my friend and colleague, passed away a few hours back"**

SHAMIKA RAVI,  
EAC-PM MEMBER, ON TWITTER

Advisory Council to the Prime Minister (EAC-PM) member

Shamika Ravi said in a tweet.

In November, 2015, Gokarn was appointed as an executive director on the board of the International Monetary Fund (IMF). He was appointed the Deputy Governor of the RBI in 2009 for a term of three years and had the distinction of being the youngest deputy governor at that time. He was also associated with Brookings's India.

## Axis Bank Q1 standalone net rises 95% to ₹1,370 cr

ENSECONOMICBUREAU  
MUMBAI, JULY 30

AIDED BY a healthy rise in income, Axis Bank Tuesday reported a 95 per cent jump in standalone net profit to Rs 1,370 crore for the first quarter of 2019-20, as against a net profit of Rs 701 crore in the April-June quarter of the previous fiscal.

Total income (standalone) rose to Rs 19,123.71 crore for the 2019-20 June quarter, from Rs 15,702.01 crore in year-ago period, Axis Bank said in a regulatory filing. There was an uptick in provisioning for bad loans and contingencies at Rs 3,814.58 crore for April-June 2019-20, as against Rs 3,337.70 crore a year ago.

However, the asset quality showed improvement with gross non-performing assets (NPAs) standing at 5.25 per cent of the gross advances as on June 2019, down from 6.52 per cent in June last. Net NPAs or bad loans were at 2.04 per cent, from 3.09 per cent a year ago. As of June 2019, the bank's gross NPAs stood at Rs 29,405 crore and net NPAs were at

## Bank of India net jumps two-fold

Mumbai: State-run Bank of India Tuesday reported a 155 per cent rise in net income at Rs 243 crore in the quarter to June, aided by an increase in interest income and better asset quality. For the reporting quarter, the bank saw the net interest income rise to Rs 3,485 crore from Rs 3,354 crore. "The rise in profit was driven by higher net interest income and also due to increase in other income," executive director N Damodharan said. PTI

Rs 11,037 crore. On a consolidated basis, the net profit jumped by 75 per cent to Rs 1,262.98 crore as against Rs 722.23 crore year ago. Income increased to Rs 19,409.09 crore as against Rs 16,126.05 crore. Axis Bank downgraded Rs 2,242 crore into the BB rated pool this quarter, mostly from groups that have shown new signs of stress.

## 'PAID ₹18 CR TO SINGAPORE-BASED FIRM TO ACT AS COMMERCIAL ADVISOR'

# CBI books Rolls Royce over 'irregularities' in spare parts supply to HAL, ONCG, GAIL

EXPRESSNEWS SERVICE  
NEW DELHI, JULY 30

THE CENTRAL Bureau of Investigation (CBI) has booked London-based Rolls Royce for alleged irregularities in supply of spare parts to Hindustan Aeronautics Ltd (HAL), Oil and Natural Gas Ltd (ONGC) and Gas Authority of India Ltd (GAIL). The FIR, registered on Monday, is a result of five years of preliminary probe by CBI after it received a complaint from Defence Ministry.

According to the CBI FIR, the total business of HAL with Rolls Royce was around Rs 4,700 crore between 2000 and 2013. Rolls Royce allegedly paid Rs 18 crore to Singapore-based M/s Aashmore Pvt Ltd, with Ashok Patni as its director, as "commercial advisor" in 100 supply orders of Avon and

## We await CBI contact: Rolls Royce

New Delhi: A Rolls Royce spokesperson on Tuesday said, "We are aware of reports that the CBI... has announced a First Information Report relating to the use of intermediaries by Rolls-Royce's former Energy business in India. This is not about our Defence, Civil

Aerospace or Power Systems businesses."

"We await contact from the CBI and will respond appropriately... no-one currently working for Rolls Royce in India played any part in these Energy deals," the company added. ENs

Allison Engines spare parts to HAL between 2007 and 2011.

The CBI also alleged that Patni was engaged in direct contracts of Rolls Royce with ONGC and GAIL for supply of spare parts. Although contracts with ONGC and GAIL allowed services of an agent, it was mandatory to declare the name at the time of bidding, a condition violated by Rolls Royce, officials said. Rolls Royce declared the name

of its agent to the oil and gas sector behemoths in 2013, violating the condition of declaring at the time of bidding, the CBI alleged.

"It is alleged that M/s Rolls Royce appointed Ashok Patni, Director of M/s Aashmore Pvt Ltd, Singapore, as commercial Advisor in India for providing sales, logistic support, local business expertise and strategic advice in violation of term and 'condition' of

Purchase Orders (POs) and Integrity Pact with HAL — in case of supply of spare parts, M/s Rolls Royce paid commission to Ashok Patni of M/s Aashmore Pvt Ltd at 10 to 11.3 per cent of the value of purchase orders, which were not declared earlier at the time of execution of contract. M/s Rolls Royce, by violating conditions of POs, paid commission to M/s Aashmore Pvt Ltd to the tune of Rs 18.87 crore in 100 POs placed by HAL during the period from 2007 to 2011," the FIR by CBI read.

It also alleged that Rolls Royce paid Rs 29.81 crore in 73 purchase orders from 2007 to 2011 to procure material and spare parts related to engines for ONGC, but the company declared it only in 2013.

The automobile giant also paid one million British pounds with regard to 68 purchase orders from GAIL from 2007 to 2010 for spare

parts, the FIR alleged. It added that the company entered into an arrangement with Turbotech Energy Services International Pvt Ltd and another company Infinity, also owned by Patni, to which extra commission was paid but was not declared to GAIL.

The total payment of commission paid by Rolls Royce comes to the tune of Rs 28.09 crore during the period 2007-10 for supplies to GAIL, the agency alleged.

Rolls Royce, its Indian subsidiary, Patni, his firm and Mumbai-based Turbotech Energy Services International Pvt Ltd, besides unidentified officials of HAL, ONGC and GAIL have been booked by CBI for criminal conspiracy and bribery, it said.

The CBI also said there was complete non-cooperation from Aashmore, and that there was conspiracy on part of Rolls Royce.

## Companies (Amendment) Bill passed in Parliament

New Delhi: Parliament on Tuesday approved the Companies (Amendment) Bill which seeks to tighten CSR norms and ensure stricter action for non-compliance of the company law regulations.

The legislation was passed in the Rajya Sabha with voice vote. Lok Sabha had passed the bill on July 26.

Finance and Corporate Affairs Minister Nirmala Sitharaman said the government has brought in all the provisions of the ordinance and has also added new amendments in the bill.

A key change in the bill pertains to Corporate Social Responsibility (CSR) spending, wherein companies would have to mandatorily keep unspent money in a special account. PTI

## Deficiencies in GST system point to lack of coordination: CAG report

ENSECONOMICBUREAU  
NEW DELHI, JULY 30

THE ROLL-OUT of GST has unified the multiple central and state taxes on goods and services to a great extent and made credit for input taxes available through the value chain, but has not simplified the tax compliance regime while the experience so far has also been that of slowdown in tax revenue growth, the Comptroller and Auditor General (CAG) said.

"The system of payment and settlement of tax that was envisaged for GST was based on one hundred per cent invoice-matching and availing of input tax credit (ITC), as well as settlement of I-GST on the basis of invoice-matching. Neither is possible as of now, as an invoice-matching system has not kicked-in," the top au-

ditor said in a report tabled in Parliament on Tuesday.

The CAG report said that the complexity of return mechanism and the technical glitches of the e-tax system led to roll-back of invoice-matching, rendering the whole system prone to ITC frauds. "The deficiencies in the GST system also point to a serious lack of coordination between the executive and the developers (of GSTN, the IT platform)."

The CAG also pointed out that the Centre's revenue from taxes on goods and services subsumed in GST registered a 10 per cent decline in 2017-18 compared to the previous year. GST came into effect from July 2017. So, the overall growth of indirect taxes collected by the Centre slowed from 21.3 per cent in 2016/17 to 5.8 per cent in 2017-18, the auditor noted (in 2018-19, the growth was even lower at 2.9 per cent).

In fact, even as the GST expanded the relevant tax base from just over 62 lakh to 1.23 crore, the GST collections in 2018-19 was short of the initial target (budget estimate) by Rs 1.6 lakh crore or a fifth. Apart from the aggressive target set, this was also due to the series of tax cuts since the new tax was launched and also various concessions being given to composition dealers. FE

## BRIEFLY

### Rajiv Kumar to be new Finance Secretary

New Delhi: Rajiv Kumar, currently serving as Financial Services Secretary, was Tuesday designated as the new Finance Secretary. The Appointments Committee of the Cabinet, headed by Prime Minister Narendra Modi, approved Kumar's designation as the new Finance Secretary, an official order said. The appointment of Kumar, a 1984 batch IAS officer of Jharkhand cadre, comes in the backdrop of transfer of Subhash Chandra Garg as the Power Secretary. Garg has already sought voluntary retirement from service. Kumar is credited with undertaking multiple reforms in banking sector and providing record amount of capital infusion in the public sector banks.

### India received highest-ever FDI in FY19

New Delhi: India received the highest-ever FDI inflow of \$64.37 billion in the fiscal ended March 2019, a government report said. As per the Annual Report 2018-19 of the Department for Promotion of Industry and Internal Trade, foreign direct investments (FDI) worth \$286 billion were received in the country in past five years. "In the current financial year (2018-19), the country registered highest ever FDI inflow of \$64.37 billion," the report said.

### JLR revival: Tata Motors looking for partners

Mumbai: Hit hard by continuing volume slowdown and mounting losses at its British arm JLR, Tata Motors is looking for partnerships to lessen the financial burden, chairman N Chandrababhan said Tuesday. Addressing the shareholders at the 74th AGM, the chairman however, pointed out that the automobile sector is such that a company cannot shut the cash tap as the very nature of this business demands continuous investment in product and technology development. PTI

### Pudumjee Paper Q1 profit rises 16%

Pune: Pudumjee Paper Products Limited (PPPL) has posted a 5 per cent year-on-year increase in the amount of paper sold, for the three month period ended June 30, 2019. In a filing on Monday, the company said it sold 17,141 MT of paper in the first quarter this fiscal, as against 16,380 MT a year ago. While turnover for the quarter rose about 10 per cent to Rs 159 crore, EBITDA for the period rose by 14 per cent to Rs 12.93 crore. At Rs 8.70 crore, profit before tax for the June period showed a rise of 16 per cent. ENs

**AMBERNATH-KULGAON-BADLAPUR MUNICIPAL COUNCIL**  
Ref. KBMC/vehicle/2019-20/6598 Date: 29.07.2019  
**TENDER NOTICE NO. 1/2019**  
**TENDER** in two bid-System are invited by Ambernath-Kulgaon-Badlapur Municipal Council (Dist-Thane, Maharashtra state) for Fabrication & Supply of 70 mtr hydraulic platform with 5 yrs. AMC & trained manpower. The Tender available on website-<https://mahatenders.gov.in>  
1) Tender start for sale from Date- 01.08.2019 to 26.08.2019 3.00pm  
2) Pre-bid meeting Date-16.08.2019 3.00 pm at Ambernath Municipal Council  
3) Tender submission Date- 27.08.2019 4.00 pm  
4) Tender opening Date- 28.08.2019 4.00 pm  
Sd/-  
**Secretary**  
Joint committee  
Kulgaon-Badlapur Ambernath Municipal Council

**GOVERNMENT OF INDIA, DEPARTMENT OF SPACE CONSTRUCTION & MAINTENANCE DIVISION**  
**SATISH DHAWAN SPACE CENTRE-SHAR, SRINARIKOTA-524124.**  
Ph No.: +91-8623-22-5009 Fax No. +91-8623-22-5157  
**BRIEF e-TENDER NOTICE** Date: 29.07.2019  
File No.: SHAR/CMD/E/ Y 1987225/2019-20, SHAR/CMD/E/ Z 1987226/2019-20  
On behalf of President of India, on-line item rate tenders (e-Tenders) are invited from contractors of appropriate class for the following works by Group Director, CMG, SDSC-SHAR, Srinarikota-524124.

E-Notice Inviting Tender No.	SHAR/CMD/E/Y 1987225/2019-20	SHAR/CMD/E/Z 1987226/2019-20
Title of Work	Electrical refurbishment works for C2 type quarters in Sullurupeta colonies Phase-III works at PCN Colony. (Electrical work)	Electrical refurbishment works for B4 type quarters in Sullurupeta colonies Phase-III works at PCN Colony. (Electrical work)
Estimated cost put to tender	₹ 184.06 Lakhs	₹ 210.73 Lakhs
Period of Completion	07 Month(s)	07 Month(s)
Earnest Money Deposit (EMD)	₹ 3.68, 120/-	₹ 4.21, 460/-
Period during which the tender document can be downloaded: From 10:30 Hrs 31.07.2019 To 14:30 Hrs 14.08.2019		
Last date and time for uploading of tenders: 14:30 Hrs on 19.08.2019		
Due date and time of opening of tenders: 15:00 Hrs on 19.08.2019		
Interested tenderers may please log on to <a href="http://www.tenderwizard.com">www.tenderwizard.com</a> /ISRO for eligibility, Terms & Conditions and participating in tenders. For further details please contact this office of Group Director, CMG, SDSC SHAR, Srinarikota over Phone No.: 08623-226431, 226370 (or) visit our website <a href="http://www.isro.gov.in">www.isro.gov.in</a>		

Sd/- Group Director, CMG, SDSC-SHAR

**Karnataka Soaps & Detergents Limited**  
(A Government of Karnataka Undertaking)  
Sandal City, P.B. No. 5531, Bengaluru-Pune Highway,  
Bengaluru - 560 055. Ph: 080-23378715, 23371103 Fax: 23375102, 23370498  
E-mail: [kSDL.dgmmts@gmail.com](mailto:kSDL.dgmmts@gmail.com)  
An ISO-9001:2015 & 14001:2015 Company  
Date: 30.07.2019

**NOTICE INVITING TENDER**  
Tenders are invited by **KS&DL** in two cover system through e-Procurement Portal (Website <https://eproc.karnataka.gov.in>) with respect to supply of the following Materials/Services.

Sl. No.	Tender Number	Tender Name	Qty.	Published Date	Last date for Bid Submission
1	KSDL/AGM (Mtls)/2019-20/17	Engaging Dhoop machine operators, Pulverizing machine operators, Helpers (Dhoop & Pulverizing Unit), Helpers (Nursery & Housekeeping) purely on contract basis for a period of one year contract at KS&DL SOD Mysuru.	Services	20.07.2019	19.08.2019
2	KSDL/2019-20/OW/WORK_INDENT105	Chain Link Fencing for CA Site No. 01 of Nadanahalli Layout, at KS&DL SOD Mysuru.	Works	23.07.2019	21.08.2019
3	KSDL/2019-20/IND3862	Procurement of CBs of Jasmine 150gms 8" Agarbathi with Inner CBs	2000 Nos	23.07.2019	22.08.2019
4	KSDL/2019-20/IND3863	Procurement of Fag Bearings	Item wise	24.07.2019	23.08.2019
5	KSDL/AGM (Mtls)/2019-20/18	Shifting of Steam Coal from KS&DL, Bengaluru Complex to SOD, Mysuru.	750 Mts	27.07.2019	26.08.2019
6	KSDL/2019-20/OW/WORK_INDENT106	Construction of Compound Wall in the Eastern Side of KS&DL, SOD Mysuru.	Works	29.07.2019	27.08.2019
7	KSDL/2019-20/IND3864	Procurement of Nagar Motha Oil	100 Kgs	29.07.2019	27.08.2019

Please visit KS&DL website: <https://www.mysorensandal.org> for further details. For any queries/clarification, contact the undersigned.

Sd/- Asst. Gen. Manager (Materials)

**GOVERNMENT OF MEGHALAYA**  
**OFFICE OF THE CHIEF ENGINEER, P.W.D (ROADS)**  
**NATIONAL HIGHWAY**  
**MEGHALAYA, SHILLONG**  
No. PW/CE/NH/16/2019/17  
Dated Shillong the, 29th July, 2019  
**Expression of Interest**

The Chief Engineer (NH) Public Work Department (PWD), Meghalaya Shillong invites Expression of Interest from qualified consulting firms for the following assignment

- Design consultancy for construction of Bridges for Meghalaya
- Design consultancy for construction of Roads for East Meghalaya
- Design consultancy for construction of Roads for West Meghalaya.

Last date for submission of the EOJ on or before 14th August 2019 by 5.00 PM

Detailed EOJ and draft terms of Reference is available at [www.megpawd.gov.in](http://www.megpawd.gov.in)

The EOJ responses may be submitted in a sealed envelope or by E-mail (cenhwmbmt@gmail.com) addressed to the Chief Engineer (NH), Public Work Department (PWD) Meghalaya, Shillong Lower Lachumere, Shillong-793001  
Phone: +919436101998 / +917005604282. For details please visit <http://www.megpawd.gov.in>

(A.M.Kharmawphlang)

MIPR No: 598  
Dt: 29/7/2019

Asstt Chief Engineer, PWD (Roads)  
Central Roads Branch  
Meghalaya, Shillong

**GOVERNMENT OF INDIA**  
**DEPARTMENT OF SPACE**  
**SATISH DHAWAN SPACE CENTRE SHAR**  
**CONSTRUCTION & MAINTENANCE GROUP, SRINARIKOTA-524124.**  
**e-Tender Notice No.CMG/C/ 1987021, P 1987022, W 1987023** Dt:30/07/2019  
1. On Behalf of the President of India, item-rate tender(s) are invited through e-tendering for the following work(s).

Sl. No.	Description	Details	Details	Details
1	Title of Work	Package (A): Liquid Oxygen Filling System and Nitrogen Supply System - Second Launch Pad Augmentation Project for Semi Cryo Stage at SDSC SHAR (Civil & Electrical Works)	Package (B): LOFS Storage Augmentation for C-32 and Isropane Filling system & Pressurization stage - Second Launch Pad Augmentation Project for Semi Cryo Stage at SDSC SHAR (Civil & Electrical Works)	Package (C): Augmentation of L110 building for Semi Cryo (SC -120 Check-out facility & Hardware Storage Facility - Second Launch Pad Augmentation Project for Semi Cryo Stage at SDSC SHAR (Civil & PH Works)
	NIT No & Date	CMG/C/I 1987021, Dt:30/07/2019	CMG/C/P 1987022, Dt:30/07/2019	CMG/C/W 1987023, Dt:30/07/2019
2	Estimated Cost put to tender	₹ 1058 Lakhs	₹ 988 Lakhs	₹ 303 Lakhs
3	Period of Completion	08 Months	08 Months	08 Months
Period during which the tender documents can be requested: From: 02/08/2019, 10:00 Hrs To: 16/08/2019, 14:00 Hrs				
Last date and time for uploading of tenders: 21/08/2019, 14:30 Hrs				
Interested tenderers may please refer Detailed Notice Inviting Tender (NIT) from website <a href="http://www.isro.gov.in">www.isro.gov.in</a> / <a href="http://www.tenderwizard.com">www.tenderwizard.com</a> /ISRO. For further details and purchase of tender documents visit <a href="http://www.tenderwizard.com">www.tenderwizard.com</a> /ISRO. Ph:08623 226447, 226420.				

Group Director, CMG, SDSC SHAR