#### Manufacturers get relaxation in compulsory licence norms

**ENS ECONOMIC BUREAU** NEW DELHI, SEPTEMBER 12

THE COMMERCE and Industry Ministry Thursday said no compulsory licence would be required for manufacturers of goods, barring four segments of tobacco items, defence equipment, hazardous chemicals and industrial explosives. The DPIIT clarified that no industrial/arms licence is required for the manufacturer of any parts or accessories in the defence sector, unless they are specifically listed for procuring licences.

"As the DPIIT (Department for Promotion of Industry and Internal Trade) is not issuing licence in any other case, Press Note 17 (1984 series) has become irrelevant. Accordingly, this Press Note is withdrawn," the Ministry said.

Earlier this year, the Ministry had proposed to simplify filing procedure for industrial entrepreneur memorandums (IEMs) and said requirement of filing IEMs at two stages stood dispensed with for all businesses that didn't then require an industrial licence. **FE** 

**ENSECONOMIC BUREAU** 

NEW DELHI, SEPTEMBER 12

THE INVESTIGATIVE agencies of the revenue department have

busted a fake invoice racket in-

volving input tax credit (ITC)

worth at least Rs 470 crore (Rs

3.500 crore in invoice value), in a

day-long operation spanning 336

locations across 15 states, a gov-

The joint operation was car-

ried out by the Directorate

General of GST Intelligence and

Directorate General of Revenue

Intelligence against exporters, as

premier intelligence agencies of

"The joint operation of the two

ernment statement said.

per the statement.

## SC quashes high court bail order to former CFO of Bhushan Steel

**ENS ECONOMIC BUREAU** NEW DELHI, SEPTEMBER 12

THE SUPREME Court on Thursday quashed the Delhi High Court order that granted bail to Bhushan Steel's former chief financial officer Nittin Johari, who was arrested by the Serious Fraud Investigation Office (SFIO) for alleged fraudulent activities, including filing false documents with various banks.

A bench headed by Justice NV Ramana cancelled the bail granted to Johari, who is a co-accused in the Bhushan Steel case, on an appeal by the SFIO challenging the August order of the high court.

The SFIO had arrested Johri on May 2 on the grounds that he was managing the affairs of Bhushan Steel and was looking after raising of funds from banks and financial institutions and was also one of the signatories to the financial statements of the company till fiscal year 2016-17.

The SFIO probe found that there were several fraudulent

The joint operation was

**Directorate General of** 

Directorate General of

Revenue Intelligence

its kind in the history of the CBIC

which involved about 1,200 offi-

cers from both the agencies," the

the operation was developed in

close coordination by both the

agencies on the basis of data ana-

lytics, which revealed that some

exporters were exporting goods

It added that intelligence for

**GST** Intelligence and

carried out by

release said.

practices at the company, including manipulations in the accounts and financial statements during Johri's term, who was a wholetime director of the company.

It was also alleged that Johri was one of the perpetrators of manipulations through the instrument of letters of credit (LCs), which was done by filing false documents with various banks.

A large number of LCs, amounting to over Rs 20,000 crore, were opened using false documents on behalf of the company over a period of time starting from fiscal 2014-15. By way of the said modus

operandi, Bhushan Steel availed working capital to avoid getting their loan/credit accounts declared as non-performing assets by the banks. LCs worth more than Rs 3,000 crore finally devolved, the SFIO said. The agency further alleged

that Johri was a member of the committee of board of directors on borrowing, investment and loans along with former promoters Brij Bhushan Singal and Neeraj

the ITC availed on the basis of in-

eligible/fake supplies. Further,

such IGST payment was claimed

Directorate General of Analytics

and Risk Management, an analy-

sis was conducted wherein cer-

tain 'red flag' indicator filters were

applied to the Customs' export

data in conjunction with corre-

sponding GST data of exporters.

was no or negligible payment of

tax through cash by exporters as

well as their suppliers. In a few

cases, even the tax paid through

ITC was more than the ITC availed

by these firms. On the basis of this

intelligence, massive searches

were conducted on the premises

"It was also noticed that there

Based on data provided by the

as refund on export, it said.

# For auto sector, Railways defers busy season surcharge on freight

**ALSO OFFERS MORE RAKES FOR TRANSPORTING AUTOMOBILES** 

**EXPRESS NEWS SERVICE** NEW DELHI, SEPTEMBER 12

WITH THE economic slowdown impacting its freight business, Indian Railways has decided to defer its busy season surcharge of 15 per cent on freight and increased the number of rakes to be provided for the auto sector, in an attempt to increase freight loading.

On Thursday, the Railways announced it was suspending its busy season surcharge of 15 per cent — which is levied between October 1 and June 30 – for the current season.

"Considering the current economic scenario, to give a boost to the industry and freight, the Railways has taken measures to facilitate industry, especially in reducing rail transport cost," Railway Board Member (Traffic) P S Mishra told re-

An additional waiver of 5 per

#### 'TO GIVE BOOST TO INDUSTRY AND FREIGHT

On Thursday, Railway Board Member (Traffic) PS Mishra said that considering the current economic scenario and to give a boost to the industry and freight, the Railways has taken measures to facilitate industry, especially in reducing rail transport cost

cent will be provided on loading

mini rakes or smaller parcel size.

beleaguered sector, which is

looking to reduce costs, the

Railways has decided to offer

more rakes for the transporta-

vide eight auto rakes, which has

now been increased to 26, and

the national transporter has

plans to provide as many as 50

Earlier, Railways used to pro-

tion of automobiles.

To give some support to the

adding the auto industry had requested for it rakes to the sector to transport

■ Earlier, Railways used to

provide eight auto rakes,

increased to 26, and the

national transporter has

50 rakes to the sector to

vear end, with Mishra

plans to provide as many as

transport their goods by this

which has now been

their goods by this year end. "The auto sector requested

for it," Mishra added. He further said that the

Railways has also come out with a scheme for round-trip charging on container traffic under which the haulage charges for 0-100 km slab will be charged for total to and fro movement, instead of charging for 0-50 km slab each way which will come

out to be about 35 per cent cheaper per twenty-foot equivalent unit (TEU) for the complete round-trip.

"We have not see any negative impact till now. In the first five months of the current fiscal, we have loaded more freight that last year ... but the growth has not been at the leave we had expected.

"In the first five months of the year (April-August), the Railways hauled 500 MT on freight, but a major chunk of growth usually comes in the second half of the year," Mishra said.

In 2018-19, the Railways transported 1,223 million tonnes (MT) of freight, earning revenues of about 1.25 lakh

Mishra said he expects the transporter to surpass both the volume and revenues numbers this fiscal. The growth in revenues is estimated to be in single digit, he added.

## ITC fraud: Revenue dept busts fake invoice racket worth ₹470 cr

Overall gems and jewellery exports fell 12.29 per cent in August to Rs 20,242.20 crore due to fall in manufacturing following liquidity crunch in the market, data by Gem Jewellery Export Promotion Council (GJEPC) showed

'Gems, jewellery exports falls by 12.29% in August'

₹23,077.26 CR

**Exports during August 2018** 

6.43%

Year-on-year (y-o-y) fall in gems and jewellery shipments during April-August, Rs 1,06,902.23 crore from Rs 1.14.236.15 crore in year-ago period

23.10%

Y-o-y fall in cut and polished diamonds (CPD) exports in August, i.e. Rs 11,656.97 crore as against Rs 15,158.69 crore in August 2018

16.78%

Y-o-y dip in CPD exports from



crore from Rs 69,906.76 crore in April-August 2018

8.63%

Y-o-v rise gold jewellery exports in August, i.e. Rs **6,517.80** crore from Rs

6,000.24 crore in August 2018

1.58%

Y-o-y fall in jewellery exports during April-August, i.e. Rs 34,982.69 crore from Rs 35,544.47 crore during yearago period

#### **FOR INDUSTRY:**

**NEED OF THE HOUR** 

■ Lower duty on gold and polished diamonds

**Ease of doing** business on GST and customs side

**■ Progressive SEZ** policy that encourages investment

■ Stable set of rules on DTA sale and property transfer with an e-commerce policy

#### the Central Board of Indirect Taxes on payment of tax (IGST). It was of exporters and their suppliers," and Customs (CBIC) was a first of being done almost entirely out of the statement said. FE Aviation Minister holds meeting with industry representatives

**PRESS TRUST OF INDIA** NEW DELHI. SEPTEMBER 12

CIVIL AVIATION Minister Hardeep Singh Puri on Thursday held a meeting with industry executives of the sector to discuss current pressing matters such as fare environment, slot allocation and taxation on Aviation Turbine Fuel (ATF), an official said.

"The meeting was held by the minister with airport operators, MRO (maintenance and repair and overhaul) companies as well as airlines," a senior government official said.

Airlines such as IndiGo, Vistara, SpiceJet etcetera and airport operators such as Airports Taxation on ATF as well as the current fare environment were

Issues related to Jet Airways' foreign traffic rights — which have also been allocated to other

also taken up in the meeting," the

airlines just like its slots — were also discussed at the meeting, the official said.

Jet had shut down its operations on April 17 due to lack of funds. The airline is currently undergoing insolvency proceed-

Later in the day, the minister million passengers, we hope to

# market' for Facebook and group companies **PRESSTRUSTOFINDIA**

FACEBOOK GLOBAL executive Nick Clegg on Thursday met IT Minister Ravi Shankar Prasad and discussed issues including crossborder data flows, information privacy, and sharing of data between the governments for citi-

Clegg, Facebook's vice president (global affairs and communications), said the governments should engage in data sharing among themselves to ensure security of its citizens, and that such

"It is more important how you share data across jurisdictions than where you physically locate it"

Nick Clegg meets Prasad, says India 'huge

**NICK CLEGG** 

VICE PRESIDENT, GLOBAL AFFAIRS AND COMMUNICATIONS, FACEBOOK

collaboration across jurisdiction is more important than the issue of physical location of data, per se.

Speaking with *PTI*, after the 45-minute meeting with the minister, Clegg said, "One of the things that came up (during the meeting) was that one of the effective ways that governments can cooperate with each other to keep their citizens safe is to enter into new

agreements with each other to share data for security purposes."

Terming India as a "huge market" for Facebook and its group companies, Clegg said the US tech giant is "keen to make progress" on rolling out its payments services on WhatsApp.

Asked about his views on India's plans to mandate data localisation and tighten rules for social media platforms, he said datasharing across jurisdictions is more important than where that information is located physically.

"It is more important how you share data across jurisdictions than where you physically locate it. If you want to use data particularly to make sure people are kept safe and, in our view, the fact that US Congress has allowed CLOUD (Clarifying Lawful Overseas Use of Data) Act which allows for agreements with Governments such as India for speedier and automatic data sharing ... that is far more effective way of ensuring data is put to good use," he said.

Uber, Lyft vow to keep fighting

class action suit

Driver files

against Uber

#### **BRIEFLY**

#### 'Finance Secy to meet heads of PSU banks'

New Delhi: Finance Secretary Rajiv Kumar is set to meet heads of public sector banks on September 19 to review progress made by them to help boost growth, including follow up action after reduction of interest rates by RBI, sources said Thursday.

#### BoB seeks to sell Dena Bank **HQin Mumbai**

Mumbai: State-run Bank of Baroda (BoB) has put on block the erstwhile headquarters of Dena Bank in the financial capital at a reserve price of Rs 530 crore. Dena Bank and Vijaya Bank got amalgamated with Bank of Baroda from this April.

#### 'One nation, one standard to ensure quality'

New Delhi: The Centre is seriously working on setting 'One nation, one standard' to ensure quality products and services to consumers, Consumer Affairs Minister Ram Vilas Paswan said Thursday. "Like 'one nation, one ration card', we are going to have 'one nation, one standard' in order to ensure quality products in the country," he told reporters.

#### Oct 31 pulses report deadline for traders

New Delhi: Rejecting the demand of traders, the commerce ministry has asked them to complete import of pulses by October 31 for 2019-20 and submit a report by November 7.

#### DHFL, Altico defaulton payments

New Delhi: Crisis-ridden non-banking financial company DHFL on Thursday reported a fresh case of default amounting to Rs 196.65 crore on bond repayment obligation. PTI

#### BAT planning to layoff2,300 employees

Bengaluru: British American Tobacco (BAT) plans to lay off 4 per cent of its workforce as recently-promoted CEO Jack Bowles grapples with challenges to the group's legacy products and health fears over vaping. **REUTERS** 

### Oil prices down 1.5% on **US-China** trade doubts, OPEC+ talks

**LAILA KEARNEY** NEW YORK, SEPTEMBER 12

OIL PRICES fell about 1.5 per cent on Thursday after a media report cast doubt on the possibility of an interim US.-China trade deal and as a meeting of the OPEC+ alliance yielded no decision on deepening crude supply cuts. It was pressured further after European Central Bank cut its deposit rate to a record low -0.5 per cent from -0.4 per cent and said it will restart bond purchases of 20 billion euros a month from

November. Brent crude futures were down 74 cents, or 1.2 per cent, at \$60.07 a barrel by 1754 GMT. US. West Texas Intermediate (WTI) crude futures fell 92 cents, or 1.7 per cent, to \$54.83 a barrel.

Saudi Arabia's new energy minister Prince Abdulaziz bin Salman's said deeper cuts would not be decided upon before a meeting of the Organization of the Petroleum Exporting Countries (OPEC) planned for December. Thursday's meeting yielded a promise to keep countries within production quotas they committed to in a global supply deal, which would limit oil

Authority of India (AAI), Delhi International Airport Limited (DIAL) and others participated in the meeting. "Issues related to slot allocation — especially since let Airways is not in operation and its slots have been temporarily allocated — were discussed.

official said.

said on Twitter, "Deliberated upon issues & exchanged ideas related to aviation sector in an interactive meeting with key stakeholders of the sector today. Considering we are already ranked 7th in the world with 345 climb to 3rd spot by 2024."

# NEW DELHI. SEPTEMBER 12

zen safety.

### Sebi to firms: Before filing 'scheme of

# settle dues

**PRESSTRUSTOFINDIA** NEW DELHI, SEPTEMBER 12

SEBI ON Thursday asked listed companies to settle their outstanding dues to the capital markets regulator, bourses and depositories before filing 'schemes of arrangement' such as mergers and demergers with the exchanges.

said listed entities will be liable for punitive action in case of furnishing any false information. The decision is part of the

watchdog's effort to streamline the processing of draft schemes, as Sebi has decided to seek additional information at one go. "All listed entities shall ensure that all dues to, and/or

Sebi said in a circular.

In case of unpaid dues or fines, the listed entity will have to sub-

counsel Tony West suggested to reporters that the ride-hailing company won't start treating its workers as employees come January 1, instead defending its model if it faces legal challenges. "Just because the test is hard does not mean we will not be able to pass it," he said.

#### New York: A driver for Uber contract workers new pay and benefit protections, but tech giants Uber and Lyft vowed to keep fighting the changes, possibly by

has sued the company for misclassifying its drivers as independent contractors, hours after California legislators voted to help thousands of those workers become, and enjoy the benefits of being, employees.

The proposed class action filed Wednesday night by Angela McRay appears to be the first since California's senate passed landmark legislation that could affect workers in many industries, in addition to ride-sharing companies such as Uber Technologies Inc. **REUTERS** 

pick up jobs on their own schedules in the so-called gig economy.

The freshman governor faces a test of his ability to broker a compromise between powerful interest groups in Silicon Valley and organized labor.

Steve Smith of the California Labor Federation, a sponsor of the legislation, said the companies so far haven't made acceptable proposals. "We're committed to creating the conditions for (negotiations) to happen," Newsom spokesman Nathan Click said. If

Newsom signs the legislation, it could have national implications as politicians and businesses confront the shifting nature of work. New York Governor Andrew

Cuomo. a Democrat, has indicated interest in pursuing a similar measure, and almost all the Democratic presidential contenders have offered similar proposals at the federal level.

"It's forced the nation to take a look at what the future of work is going to look like," Democratic Assemblyman Ian Calderon of Whittier said in supporting the bill. The measure would enshrine in law a 2018 California Supreme Court decision that makes it harder for companies to classify workers as independent contractors instead of employees. While the court's decision has set legal precedent since last year, the legislation provides enforcement tactics to the state and to city attorneys, who could sue companies they believe are failing to comply.

companies such as DoorDash and Postmates aren't ready to concede. Uber and Lyft have already dumped \$60 million into a committee for a ballot measure next year if Newsom doesn't broker a deal. They have said the ballot measure would set a base hourly wage, give workers access to benefits they can take with them to other companies and allow drivers to collectively bargain without making them employees.

But Uber, Lyft and delivery

# Reserve Bank cuts risk weight on consumer credit to 100%

**PRESS TRUST OF INDIA** MUMBAI, SEPTEMBER 12

THE RESERVE Bank of India (RBI) on Thursday said it has reduced the risk weight requirement for consumer loans to 100 per cent, a move that will reduce cost of such loans.

Currently, the risk weight requirement for such loans is 125 per cent.

The relaxed requirement would not be applicable to credit cards. Risk weight refers to the capital banks keep aside as provisioning to cover any loan de-The RBI's move is likely to

boost consumer spending in the coming festive season. Under the standardised ap-

proach for credit risk management, all unsecured consumer credit, including personal loans and credit card receivables, which are both unsecured lending, attract a higher risk weight of 125 per cent or higher, if warranted by an external rating of the counter-party.

"On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100 per cent. Other stipulations remain the same," the RBI said in a statement.

In another development, the banking regulator increased loan

Bank credit growth slows to 10.24%, deposits at 9.73%

posits growth slowed to 10.24 10.6 percent in July 2018. percent and 9.73 percent to Rs 96.80 lakh crore and Rs 127.80 lakh crore, respectively, in the fortnight to August 30, show the latest RBI data. In the year-ago fortnight,

lakh crore while deposits stood at Rs 116.46 lakh crore. In the previous fortnight to August 16, advances grew 11.64 percent to Rs 96.82 lakh crore and deposits by 10.15 percent to Rs 126.80 lakh

advances were at Rs 87.80

crore. In July, the non-food bank credit rose 11.4 percent exposure limit of banks to a single NBFC (excluding gold loan

According to the extant 'Large Exposures Framework (LEF)', banks' exposure to a single non-banking financial company (NBFC) is restricted to 15 per cent of their available eligible capital base, while general single counter-party exposure limit is 20 per cent, which can be extended to 25 per cent by

banks' boards under exceptional

companies) from 15 per cent to

20 per cent of its capital base, a

move that will help increase

credit supply to the crisis-ridden

shadow banking sector.

Mumbai: Bank credit and de- on year-on-year basis from

Advances to the services sector decelerated to 15.2 percent in the month from 23 percent in the year-ago month. Credit to agriculture & allied activities rose 6.8 percent compared with an increase of 6.6 percent in the same month last year.

cent a year ago. Personal loans rose 17 percent in July compared to an increase of 16.7 percent in July 2018. **PTI** 

percent in July from 0.3 per-

Loans to industry rose 6.1

circumstances. "It has been decided that a bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 per cent of that bank's eligible capital base," the central bank said in a circular.

The government on its part has also been taking steps to increase liquidity in the NBFC sector, which was hit after default by Infrastructure Leasing & Financial Services (IL&FS) Group.

The liquidity crunch in the NBFC sector has hit the retail loan segment in the country leading to slowdown in key consumer sector lending.

# arrangement',

The markets regulator also

fines/penalties imposed by Sebi, stock exchanges and the depositories have been paid/settled before filing the draft scheme with the designated stock exchange,"

mit to stock exchanges a 'Report on the Unpaid Dues' having details of such unpaid dues in a prescribed format, before obtaining 'observation letter' from exchanges on the draft scheme.

## sweeping California labour bill **ASSOCIATED PRESS** SACRAMENTO, SEPTEMBER 12

CALIFORNIA LAWMAKERS confronting the changing definition of work have approved sweeping legislation designed to give many

bankrolling an expensive fight on the 2020 ballot. The move, passed Wednesday, that is heading to Democratic Governor Gavin Newsom outlines a three-part test, making it harder for companies to classify workers as independent contractors who aren't entitled to minimum wage

and benefits like workers com-

pensation. Uber has argued that forcing its drivers to become employees would upend a business model that is built on flexibility. General

Newsom has pledged to sign the measure, but his office hopes to bring ride-hailing and meal de-

livery companies to the table with labor unions to negotiate a separate set of rules for workers who

# coming to the market. **REUTERS**