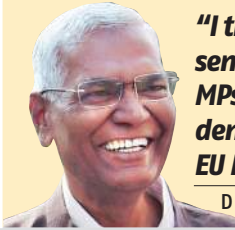


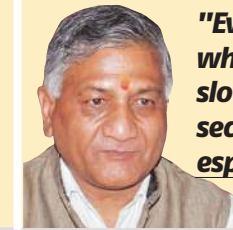
"We cannot think of building a safe, secure, healthy and prosperous future when our cities, the engines of growth, are choking on noxious fumes, and when our water and soil are polluted"

VENKAIHAH NAIDU, Vice President of India



"I tried to visit Kashmir twice, but was detained and sent back. The RSS-BJP combine should explain how MPs and senior leaders of the country are being denied a visit to Kashmir, while a delegation of EU MPs was visiting the Valley"

D RAJA, CPI general secretary



"Everybody is talking about economic slowdown, which is a global phenomenon. But in this slowdown if we want to spur growth, then the sector that must receive attention is infrastructure, especially the road infrastructure sector"

V K SINGH, Union minister

IN BRIEF
Court sends Chidambaram to judicial custody till Nov 13



A Delhi court on Wednesday sent former finance minister P Chidambaram to judicial custody till November 13 in the INX Media money laundering case. Special Judge Ajay Kumar Kuhar dismissed the plea of the Enforcement Directorate for one-day custodial interrogation of Chidambaram. The court directed Tihar jail authorities to provide Chidambaram medicines, western toilet, security and a separate cell. It also said the senior Congress leader may be allowed to have home-cooked food, considering his medical condition PHOTO: PTI

United Bank of India posts ₹162-crore PBT in Sept qtr

Kolkata-based United Bank of India posted a profit before tax of ₹162 crore in the July-September quarter of the financial year 2019-20, against a loss (before tax) of ₹1,275 crore in the same period last year. The bank posed a net profit of ₹124 crore, against a net loss of ₹883 crore in the same period last financial year. This was the third quarter in which the bank had posted profits, led mainly by high interest and non-interest income, better recoveries and treasury gains, said United Bank Managing Director & Chief Executive Officer Ashok Kumar Pradhan. The bank could make a cash recovery of about ₹520 crore in the quarter.

NAMRATA ACHARYA

Canara Bank to issue shares to Centre for ₹6,571-cr infusion

Canara Bank on Wednesday said it would issue shares on preferential basis to the government for a capital infusion of ₹6,571 crore. "The bank proposes to issue 276 million equity shares at an issue price of ₹237.23 per share in respect of preferential issue of shares to government, the promoters of the bank, against their capital contribution aggregating to ₹6,571 crore by way of special resolution,".

PTI

Malware detected in systems: Nuclear Power of India

The NPCIL on Wednesday admitted to a malware attack on one of the computers in Kudankulam Nuclear Power Plant. The Nuclear Power Corporation of India (NPCIL), a public sector undertaking under the Department of Atomic Energy, however, added that the plant systems were not affected.

PTI

Atanu Chakraborty also gets charge of expenditure dept

Senior bureaucrat Atanu Chakraborty has been appointed the Department of Expenditure secretary on Wednesday, replacing G C Murmu, who was named the first Jammu & Kashmir lieutenant governor last week.

PTI

Now, OCIs can also subscribe to National Pension System

Overseas Citizens of India will now be eligible to apply for the National Pension System at par with non-resident Indians, the government said. The contributions made towards the NPS are eligible for an additional tax deduction under section 80CCD (1B) up to ₹50,000 which is over and above the ₹1,50,000 limit of deduction available under sec 80CCD (1).

PTI

Nirav Modi moves new bail petition, hearing on Nov 6

Fugitive diamond merchant Nirav Modi, wanted in India in connection with the nearly \$2-billion PNB fraud and money laundering case, has moved a new bail plea against his continued detention in a London prison cell.

PTI

FB moves HC against order to remove links disparaging Ramdev

Facebook on Wednesday approached the Delhi High Court challenging an order directing it to remove, block or disable on a global basis links to a video containing allegedly defamatory allegations against Ramdev. The plea was mentioned before a Bench of Chief Justice D N Patel and Justice C Hari Shankar which agreed to list it for hearing on Thursday.

PTI

2 years on, debt resolution of first dozen firms drags on

SUBRATA PANDA
Mumbai, 30 October

Of the 12 large accounts which were referred to the National Company Law Tribunal (NCLT) for resolution by the order of Reserve Bank of India (RBI) in 2017, resolution of seven corporate debtors has been approved and orders for liquidation has been passed in respect of two corporate debtors even as the resolution process for three of the remaining has not concluded.

The combined debt of these 12 large accounts was ₹3.45 trillion; the amount realised so far is ₹1.01 trillion. The liquidation value of these 12 large accounts was ₹73,220 crore.

Electrosteel Steels, Bhushan Steel, Monnet Ispat & Energy, Essar Steel India, Alok Industries, Jyoti Structures and Bhushan Power & Steel are the companies where a resolution plan has been approved. Lanco Infratech and ABG Shipyard are under liquidation. Bhushan Steel has the highest realisation as a percentage of claims, at 63.5 per cent. Followed by Essar Steel



TAKING STOCK

COMPLETED: Status of the large accounts referred to IBC by RBI in first list
CLAIMS OF FINANCIAL CREDITORS DEALT UNDER RESOLUTION

Corporate debtor	Amount admitted (₹cr)	Amount realised (₹cr)	Realisation as % of claims	Realisation by all claimants as % of liquidation value	Successful resolution applicant
Electrosteel Steels	13,175	5,320	40.38	183.45	Vedanta
Bhushan Steel	56,022	35,571	63.50	252.88	Bamnipal Steel
Monnet Ispat & Energy	11,015	2,892	26.26	123.35	Consortium of JSW & AION Investments
Essar Steel India	49,473	30,030	60.70	265.18	Arcelor Mittal India
Alok Industries	29,523	5,052	17.11	113.96	RIL, JM ARC
Jyoti Structures	7,365	3,691	50.12	387.44	Sharad Sanghi
Bhushan Power & Steel	47,158	19,350	41.03	203.39	JSW

UNDER PROCESS

Amtek Auto: CIRP recommended; **Era Infra Engineering:** Under CIRP; **Jaypee Infratech:** Under CIRP; **Lanco Infratech:** Under liquidation; **ABG Shipyard:** Under liquidation

CIRP: Corporate Insolvency Resolution Process

India at 60.7 per cent. Alok Industries is 17.11 per cent is the lowest.

Although the resolution plan for Essar Steel and Bhushan Steel and Power has been approved by the NCLT, these were subsequently challenged before the Supreme Court and National Company Law Appellate Tribunal

(NCLAT), respectively. In the case of Essar, the apex court reversed the judgment of NCLAT, where the latter had ruled that operational creditors have to be treated at par with financial creditors at the time of settling claims.

In the Bhushan Power & Steel case, NCLAT has asked the enforcement directorate and the

Union ministry of corporate affairs to reach a consensus regarding the attachment of assets. Differences between the two official bodies has stalled the resolution process — JSW Steel was set to take over the company, being the successful resolution applicant.

On the three unresolved cases,

mended that products — the trade of which is dominated by China — should not be included for tariff reductions under the RCEP. Earlier this month, ministries, including agriculture, steel, chemicals and MSME, among others, have also opposed the deal.

There is a high possibility of excess imports of milk and dairy products from major producer New Zealand. This has been cited by Indian dairy majors as a cause for concern. Rashtriya Swayamsevak Sangh affiliated Swadeshi Jagran Manch has also opposed the talks on various grounds.

Goyal argued a targeted campaign is bent on derailing talks. "Unfortunately a narrative has been sought to be made in our country particularly by a small microcosm of a few people, as if an international engagement that is being discussed at this stage, is going to kill India, its industry and farmers. This is based on completely baseless and nonsensical thoughts, and a kind of fear psychosis is sought to be created," he said.

"Until the entire framework is in public domain, I would urge, there is no need to write editorials, or make comments or give interviews based on half baked theories and information," the minister added.

Taking a dig at previous Congress regimes, Goyal said the current talks won't resemble the FTAs of the past, that came with time constraints. He added that he is willing to start discussions once again with the European Union on the long-pending proposed trade and investment deals. He also said India will open trade negotiations with Britain once the Brexit exercise is over.

the insolvency resolution process at Amtek Auto has re-commenced. It was headed for liquidation after UK-based Liberty House, the successful resolution applicant, did not fulfil its earlier commitment. The committee of creditors then approached the apex court against liquidation, saying this step would benefit none and hit the nearly 2,500 employees.

In the case of Era Infra Engineering, the lenders got a breather from the bankruptcy court, as 215 days were excluded from the insolvency process calculation, since this had been marred by investigations of income tax authorities, making it difficult for prospective bidders to examine the books of accounts, which were in the custody of the authorities.

On Jaypee Infratech, the apex court has reserved its order on Jaypee Group's plea against the appellate tribunal order that the parent company of a corporate debtor cannot participate in the debt resolution process. Earlier, state-owned NBCC had given a revised resolution plan but this was returned.



PRICE BUILD-UP IN DELHI (₹ per litre)

	Petrol	Diesel
Base price	33.80	37.99
Freight, etc	0.35	0.32
Price charged to dealers*	34.15	38.31
Excise duty	19.98	15.83
Dealer commission (average)	3.56	2.49
VAT (including VAT on dealer commission)	15.58	9.78
Retail selling price at Delhi (rounded)	73.27	66.41

*Excluding excise duty and VAT Source: Indian Oil Corporation

tion is bound to set in," he adds.

An IOC executive, however, said private retailers cannot sell at rates more than that of public sector undertakings (PSUs) because in that case, consumers would not buy from them. "Competition should have ensured private companies that claim more efficient crude oil procurement and refining should have been selling at lesser rate. This, however, has not happened," he said.

Now, the scope of competition among non-PSUs hotting up is likely to increase, with more private companies coming into the market. But, there is also likely to be wooing of dealers in lucrative markets, which means that the commissions being offered to them goes up.

Mahurkar said the earlier ₹2,000-

crore investment requirement helped in two ways. At that time, India needed crude refining and exploration investment. "Therefore, to attract investment, offering lucrative retailing was the purpose. Also, retail is a socially sensitive segment. Authorising only serious private investors was necessary to supply with responsibility. Shell, BP, Haldia, Nayara, and now Total could qualify," he said. The retail sector developed well when needed, including in remote areas owing to entry barrier protection provided to oil companies. Also, the government could pass on subsidies through PSUs unhesitatingly.

"Now that attracting investment and capacity creation is not an issue any more, the need to open up the

sector was felt by the government leading to various actions since 2002, like price decontrol and a significant one now of lowering the entry barrier," said Mahurkar.

The new criterion of ₹250-crore net worth ostensibly is different than the old one of qualifying serious and heavily invested in India players. "The government now wants to ensure uninterrupted consumer supply. Being a sizeable investment and a long supply chain, only those who can fund operations should enter," said Mahurkar. The retailers and dealers invest upfront in land, construction of storage, forecourts, dispensers, and safety provisions.

Russian state-owned Rosneft-promoted Nayara Energy, which is the largest fuel retailer with 5,128 outlets, for instance, states on its website that apart from the cost of land, the average investment in an outlet ranges between ₹70 lakh and ₹1 crore, depending on the size of the retail outlet and the services provided.

Mahurkar also pointed out the government wants to ensure safety, prevent adulteration and pilferage, and ensure quality and quantity through regulations and standards. "In an open market, these aspects get better due to competitive pressure, too."

RCEP pact will be 'beneficial' for India: Panel

SUBHAYAN CHAKRABORTY
New Delhi, 30 October

Less than a week before Prime Minister Narendra Modi reaches Bangkok for the final set of talks on the proposed Regional Comprehensive Economic Partnership (RCEP) pact, a government-appointed panel on trade has strongly battled for it.

Released on Wednesday, the report by the High Level Advisory Group (HLAG) on growing India's trade, argued despite existing challenges RCEP can be "particularly beneficial for India." RCEP nations continue to pressure India on finalising the deal on November 4, the deadline as of now.

Referring to a study by the National Council for Applied Economic Research, the report said India stands to benefit even more when the US and China are locked in a global trade war. Domestic industry, especially in the manufacturing and agriculture sectors have come out strongly in opposition to the pact, fearing influx of goods from export powerhouse China. The report squashed such fears, arguing there is a long-term opportunity which needs to be recognised. "The Chinese economy has been lately slowing down and is likely to remain that way. China is focusing more on its domestic consumption at the moment; it has been facing American wrath and is likely to continue to do so for some more time and is therefore slightly vulnerable at the moment," the report said.

Set up in October, 2018, by the commerce department, the 12-member HLAG consists of economists, policymakers and academia and is chaired by economist Surjit Bhalla. Bhalla has been appointed India's executive director at the International Monetary Fund. The report has focused on increasing India's share of global exports, managing bilateral deals and mainstreaming new age policymaking.

Regarding RCEP, India has suggested a mechanism to fix an import ceiling particularly for China, the first time New Delhi has pushed for such a condition in any trade negotiation. The proposal has been opposed by China at the talks, buoyed by support from other nations, a senior government official, said. Earlier, India had agreed to reduce tariffs on 76 per cent of all items for all nations, apart from special measures for China. Others had demanded New Delhi open up at least 90 per cent of all items. Currently, it is broadly accepted that the RCEP will lead to tariffs being eliminated on 28 per cent of the traded goods to begin with. This will be followed by 35



AGRI: Need to push out more fruit. These have more profit returns than cereals

PHARMA: Need for central authority like American FDA to reduce overlaps, slow growth

TEXTILE: Efforts to attract top 10 global textile companies (including those from China) to set up large-scale plants in India

ELECTRONICS: Need for shift from tariff-based policy to an incentive-based policy for manufacturers with tax holiday

MEDICAL DEVICES: Higher import duty on finished products; manufacturers need to register with foreign regulatory authorities

EDIT: NO REAL PLAN FOR EXPORTS

13

per cent of all product being eliminated in phases.

Challenges abound

The report has flagged several issues currently holding back exports. "Businesses in India face the highest costs for capital and labour in the world," Bhalla, said at an event organised by Confederation of Indian and Industries. Also, it's sad that agricultural and financial exports have not contributed to India's export growth, he added, pointing out that value of current financial exports are even lower than agricultural exports back in 1980. Going against a long held complaint of exporters, the report has also argued the Rupee is not overvalued. "Countries that have really performed well (Bangladesh and Vietnam) have seen a large increase (over 30 per cent) in their real exchange rate. Rates have also appreciated by 28, 21, and 10 per cent for China, The Philippines and Thailand respectively," it said.