

At first ECB meet, Lagarde maintains rates

Frankfurt: The European Central Bank (ECB) left policy unchanged at new ECB President Christine Lagarde's first meeting Thursday, keeping money taps wide open and further stimulus ready as the euro zone economy still suffers from broader global turmoil.

With Thursday's decision, the ECB's rate on bank overnight deposits remains at a record low of -0.50 per cent. **REUTERS**

Anti-profiteering body asks Nestle to deposit ₹73.15 cr

New Delhi: The National Anti-Profiteering Authority (NAA) has ordered FMCG major Nestle to deposit Rs 73.15 crore with Consumer Welfare Fund for not passing GST rate reduction benefit to consumers. The NAA rejected Nestle India's claims that it has passed on benefits of Rs 192 crore by reducing maximum retail price.

The NAA said "there is no evidence that the Respondent (Nestle) has reduced his prices

commensurate with the tax deductions" and has "even increased the same in respect of a number of products". Nestle India said in a regulatory filing that the information regarding passing of GST rate benefit together with substantiations has been provided to the authority. "However, we are disappointed that the NAA has not accepted the methodology adopted by us to pass on the GST rate reduction benefit," it said. **PTI**

Air traffic sees double-digit growth first time this year

ENSECONOMICBUREAU
NEW DELHI, DECEMBER 12

AIR TRAFFIC growth rebounded to double digits in November, mainly due to start of the tourist season, according to data released by the Directorate General of Civil Aviation (DGCA) Thursday.

Air passenger growth saw 11.2 per cent jump this November over the same month last year — the first time it grew in double digits during January-November period this calendar year. For the January-November period, the growth rate was 3.86 per cent. Passenger load factor is an indicator that measures the percentage of available seating capacity that is filled with passengers.

For the January-November period, 13.11 crore passengers were carried as opposed to 12.62 crore carried in the same period last year. During this year, April was the only month when passenger growth had fallen by 4.5 per cent while March was nearly flat in terms of growth. Shut down of Jet Airways was one of the main reasons for fall during April.

NOD FOR DISINVESTMENT GIVEN BY AISAM

Govt to sell 100% stake in Air India, Puri tells LS

ENSECONOMICBUREAU
NEW DELHI, DECEMBER 12

IN A move that could attract investors' interest in Air India, the government has decided to sell 100 per cent of its stake in the loss making state-owned carrier.

"After formation of new government, Air India Specific Alternative Mechanism (AISAM) has been reconstituted and the re-initiation of the strategic disinvestment of Air India has been approved. AISAM has approved the 100 per cent sale of Government of India stake in Air India for the re-initiated Strategic Disinvestment of Air India," Minister of State for Civil Aviation Hardeep Singh Puri said in a written reply in Lok Sabha Thursday.

The cash-strapped carrier has been surviving on government support for many years. Last year, the government's attempt to sell 76 per cent of its equity in Air India did not attract investor interest as the Centre

NO TAKERS FOR 76% STAKE SALE LAST YEAR

■ Last year, the Centre's attempt to sell 76 per cent of its equity in Air India did not attract investor interest as the Centre retaining 24 per cent stake in the carrier was seen as dissuading private players

■ Of Air India's total debt of Rs 58,282.92 crore as on March 31, the government has transferred debt of Rs 29,464 crore from Air India Limited to a special purpose vehicle i.e Air India Assets Holding Limited

retaining 24 per cent stake in the carrier was seen as dissuading private players. Industry analysts note that the decision to sell 100 per cent stake in the airline, after hiving off a major portion of the airline's debt, is expected to attract investors.

Between fiscals 2015-16 and 2018-19, Air India suffered cumulative net loss of Rs 23,271 crore. Of Air India's total debt of Rs 58,282.92 crore as on March 31, the government has transferred debt of Rs 29,464 crore from Air India Limited to a special purpose vehicle (SPV) i.e. Air India Assets

Holding Limited (AIAHL). The Centre has provided Rs 1,300 crore to the SPV to meet the interest payments for October-March 2018-19. The entire debt on the SPV is being serviced by the Centre from FY20, for which it has provided Rs 2,600 crore.

The government has also provided equity infusion for Air India of Rs 8,240 crore in last three years between 2016-17 and 2018-19. Other financial support include government providing guarantee of Rs 7,600 crore to Air India for raising new debt for payment of liability for FY19.

Citibank hikes interest rate on credit card outstandings

Mumbai: At a time when interest rates are going downhill following successive rate cuts by the Reserve Bank of India, Citibank India has hiked the interest rate on credit card outstandings by up to 480 basis points from 37.2 per cent to 42 per cent per annum.

"We wanted to inform you that the interest rate on your Citi credit cards would change effective January 2020 statement and

will be applicable on opening balance and further transactions including cash withdrawals," the bank said in a communication to its customers.

"As you know only if customers choose to pay less than the full amount of the monthly bill or does cash withdrawal transactions, interest rate for using the revolving facility applies," it said. **ENS**

LA-based law firm files class action lawsuit against Infosys

ENSECONOMICBUREAU
NEW DELHI, DECEMBER 12

LOS ANGELES-BASED litigation firm Schall Law Firm has filed a class action lawsuit against Bengaluru-based Infosys Ltd, accusing the IT major of making "false and misleading statements" to investors.

The law firm, in a filing to the US Securities and Exchange Commission, said that investors who purchased Infosys securities between July 7, 2018 and October 20, 2019, can participate in the lawsuit by December 23.

On December 11, Schall Law Firm had alleged that Infosys made false and misleading statements to the market. It said the company used "improper recognition of revenue" to boost short-term profits.

Bharat Bond ETF opens for subscription

Mumbai: The Bharat Bond Exchange Traded Fund (ETF) — the country's first corporate bond ETF, which will be a basket of bonds issued by central public sector undertakings (CPSUs), central public sector enterprises (CPSEs), central public financial institutions (CPFIs) or any other government organisation bonds — was launched on Thursday.

Edelweiss Asset Management Company (AMC), which has the mandate to manage the ETF, indicated that the subscription will remain open till December 20. The anchor book of BharatBond ETF was subscribed 1.7 times amounting at Rs 2,980 crore. **FE**

Economy is resilient: Min in Rajya Sabha

New Delhi: The Indian economy is resilient and there's no cause for apprehension, Minister of State for Statistics and Programme Rao Inderjit Singh told Rajya Sabha Thursday. Singh pointed to precedents of growth rate lower than the current GDP of 4.5 per cent to make his case.

Responding to a supplementary question on GDP, he acknowledged that the framing sector was affected, but also drew the attention of the House to the International Monetary Fund's "positive outlook on Indian economy". In a written reply, Singh listed out the steps the Centre has been taking to boost GDP growth. **ENS**

BRIEFLY

Ujjivan SFB IPO makes debut

New Delhi: Ujjivan Small Finance Bank made a strong debut on stock exchanges on Thursday, listing with a hefty premium of over 57 per cent against issue price of Rs 37.

Sondhi is new CEO of ALL

Chennai: Hinduja Group flagship firm Ashok Leyland (ALL) Thursday announced the appointment of Vipin Sondhi as its new chief executive officer and managing director for a period of five years. Sondhi succeeds Vinodh K Dasari who had quit from the services of the commercial vehicle manufacturer last November. **PTI**

'Very close to China deal'

Washington: US President Donald Trump Thursday tweeted US is "very close" to a trade deal with China, days before new tariffs are set to take effect. "Getting VERY close to a BIG DEAL with China. They want it, and so do we!" he tweeted.

Aramco hits \$2-trillion goal

Riyadh/Dubai: Saudi Aramco hit the \$2-trillion target sought by Saudi Crown Prince Mohammed bin Salman Thursday as its shares racked up a second day of gains, despite scepticism about the oil firm's value. **REUTERS**