

ArcelorMittal to sell 50% stake in shipping biz to DryLog

PRESS TRUST OF INDIA
NEW DELHI, DECEMBER 23

ARCELORMITTAL WILL sell a 50 per cent stake in its shipping arm Global Chartering Ltd to DryLog Ltd to form a joint venture and pare its debt, the company announced on Monday. The transaction is expected to complete before the 2019-end, it said.

“The stake sale and JV formation will ultimately impact ArcelorMittal’s net debt by \$530 million, with \$400 million on completion and a further \$130 million due in early 2020,” a statement by the steelmaker said.

“ArcelorMittal has signed a share purchase agreement with DryLog Ltd (DryLog) for the sale of a 50 per cent stake in Global Chartering Limited (GCL), its wholly-owned shipping business, and will subsequently form a 50:50 shipping joint venture with DryLog. The transaction is expected to close before the end of 2019,” it added.

Not paid salaries regularly for past 2-3 yrs, claim Air India pilots

ICPA urges Civil Aviation Minister to clear pending amount

ENS ECONOMIC BUREAU
NEW DELHI, DECEMBER 23

THE INDIAN Commercial Pilots Association (ICPA) has written to Civil Aviation Minister Hardeep Singh Puri, asking him to clear the pending dues of pilots and commanders of Air India who, the association alleges, have not been paid salaries and flying allowances on time “in the recent past 2-3 years”. “Flying allowance constitutes of 70 per cent of pilots’ pay package and we are facing severe financial constraints due to delay in flying allowance,” the association said in its letter.

Puri had earlier said that the pilots of Air India were very well looked after and that their salaries, in relation to what other air carriers were offering, was very good.

The association has, in its letter on Monday, however, claimed that Air India pilots were being “paid only half of what other air carriers are offering”.

Responding to another state-

“With this uncertainty over the survival of our national carrier and with no Plan B, we request you to ensure that we are not treated like bonded labour and allow us to quit Air India without serving our notice period and clear all our dues immediately”

INDIAN COMMERCIAL PILOTS ASSOCIATION

ment made by the minister that he had not heard of any resignations from Air India pilots, the ICPA has said that as of Monday, 65 pilots had tendered their resignations and were serving the six month notice period.

“Most of these pilots are experienced CAT 3B qualified co-pilots and are potential commanders. We are losing these experienced co-pilots to other carriers who value them and have understood their importance of their experience,” the ICPA said in its letter.

The letter by the association comes in response to Puri’s reply to questions asked to him in the Rajya Sabha on November 27. In a written reply to the questions, Puri had said that Air India would have

to shut down and stop operations if the airline was not privatised.

He had also said that the national carrier, which has a debt of nearly Rs 54,000 crore, will not be given “any further financial support” as that would “not be the best use of scarce financial resources” of the central government. The ICPA, in its letter, has said that this statement by Puri was “a matter of concern”.

“With this uncertainty over the survival of our national carrier and with no Plan B, we request you to ensure that we are not treated like bonded labour and allow us to quit Air India without serving our notice period and clear all our dues immediately,” the association said.

RBI purchases ₹10,000-cr G-Secs, sells ₹6,825 cr securities via OMOs

ENS ECONOMIC BUREAU
MUMBAI, DECEMBER 23

THE RESERVE Bank on Monday purchased Rs 10,000 crore worth of long-term government securities and sold Rs 6,825 crore of four short-term securities through the special open market operations (OMOs). Last week, the RBI had announced simultaneous purchase and sale of government securities under OMOs for Rs 10,000 crore each.

In the OMO purchase of 6.45 per cent GS 2029, which is a benchmark security, the RBI received Rs 20,826 crore worth of bids from the participants but accepted Rs 10,000 crore of bids.

The central bank received 161 bids to purchase 6.45 per cent-2029 bonds whereas it accepted 145 bids. The cut-off yield to accept the bid was 6.546 per cent. The RBI offered to sell four government securities -- 6.65 per cent GS 2020; 7.80 per cent GS 2020; 8.27 per cent GS 2020

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■ The RBI received 161 bids	■ The yield on the benchmark bonds had traded at an intraday low of 6.553 per cent on Monday before closing the day’s session at 6.568 per cent

and 8.12 per cent GS 2020 through OMO sale.

It accepted only Rs 6,825 crore worth of bids for the four securities as against Rs 20,330 crore bids it received in the OMO sale auction. In terms of number of bids, the central bank received 30 bids for 6.65 per cent GS 2020; 26 for 7.80 per cent GS 2020, 13 for 8.27 per cent GS 2020 and 47 for 8.12 per cent GS 2020 but accepted 6, 13, 3 and 13

bids, respectively.

The completion of the purchase of the benchmark bonds worth at better than market rates implies its strong intent of bringing down the term premia, experts said.

Ananth Narayan, professor-finance at SPIJMR said the “operation twist” OMO cut-off announced by the RBI was positive for government bonds on multiple counts. “For one, the RBI pur-

RBI allowed minorities from Bangladesh, Pakistan to open NRO bank accounts in 2018

ENS ECONOMIC BUREAU
MUMBAI, DECEMBER 23

MORE THAN A year before Parliament amended the citizenship law (Citizenship Amendment Act), the Reserve Bank of India amended the Foreign Exchange Management (Deposit) Regulations, 2016, enabling persons belonging to minority communities — Hindus, Sikhs, Buddhists, Jains, Parsis and Christians — from Bangladesh and Pakistan, and residing in India, to open an NRO account (Non-Resident Ordinary Rupee Account Scheme). Such NRO accounts can be converted into a regular bank accounts once they become citizens of India.

However, as in the case of CAA, Muslims from these two countries are excluded from the list of religious communities who can apply for such accounts.

An NRO account is a savings or current account held in India that helps non-resident Indians manage income earned in India such as rent, dividends, interest or pension. An NRI can open a joint NRO account with one or more NRIs or Indian citizens. According to the

Such Non-Resident Ordinary Rupee Account Scheme accounts can be converted into regular accounts once they become citizens

Foreign Exchange Management (Deposit) (Amendment) Regulations, 2018, issued by the RBI on November 9, 2018, “a person being a citizen of Bangladesh or Pakistan belonging to minority communities in those countries, namely Hindus, Sikhs, Buddhists, Jains, Parsis and Christians, who is residing in India and has been granted a Long Term Visa (LTV) by the Central Government is permitted to open with an authorised dealer only one NRO Account.”

“The said NRO account shall be converted to a resident account once the person becomes a citizen of India within the meaning of the Citizenship Act, 1955. Such accounts can be opened by Authorised Dealers only,” the RBI notification said. The notification allowed even those who have applied for LTV to open the NRO account subject to a review every six months. “A person being a citizen of Bangladesh or Pakistan belonging to minority communities in those countries, namely Hindus,

Sikhs, Buddhists, Jains, Parsis and Christians, who is residing in India and has applied for a Long Term Visa (LTV) which is under consideration of the Central Government is permitted to open with an authorised dealer only one NRO account which will be opened for a period of six months and may be renewed at six monthly intervals subject to the condition that the individual holds a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned,” it says.

The central bank clarification in its comments on FAQ doesn’t mention about Pakistani nationals getting permission to open NRO accounts. The RBI did not reply to an email on the subject sent by *The Indian Express*.

Bankers refused to go on record saying that these are matters decided by the regulator and the government. However, a banker said the RBI decision a year ago might be a precursor to the CAA and part of the groundwork to grant citizenship to minorities in Pakistan and Bangladesh.

quently asked questions).

The opening of such NRO accounts will be subject to reporting the details of the accounts opened by the concerned authorised bank to “the Ministry of Home Affairs (MHA) on a quarterly basis as instructed vide AP (DIR Series) Circular No. 28 dated March 28, 2019”, the RBI says.

“However, individuals of Bangladesh nationality can open an NRO account subject to the individual(s) holding a valid visa and valid residential permit issued by Foreigner Registration Office (FRO)/ Foreigner Regional Registration Office (FRRO) concerned,” it says.

The central bank clarification in its comments on FAQ doesn’t mention about Pakistani nationals getting permission to open NRO accounts. The RBI did not reply to an email on the subject sent by *The Indian Express*.

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Lending limit on peer-to-peer platforms fixed at ₹50 lakh

PRESS TRUST OF INDIA
MUMBAI, DECEMBER 23

TO PROTECT consumers interest, the Reserve Bank on Monday said that on a peer-to-peer lending (P2P) platform the permissible exposure of a lender to all borrowers should not exceed Rs 50 lakh at any given point of time.

“On a review, it has been decided that the aggregate exposure of a lender to all borrowers at any point of time, across all P2P platforms, shall be subject to a cap of Rs 50,00,000 provided that such

investments of the lenders on P2P platforms are consistent with their net-worth,” the RBI said in a notification. The lender investing more than Rs 10 lakh across P2P platforms will produce a certificate to P2P platforms from a practising Chartered Accountant certifying minimum net-worth of Rs 50 lakh.

“Further, all the lenders shall submit declaration to P2P platforms that they have understood all the risks associated with lending transactions and that P2P platform does not assure return of principal/payment of interest,”

the notification said. On fund transfer mechanism, it said, “Escrow accounts to be operated by bank promoted trustee for transfer of funds need not be mandatorily maintained with the bank which has promoted the trustee.”

As per the guidelines, the transfer of funds under P2P lending happens through an escrow account mechanism, which is operated by a bank promoted trustee. It requires at least two escrow accounts, one for funds received from lenders and pending disbursement, and the other for collections from borrowers, be maintained.

IFSC banking units can open foreign currency current accounts, says RBI

PRESS TRUST OF INDIA
MUMBAI, DECEMBER 23

THE RBI on Monday said IFSC Banking Units can open foreign currency current accounts of entities operating in IFSC and of non-resident institutional investors to facilitate their investment trans-

actions. However, IBUs are not allowed to open savings accounts.

Issuing instructions regarding permissible activities of IBUs, the RBI further said it will not prescribe any limit for raising short-term liabilities from banks.

“However, the IBUs must maintain LCR (Liquidity Coverage Ratio) as applicable to Indian

banks on a stand-alone basis and strictly follow the liquidity risk management guidelines issued by RBI to banks,” it said.

IBUs can also open foreign currency current accounts (including escrow accounts) of their corporate borrowers subject to the provisions of FEMA 1999 and other applicable regulations.

CIL, OCPL to tie up for sale of coal from captive block in Odisha

ENS ECONOMIC BUREAU
KOLKATA, DECEMBER 23

COAL INDIA Ltd (CIL) and Odisha government-owned Odisha Coal and Power Ltd (OCPL) have joined hands for sale of coal produced from OCPL’s captive block at Manoharpur in Jharsuguda as a part of initiatives of the central government to produce more indigenous coal available to country beyond CIL’s production and cut imports.

While the government has aimed to curb imports of thermal coal, India’s thermal coal imports stood at 183.4 million tonne (MT) in FY19 and are likely to cross 200 MT in 2020, according to estimates made by ICRA.

The coal produced by OCPL, instead of going for captive use only, will come into the entire system which even — if little —

The partnership is a part of initiatives of the government to produce more indigenous coal available to country beyond Coal India’s production and cut imports

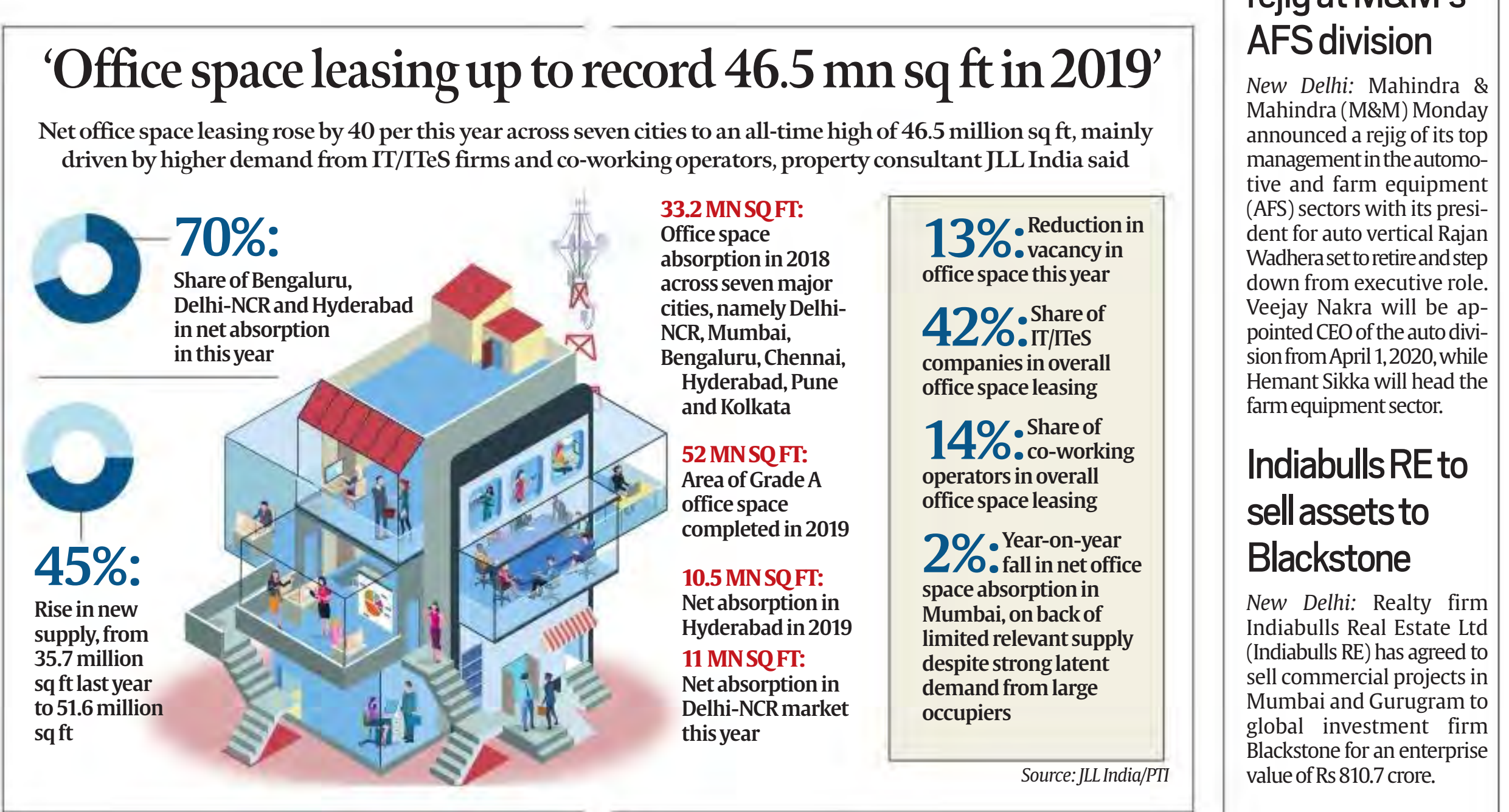
will add to the demand-supply chain.

The OCPL-produced coal is supposed to feed the (2x600 MW) IB thermal power plant of the Odisha Power Generation Corporation (OPGC), but in this case, though OCPL is producing just the required amount of coal OPGC needs for power generation, the coal cannot reach plant for lack of evacuation facilities.

So, the Coal Ministry has asked CIL to make such arrangements so that the required coal for power generation is made available to OPGC from nearby mines and CIL lift the coal from OCPL’s captive mines at Monaharpur.

In the wake of such a decision from the Ministry, the CIL board has worked out a modality wherein its subsidiary, Mahanadi Coalfields Ltd (MCL), has entered into an agreement with OCPL for creating a provision of lifting coal mined from Monaharpur and MCL in turn would supply to OPGC.

Manoharpur coal block has a capacity to produce 8 MT per annum, but as long as it is under development phase and does not produce, MCL through bridge linkage would supply OPGC 4.8 MT per annum for power generation.



Jet Airways’ creditors decide to seek fresh bids

PRESS TRUST OF INDIA
NEW DELHI, DECEMBER 23

THE CREDITORS of shuttered Jet Airways have decided to seek fresh initial bids for the airline.

The Committee of Creditors (CoC) would seek fresh Expression of Interest (Eoi), according to a regulatory filing on Monday.

Earlier this month, the National Company Law Tribunal (NCLT) had directed the CoC to expedite their decision on seeking fresh Eois in view of new interest being shown for the grounded airline.

Once a storied full service carrier, Jet Airways stopped flying in April after it ran out of money for daily operations. The airline is undergoing resolution process under the Insolvency

Earlier this month, the NCLT had directed the CoC to expedite their decision on seeking fresh Eois

and Bankruptcy Code (IBC).

“... the CoC passed the resolution to issue fresh invitation of Expression of Interest for the corporate debtor in the e-voting concluded on December 22, 2019,” the filing said on Monday.

Synergy Group, the sole potential bidder for Jet Airways, had sought more time to take a decision on investing in the grounded airline.

The tribunal had also approved extension of Jet Airways insolvency resolution period by 90 days.

‘New registrations by taxpayers being verified by GST council’

PRESS TRUST OF INDIA
BENGALURU, DECEMBER 23

THE GST Council is verifying the 66.79 lakh new registrations by taxpayers, which could be fake or pertain to shell companies. Bihar Deputy Chief Minister Sushil Kumar Modi, also the convener of Group of Ministers (GoM) on integrated GST, said Monday.

“The new taxpayers, who are 66.7 lakh in number, hardly pay 15 per cent of tax. So, whatever taxes we are getting from them is only 15 per cent of taxes, which is about Rs 10,000 crore. Hence, we are strictly monitoring the new taxpayers to ensure they are not fake,” he told reporters after the his meeting with the GoM.

Modi said the number of active taxpayers has gone up to 1.21

66.79 LAKH NEW GST REGISTRANTS

■ Bihar Deputy CM Sushil Kumar Modi said the number of active taxpayers has gone up to 1.21 crore since the launch of the GST, of which 66.79 lakh are new registrations

■ He said many states have started physically verifying these firms

crore since the launch of the goods and services tax (GST), of which 66.79 lakh are new registrations. According to him, many states have started physically verifying

these companies by visiting the premises, geo-tagging the location and uploading the photographs on the system from mobile phones.

The GST Council has also introduced 3B, a simple return, which has to be filed every month, said the Bihar Deputy Chief Minister. “We have decided in one of our GST council meetings that if the firms don’t file 3B returns for two consecutive months, their e-way bill will be blocked,” said Modi.

He said till date, about 3.47 lakh dealers’ e-way bill has been blocked by the system and as soon as the 3B return is filed, the system would automatically open and the e-bill is generated. Another decision taken at the meeting was that late fee of Rs 100 per day under GSTR-1 or the outward supply has been waived, he said.

Credit Suisse confirms 2nd spying case, clears CEO

REUTERS
ZURICH, DECEMBER 23

CREDIT SUISSE on Monday admitted it was behind instructions to carry out surveillance on a second executive, after dismissing a previous similar incident as an “isolated event”.

Switzerland’s second-largest bank pinned the blame on former chief operating officer Pierre-Olivier Bouee, who it said hired detectives to track former HR head Peter Goerke in February.

The bank earlier blamed Bouee for a similar incident involving former wealth manager Iqbal Khan.

“The observation of Peter Goerke, which has now been confirmed, is inexcusable,” Credit Suisse Chairman Urs Rohner said in a statement, adding there was

“grave concern” that those responsible for ordering the surveillance had not mentioned it during an earlier probe regarding Khan. “We are aware that the observation of Iqbal Khan and Peter Goerke have damaged the reputation of our bank,” Rohner said. Credit Suisse has been in the spotlight since September when Khan filed a criminal complaint in Zurich after being followed by private detectives.

The bank launched an investigation and found it had bankrolled the surveillance. Rohner at the time called the conduct “wrong” and CEO Tidjane Thiam told employees the debacle was “strictly an isolated event”. Thiam said he had no knowledge of the order given by long-term associate Bouee, who followed him over to Credit Suisse from Prudential.

BRIEFLY

White paper soon to reduce steel sector tax burden

New Delhi: The Centre will soon come out with a white paper on steel industry that will focus on ways to cut tax-related expenditure in the sector and make it competitive, Union Steel Minister Dharmendra Pradhan said on Monday.

New presidents for Assocham and Ficci

New Delhi: Hiranandani Group managing director Niranjan Hiranandani has taken over as the president of Assocham. He succeeds Welspun Group chairman Bal Krishan Goenka. Meanwhile, Sangita Reddy, joint managing director, Apollo Hospitals Group, has taken over as president of Ficci for FY20. She succeeds Sandip Sonmay, vice chairman and managing director, HSIL.

Management rejig at M&M’s AFS division

New Delhi: Mahindra & Mahindra (M&M) Monday announced a rejig of its top management in the automotive and farm equipment (AFS) sectors with its president for auto vertical Rajan Wadhwa set to retire and step down from executive role. Veejay Nakra will be appointed CEO of the auto division from April 1, 2020, while Hemant Sikka will head the farm equipment sector.

Indiabulls RE to sell assets to Blackstone

New Delhi: Realty firm Indiabulls Real Estate Ltd (Indiabulls RE) has agreed to sell commercial projects in Mumbai and Gurugram to global investment firm Blackstone for an enterprise value of Rs 810.7 crore.

Power Ministry cancels auction for 2.5GW

New Delhi: The Power Ministry has scrapped the auction to procure 2,500 MW electricity for medium term (three years) under a scheme to provide relief to thermal power plants plagued by short coal supplies, state-run NHPC said on Monday. **PTI**

Rivian scores \$1.3 billion investment

Detroit: Electric vehicle startup Rivian said Monday it closed a \$1.3 billion investment round, led by fund manager T.Rowe Price and including existing investors online retailer Amazon.com Inc and 2 US carmaker Ford Motor Co. **REUTERS**