

13 ECONOMY

SENSEX: 41,461.26 ▼ 181.40 NIFTY: 12,214.55 ▼ 48.20 NIKKEI: 23,782.87 ▼ 47.71 HANG SENG: 27,864.21 ▼ 42.20 FTSE: 7,632.24 ▲ 8.65 DAX: 13,300.98 ▼ 1792

GOLD

₹39,239

RUPEE

₹71.27

OIL

\$66.63

SILVER

₹47,146

*Indian basket as on December 23, 2019

*Stock, currency and commodity markets were closed on account of Christmas; International market data till 1900 IST

MOVE AIMS TO HELP FIRMS AVOID LONG-DRAWN JUDICIAL CASES

Govt forms expert panel for time-bound resolution of disputes in oil & gas sector

ENS ECONOMIC BUREAU
NEW DELHI, DECEMBER 25

IN A move that may lift overall business sentiment, especially in the oil and gas sector, and will help the sector get rid of disputes choking investment in it, the government has constituted an expert committee for time-bound resolution of exploration and production disputes without having to resort to tardy judicial process.

According to a government notification dated December 16, the three member 'Committee of External Eminent Persons/Experts' for dispute resolution will comprise of former Secretary of Ministry of Petroleum and Natural Gas G C Chaturvedi, former Chairman and Managing Director of OIL and ONGC Bikash C Bora, and former MD of Hindalco Industries Satish Pai.

The notification further stated that the panel will have a tenure of three years and the resolution will be attempted to be arrived at within three months.

"The Committee shall exercise all powers and discharge all functions necessary for carrying out conciliation and mediation

EXPLAINED

Panel gets 3-year term; 3 months to arrive at resolution

THE DECISION may lift overall business sentiment, especially in the oil and gas sector, which, in return, will help the sector get rid of disputes choking investment in it. The expert committee will help companies get their issues resolved quickly without going through the tardy judicial process.

The notification further stated that the panel will have a tenure of three years and the resolution will be attempted to be arrived at within 3 months.

proceedings for resolution of the disputes between the parties as per the provisions of the Arbitration and Conciliation Act, 1996 and endeavour that the parties arrive at a Settlement Agreement within three (3) months from the date of the first meeting of the Committee," the notification read.

It added that the members and the parties may, for reasons to be recorded in writing, extend the time for arriving at such Settlement Agreement by mutual agreement

The country's oil and gas sec-

tor has been plagued by disputes from cost recovery to production targets, and companies as well as the government have resorted to lengthy and costly arbitration followed by judicial review — a process that takes years to resolve differences.

The December 16 notification said that the panel will arbitrate on a dispute between partners in a contract or with the government over commercial or production issues for oil and gas.

"Any dispute or difference arising out of a contract relating to exploration blocks/fields of

India can be referred to the committee, if both parties to the contract agree in writing for conciliation or mediation and further agree to not invoke arbitration proceedings thereafter," it said.

Once a resolution has been referred to panel, the parties cannot resort to arbitration or court case to resolve it.

As per the notification, for procedural aspect, the committee will be guided by the Arbitration and Conciliation Act, 1996, and the venue of the conciliation or mediation proceedings shall be New Delhi.

Stating that the parties will represent their case before the committee acting as conciliators or mediators only through their employees or executives, the notification said that "Advocates or Consultants shall not participate in the conciliation proceedings, unless the committee on application filed by a party to the proceedings finds that some issue of legal nature or an issue requiring highly specialised knowledge is in dispute requiring clarification/interpretation by an Advocate or Consultant and takes a view that in absence of such assistance or participation the party's interests shall not be adequately represented in the

conciliation or mediation proceedings."

It further said that if the concerned parties are unable to arrive at a settlement, "no interest shall be claimed in any further proceedings for the period from the date of notice till date of completion of the proceedings pending before the committee or date of the receipt of the final recommendations from the committee or date of execution of the settlement agreement whichever is later."

While the notification stated that the conciliation or mediation proceedings should be kept confidential, it also pointed out that the pendency of arbitral or judicial proceedings shall not constitute any bar on commencement of conciliation or mediation proceedings before the committee, even if the conciliation or mediation proceedings are on the same subject matter/issue as the arbitral or judicial proceeding.

It also said that the parties shall not initiate or take any step to initiate any arbitral or judicial proceedings in respect of a dispute, which is a subject matter of the conciliation or mediation proceedings pending before the committee.

ENS ECONOMIC BUREAU
REWARI, DECEMBER 25

THE CENTRAL government will provide free WiFi till March 2020 to all villages connected through the BharatNet broadband service at present, Telecom Minister Ravi Shankar Prasad said on Wednesday. At present, around 48,000 villages connected through the BharatNet project have WiFi access.

"We have connected 1.3 lakh gram panchayats through BharatNet network so far. Our aim is to take this further to 2.5 lakh gram panchayats. To promote further utilisation, we will provide WiFi free in all villages connected through BharatNet till March 2020," Prasad said at an event here.

The government's BharatNet project aims to provide access to all the 2.5 lakh gram panchayats

'CONNECTED 1.3 LAKH GRAM PANCHAYATS'

■ The BharatNet project of the government aims to provide access to all the 2.5 lakh gram panchayats across the country

gram panchayats via BharatNet in phase-one

■ Telecom Minister Ravi Shankar Prasad said the government has connected 1.3 lakh gram panchayats through BharatNet network so far

across the country. Last year, the government said it had connected nearly 1 lakh gram panchayats through BharatNet in phase-one.

So far, a total of Rs 20,431 crore has been spent from the Universal Service Obligation Fund (USOF) for connecting villages under BharatNet.

The total cost of both the phases was pegged at Rs 45,000 crore by the government in November 2017.

The Common Service Centres (CSCs) act as the nodal point from where the WiFi and broadband services are distributed. Other than that, the CSCs also act as banking correspondents and access point for delivery of other important government services such as updating Aadhaar, getting passport made, among other things.

At present, there are about 3.60 lakh CSCs operating across the country.

NITI Aayog's Ramesh Chand in favour of only two GST slabs

PRESS TRUST OF INDIA
NEW DELHI, DECEMBER 25

GOVERNMENT THINK-TANK NITI Aayog member Ramesh Chand on Wednesday made a case for only two slabs under the goods and service tax regime as against the multiple slabs currently, and said rates should be revised annually if required.

The goods and services tax (GST), which replaced almost all the indirect taxes, came into force from July 1, 2017, and the rates on goods and services have been revised several times since then. Currently, there are four GST rate slabs — 5 per cent, 12 per cent, 18 per cent and 28 per cent. Several items fall in exempt category or nil duty. Besides, cess is also levied on five goods.

Talking to PTI, Chand said that when a large taxation reforms like GST are brought in, there are always "teething problems" but soon they stabilise. He said most of the countries took long time for GST stabilisation.

The NITI Aayog member, who looks after the agriculture sector, is also strictly against fre-

quent changes in GST rates as it leads to problems. The all-powerful GST Council, presided over by the Union finance minister and comprising state finance ministers, decides on rate for particular goods and services.

Besides frequent demand for reduction in the rates on various goods and services, there has also been clamour for a slash in the number of tax slabs. "It has become tendency of every sector to ask for lower GST. I feel GST issues are much larger than asking for rates," Chand said.

And, "we should not fiddle with rates or change rates frequently.. We should not have many rates. Have only two rates," he added.

Chand said the focus should be on steady increase in revenue collection from the new indirect tax regime rather than tinkering with rates. He prescribed that if at all rates need to be changed, it should be done annually. On demands of lower GST on process food, like dairy products, Chand, an agri economist, said the 5 per cent GST on such products is "very very reasonable".

Grievance redressal mechanism for taxpayers to be set up

ENSECONOMICBUREAU
NEW DELHI, DECEMBER 25

THE GST Council will set up a grievance redressal mechanism for taxpayers. The decision was taken at the 38th meeting of the GST Council on December 18.

It has decided that a structured grievance redressal mechanism should be established for the taxpayers under GST to tackle grievances on GST-related issues, a statement said on Wednesday.

The Council will set up the Grievance Redressal Committee at zonal and state levels comprising central tax and state tax officers, representatives of industry and GST stakeholders. The panel will be constituted for two years and the term of each member will be for likewise. If any member of the panel would be absent for three consecutive meetings, without adequate reasons, the member will be replaced with a fresh nomination by the principal chief commissioner/ chief commissioner of central tax in consultation with the chief commissioner/ commissioner of state tax. WITHPTI

BRIEFLY

Piramal Enterprises to raise ₹2,750 cr

New Delhi: Piramal Enterprises on Wednesday said it will raise up to Rs 2,750 crore by issuing bonds on private placement basis. Piramal Enterprises said the money can be raised in one or more tranches from time to time.

Hyatt plans to open 11 hotels by 2020-end

New Delhi: Global hospitality firm Hyatt Hotels Corporation is looking to open 11 hotels across India by the end of 2020 as part of its expansion plans in the country, a senior company executive said. The Chicago-headquartered firm currently has 32 hotels across 20 destinations under its eight brands in India.

TVS Motor launches scooter in Nepal

New Delhi: Chennai-based TVS Motor Company on Wednesday said it has introduced NTORQ 125 Race Edition scooter in Nepal. The Race Edition comes with various design elements and features like LED DRLs and headlamp, hazard lamp among others. PTI

'Housing sales up 6% in Delhi-NCR during 2019'

Housing sales in the National Capital Region went up by 6 per cent to 46,920 units during 2019 on higher demand for affordable homes and completed flats, according to property consultant Anarock

PRICES IN DELHI-NCR remained stagnant at nearly Rs 4,600 per sq ft, while unsold inventories fell by 6 per cent to 1,75,079 units from 1,86,714 units

REASONS: Unrelenting liquidity crisis, lower-than-expected buyer sentiments and faltering GDP growth eventually put brakes on the overall housing growth in the second half of 2019

MUMBAI METROPOLITAN REGION saw housing sales rise the maximum — by 22 per cent — to 80,870 units this year from 66,440 units

in 2018

PUNE SAW 18 per cent rise in sales to 40,790 units from 34,460 units during the period under review

CHENNAI ROSE by 4 per cent to 11,820 units from 11,340

BENGALURU WITNESSED a 12 per cent drop in sales to 50,450 units from 57,540 units

KOLKATA & HYDERABAD saw sales decrease by 11 per cent each and were recorded at 13,930 and 16,590 units



5% Across seven major cities, sales rose by 5 per cent to 2,61,370 units in 2019 compared to 2,48,310 units in the previous year

22% Sales dropped by 22 per cent in the second half of this year to 1,47,120 as against 1,14,250 units during January-June period this year

Nissan's third senior-most executive quits

AGENCE FRANCE-PRESSE
TOKYO, DECEMBER 25

THE SENIOR executive in charge of plans to revive crisis-hit Nissan has decided to quit just weeks after taking the job, sending the car-maker's stock plunging more than three per cent on Wednesday.

Jun Seki, 58, number three at Nissan, had informed them of his decision to leave and the company had accepted it, the automaker said in a statement.

Seki, currently executive officer and vice chief operating officer, is expected to become president of major electric components maker Nidec, according to a source close to Nissan.

Ashwani Gupta, chief operating officer and number two at

Nissan, should take the responsibility for the recovery plan instead of Seki, the source told AFP.

Struggling to rebuild itself after former chief Carlos Ghosn's financial scandal, Nissan just started its new management under chief executive and president Makoto Uchida on December 1.

The company said Wednesday it "has been on a steady path to regain trust, restore the company's performance and work on its business transformation, and is already seeing progress."

"Under the new top management, Nissan will continue to focus on these key areas, which remain our highest priority," it said in the statement. But investors were not convinced.

Nissan shares plunged 3.09 per cent to 633.4 yen on the Tokyo

Stock Exchange.

Makoto Sengoku, market analyst at Tokai Tokyo Research Institute, said Seki's resignation came at "an impossible timing."

"He was the No.3 and was supposed to be a central figure to drive the reform. It was inevitable that such a man's departure spawned caution towards Nissan," Sengoku told AFP.

"It's an urgent task for Nissan to revamp itself but there is a doubt over how stable its leadership is," he said.

Nissan, in a three-way alliance with Mitsubishi Motors and France's Renault, last month slashed its full-year forecast for both sales and profit as it struggles with weak demand in Japan, the US and Europe, as well as fallout from the arrest of Ghosn.

Honda Motorcycle halts wage revision of 1,900 workers at Manesar plant as sales dip

PRITISH RAJ
NEW DELHI, DECEMBER 25

HONDA MOTORCYCLE & Scooter India (HMSI) has denied revision of wages to its around 1,900 permanent workers at the Manesar plant until next year, citing slowdown in vehicle demand and falling revenues as the primary reason, two people aware of the development said.

The last wage revision happened in August 2015, under which the permanent staff got a salary hike of Rs 23,300 each over a period of three years. The next hike was supposed to happen in

The last wage revision happened in August 2015, under which the permanent staff got a salary hike of Rs 23,300 each over three years

August 2018, but the workers' union members maintain that the management deferred it on account of falling two-wheeler sales and higher marketing expenses. "So far since August 2018, the discussions on salary hike were on. However, the company has now indicated that it won't happen un-

til the second half of next year when the demand is expected to improve," a union member said.

The wage revision is part of a regular exercise undertaken by auto companies once in three years. With the revision, the workers would have received a salary hike of around Rs 25,000 each over the next three years, the union member said.

An HMSI spokesperson said while the average monthly CTC of permanent workers at Manesar plant is the highest in this industrial belt, manpower efficiency and productivity is lowest among all its plants here. "Manesar plant management started the wages discus-

sion in 2018. Despite overall economic slowdown and production realignment, plant management offered a significant hike with expectation of increased manpower efficiency and discipline. Post this, an average worker's CTC would cross Rs 1 lakh per month," the spokesperson said.

"But unfortunately, some workers are dragging the wage settlement discussion to further their personal agendas, and are instigating labour unrest in the region," the spokesperson said.

The permanent workers' union has so far not decided to avoid an agitation path like strike or anything similar. FE

AIRLINE PROVIDES BATCH OF DOCUMENTS TO REGULATORS AND CONGRESSIONAL INVESTIGATORS, HOURS AFTER ANNOUNCING LEADERSHIP REJIG

'Boeing document dump shows disturbing picture on 737 MAX aircraft'

AGENCE FRANCE-PRESSE
NEW YORK, DECEMBER 25

BOEING HAS provided a fresh batch of incriminating documents on the 737 MAX to regulators and congressional investigators, only hours after announcing a leadership shakeup. The document dump came just before Christmas, when many officials already are on holiday, and "appear to point to a very disturbing picture" about Boeing's response to safety issues regarding the 737 MAX, a congressional aide said.

The aide said Boeing sent the documents "late in the evening" Monday to congressional staff investigating the issues with the aircraft, which has been grounded since March following two crashes that killed 346 people.

The aerospace giant has faced scrutiny over its decision to keep flying the plane after the first crash and to brush off safety concerns of some employees, and over whether it sacrificed safety in the race to develop a plane to compete with an Airbus jet. US regulators also have been criticized for a too-cozy relationship with the company it is charged with overseeing.

The Federal Aviation Administration confirmed it received what appear to be the same documents Monday afternoon, a few hours after Boeing ousted Dennis Muilenburg as chief executive amid his much-criticised handling of MAX crisis.

Boeing said it "proactively" contacted the FAA and Congress "as part of our commitment to transparency," a company spokesman said in email. "As

US FAA CONFIRMS RECEIVING DOCUMENTS

■ The US FAA confirmed it received what appear to be the same documents Monday afternoon, a few hours after Boeing ousted Dennis Muilenburg as CEO amid his much-criticised handling of MAX crisis

■ According to a congressional aide, "the records appear to point to a very disturbing picture of both concerns expressed by Boeing employees about the

company's commitment to safety and efforts by some employees to ensure Boeing's production plans were not diverted by regulators or others

■ In one text message exchange that surfaced in those documents, a pilot described a problem on a simulator with a flight handling system that has been implicated in both crashes

with prior documents referenced by the committee, the tone and content of some of these communications does not reflect the company we are and

need to be."

The spokesman also highlighted changes Boeing has made "in the past nine months to enhance our safety processes,

organization and culture." That references the period after the Ethiopian Airlines crash in March. The first 737 MAX crash of a Lion Air flight in Indonesia happened five months earlier.

The latest revelations make it clear that despite shaking up its leadership, Boeing will continue to face questions well into 2020 over the actions that led to the crashes as it tries to win approval to return the MAX to service and to restore its damaged reputation.

The document dump — which surfaced on a normally tranquil Christmas Eve — came hours after Boeing announced it was replacing Muilenburg with Chairman David Calhoun, saying the company needed to "restore confidence" and "repair relationships with regulators, customers and all other stakeholders."

FAA Chief Steve Dickson ripped Boeing in October after the company only provided the agency with revealing documents months after unearthing the records.

In one text message exchange that surfaced in those documents, a Boeing pilot described a problem on a simulator with a flight handling system that has been implicated in both crashes.

The aide with the House Transportation Committee declined to release the latest papers on Tuesday and said committee staff were still reviewing the documents.

"The records appear to point to a very disturbing picture of both concerns expressed by Boeing employees about the company's commitment to safety and efforts by some em-

ployees to ensure Boeing's production plans were not diverted by regulators or others," the aide said in an email.

The panel is led by Democratic Representative Peter DeFazio, who grilled Boeing executives at an October hearing at which some lawmakers called for Muilenburg to resign.

DeFazio on Monday called Muilenburg's ouster "long overdue," and said the company "made a number of devastating decisions that suggest profit took priority over safety."

The CEO shakeup at the company drew muted response Tuesday from Wall Street analysts, a bombshell that came only days after the company took the monumental step of halting production on the 737 MAX and a day after it suffered a setback on

a high-profile NASA mission.

Bank of America Merrill Lynch said it had "mixed feelings" in light of Calhoun's lengthy tenure on the Boeing board.

"We wonder if appointing from within, especially an insider that has been with the company for 10 years, signals more of the same from Boeing's an outside appointee who may have offered more of a change of pace and culture," the bank said in a commentary.

JPMorgan Chase said Muilenburg had struggled as a public voice for Boeing in response to the tragedies and in communication with regulators and customers.

"We expect David Calhoun to do better on both scores. This something," JPMorgan said in an analysis.

