



**WORLD P8**  
**MUSK'S WIN MAY RESET LEGAL LANDSCAPE FOR SOCIAL MEDIA**

**WORLD P9**  
**WHY APPLE SCRAPPED RELEASE OF ITS OSCAR CONTENDER MOVIE**



## CJI: JUSTICE LOSES ITS CHARACTER WHEN IT BECOMES REVENGE

In the backdrop of the Hyderabad rape-murder incident and the gunning down of the four accused in an alleged encounter, Chief Justice of India SA Bobde on Saturday said justice can never be instant and loses its character when it becomes revenge. At the same time, he admitted that the recent events in the country have sparked an old debate with new vigour, where there is no doubt that the criminal justice system must reconsider its position and attitude towards the time it takes to dispose of a case. **12P**



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## Unnao rape victim dies after being burnt alive

The 23-year-old Unnao rape victim who was airlifted to Delhi and admitted to Safdarjung Hospital with 90 per cent burns after being set on fire has died, hospital sources said. After battling for life for almost 40 hours, the woman died following a cardiac arrest at 11.40 pm on Friday night, they said. "Despite our best efforts, she did not survive," said Dr Shalab Kumar, head of burns and plastic surgery department at the hospital.

**COMPANIES P2**

## NBCC, Suraksha bids to be put to vote together

Homebuyers and lenders to Jaypee Infratech will vote simultaneously on bids of both state-owned NBCC and private sector firm Suraksha Realty to acquire the bankrupt realty firm, sources said. In a meeting of financial creditors held on Saturday, it was decided that the voting process will start on December 10 and end on December 16. Both the contenders were asked to submit their revised bids by 11 pm on Saturday.

**ECONOMY & PUBLIC AFFAIRS P6**

## Pharmaceutical industry bitten by slowdown bug

Stricter regulation and pricing controls have slowed down growth. The fifth part of the series looks at how the pharma sector's health is affected by the slowdown virus. **VINAY UMARJI** reports

**BS SPECIAL** ON SUNDAY

## IN DEPTH Shifting focus to prevent trafficking



From swifter investigation to better rehabilitation, trafficking survivors want more focus on justice. **RITVIK SHARMA** writes **7P**

# FM hints at I-T rate cuts, more stimulus measures

Says govt is taking steps towards a harassment-free taxation regime

**INDIVJAL DHASMANA**  
New Delhi, 7 December

**F**inance Minister Nirmala Sitharaman on Saturday said the government was looking at lowering and rationalising the personal income tax rates, as well as working on more sector-specific measures to boost the slowing economy.

"(This is) one among the many things we are looking at," she said at the Hindustan Times Leadership Summit here, while responding to a question on the personal income tax rate cuts and rationalisation.

A task force headed by Akhilesh Ranjan, former member of the Central Board of Direct Taxes (CBDT), has already submitted its report to the finance minister, but its contents have not been made public. It is learnt to have recommended an increase in the threshold limit from the current level of ₹2.5 lakh a year, and overhauling the tax slabs.

Sitharaman also said the government was taking steps towards creating a simplified taxation structure to ensure that assessees were not harassed. "I am duly following it. We have moved to faceless scrutiny in direct taxes. We have already started expanding it to indirect taxes as well," she said.



**FM-SPEAK**  
"WE WANT TO ENSURE THAT THE ENTIRE TAX STRUCTURE IS SIMPLIFIED. WE WANT TO REMOVE THE IFS AND BUTS IN THE TAXATION STRUCTURE IN THE LONG RUN"  
"IN THE LAST GST COLLECTION, THE CESS FUND WASN'T ADEQUATE... WHEN WE COLLECT THE REQUIRED CESS, WE WILL HONOUR THE COMPENSATION RATE"  
**Nirmala Sitharaman, Finance Minister**

She said she had asked businessmen to come to her office or that of the revenue secretary in case there was any harassment by tax officials.

The finance minister said the government wanted to remove complexities in the entire taxation structure in the long run. "We want to make sure that there are no ifs and buts in the entire taxation structure." Sitharaman was a bit evasive

when asked whether more stimulus measures would be announced, but did say that the government was working on them. "If I say yes, you will ask when. You will get back to me to say 'are you not too close to the Budget?' I will not say yes.... At the same time, I will not say no, because we are working on them."

She, however, said the government would remain within the glide

path recommended by the FRBM (Fiscal Responsibility and Budget Management) panel, even as many economists were telling the government to pause on the path and give more stimulus.

The finance minister said the public and private sector banks had distributed nearly ₹5 trillion to the people in the hinterland as part of the outreach drive to boost consumption in the month of October and November.

The latest official data showed that gross domestic product (GDP) grew at 4.5 per cent during July-September, its slowest pace in over six years.

"I would like to tell you that the 4.5 per cent figure is for July, August and September. Post July, through August and September, we kept coming out with announcements and interventions. Nearly ₹5 trillion were given in 400 districts of the country, in the hinterland and not in metropolitan cities," she said.

Besides, she said, 72 million farmers benefited from the first two tranches of PM-Kisan, which gives ₹2,000 each to farmers every four months. "The figure has come down a bit after that. But we are making sure that these accounts are Aadhaar-seeded so that the money does not go into the ghost accounts," she said.

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## Airtel app flaw fixed after data leak scare

**MEGHA MANCHANDA**  
New Delhi, 7 December

A serious security flaw was detected in the mobile application of Bharti Airtel late Friday, prompting nervous subscribers to reach out to the telecom operator. The flaw, which was feared to have exposed data of over 300 million users to potential hackers, kept the social media abuzz all of Saturday. However, the company termed the snag part of a routine trial and testing of new applications on its network, adding it had been fixed.

The flaw existed in the application programming interface (API) of the Airtel smartphone app, where sensitive information of Airtel users can be found. The glitch was discovered by independent security researcher Ehrasz Ahmed, and later notified to the operator. The problem exposed user information like first and last name, gender, email, date of birth, address, subscription details, device compatibility for 4G, 3G, network information, activation date, user type (prepaid/postpaid), and even the IMEI number.

An Airtel spokesperson said, "There was a technical issue in one of our testing APIs, which was addressed as soon as it was brought to our notice. Airtel's digital platforms are highly secure. Customer privacy is of paramount importance to us and we deploy the best of solutions to ensure the security of our digital platforms."

The Union Cabinet last week cleared the Personal Data Protection Bill.

## Banks start month-long loan drive for MSMEs

**SOMESH JHA & SUBHAYAN CHAKRABORTY**  
New Delhi, 7 December

Small businesses can visit public sector banks (PSBs) to finance their working capital or to restructure their loans, with the Union government launching a month-long outreach programme for micro, small and medium enterprises (MSMEs) on Saturday.

PSBs, during the program, will offer loans to increase the "working capital limits for standard accounts up to 25 per cent of the working capital limits".

"MSMEs have complained of a lack of working capital. They have often said banks are not forthcoming in sanctioning working capital loans. On the other hand, bankers have said that though they have reached out to MSMEs, they do not want working capital," said a senior finance ministry official.

"Inviting MSME customers to visit their branches for necessary support and assistance," said an advertisement by the Department of Financial Services (finance ministry), published in newspapers on Saturday. The official said banks would give priority to MSMEs during the programme, which will continue till January 6.

Banks will also consider requests from MSMEs for restructuring their stressed "standard" assets "as needed, on priority and in a timely manner".

The special dispensation will be given



PSBs will also consider requests from MSMEs for restructuring their stressed "standard" assets

through the Reserve Bank of India's (RBI's) circular 'MSME sector - Restructuring of Advances', dated January 1, 2019.

So far, only 25 per cent of the around 1 million eligible MSMEs have taken benefit of the RBI's special dispensation. "The feedback from banks is that MSMEs do not need restructuring of their standard assets. But just to be sure, we want to extend a helping hand to MSMEs so that they feel that banks were willing to restructure their assets," the ministry official said.

The one-time restructuring scheme is to be implemented by banks by March 31, 2020.

The MSME account should remain "standard" as of January 1.

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## Arcelor named preferred bidder for Odisha Slurry

**NAMRATA ACHARYA & ISHITA AVAN DUTT**  
Hyderabad/Kolkata, 7 December



ArcelorMittal has emerged the preferred bidder for Odisha Slurry Pipeline Infrastructure (OSPI). At a meeting of the committee of creditors on Friday, lenders declared ArcelorMittal the highest (HI) bidder, according to the head of a public sector bank with exposure to the company.

Lenders favoured ArcelorMittal's upfront offer for the slurry pipeline. "Arcelor's offer was better than Thriveni's," said the lender. Thriveni Earthmovers made a surprise offer at ₹4,000 crore recently.

It's not clear whether Arcelor, which had earlier offered ₹2,350 crore, revised or improved the bid. ArcelorMittal didn't comment.

Thriveni had sought a waiver from furnishing a letter of commitment and lenders were hesitant to agree on that, a source in the know said. The total admitted claims of OSPI's financial creditors were pegged at ₹2,660 crore.

Originally, Thriveni had made a ₹8 crore upfront offer for the slurry pipeline though its total bid stood at ₹3,300 crore to be made over a period of time.

As far as Thriveni's condition was concerned, one of the lenders explained that a letter of commitment was a definite prerequisite and bidders could not be exempted. "It is a usual practice for banks to ask resolution applicants to provide letter of commitment," the lender said.

OSPI — which owns a 253-km pipeline connecting the site of Essar's iron ore beneficiation plant in Dabuna with the 12-million-tonne pellet plant in Paradip — is a critical asset for Essar Steel.

In fact, the Essar Steel resolution professional had petitioned before the National Company Law Tribunal (NCLT) for declaring the pipeline an asset of the steel maker.

**Lenders pick ArcelorMittal over Thriveni Earthmovers**

**Thriveni had revised its offer to ₹4,000 cr, subject to waiver of letter of commitment**

**Its original bid was ₹3,300 cr with an upfront payment of ₹8 cr, while Arcelor offered ₹2,350 cr**

**Total admitted claims from financial creditors stood at ₹2,660 cr**

**Odisha Slurry owns a 253-km pipeline connecting the site of Essar's iron ore beneficiation plant in Dabuna with the 12 mtpa pellet plant in Paradip**

The NCLT, however, in its order dated February 2018, had rejected the prayer, saying the applicant cannot claim ownership of the pipeline.

Essar Steel owns about 31 per cent in OSPI while the balance is held by India Growth Opportunities Fund (IGOF), a scheme of Srei Multiple Asset Investment Trust (SMAITT).

The pipeline began with a quick series of events on the slurry pipeline front. First, IGOF wrote to the CoC and the resolution professional requesting withdrawal from CIRP (corporate insolvency resolution process).

The pipeline is leased to Essar and the arrangement between the company and OSPI is captured in the Right to Use Agreement (RTU).

According to the IGOF, the usage charge was adequate to repay the entire debt along with interest to lenders, as well as investments made by IGOF while CIRP would result in lower recoveries. **Turn to Page 4**

## INDIA IN A GROWTH RECESSION, SAYS RAGHURAM RAJAN



India's real estate, construction and infrastructure industries are in "deep trouble," and non-banking financial companies which lend to these sectors should have their asset quality reviewed, former central bank Governor Raghuram Rajan said. There is also "significant distress in rural areas," Rajan wrote in an opinion piece in *India Today* magazine. He said India is in a growth recession, defined as an economy growing at a slow pace and where unemployment is rising. **12P**

# How Aramco's blockbuster IPO fell short of Saudi prince's wish

**WORLD'S BIGGEST IPO**

Aramco's share sale surpassed Alibaba's to become world's biggest

Amount raised (in \$ bn)

Company	Year	Amount raised (\$ bn)
Aramco	(2019)	26
Alibaba	(2014)	25
SoftBank	(2018)	21
Visa	(2008)	20
AIA	(2010)	20
GM	(2010)	18
Enel	(1999)	17
Facebook	(2012)	16
NTT Docomo	(1998)	16
ICBC	(2006)	16

Source: Bloomberg

**PROFIT KING**

Saudi Aramco's profit = Apple + Google + ExxonMobil (2018 net income in \$ bn)

Aramco	111.0
Apple	59.5
Samsung	35.1
Alphabet	30.7
JPMorgan Chase	30.7
Shell	23.4
ExxonMobil	20.8

Source: Moody's Investors Service, Bloomberg

**Mohammad Bin Salman, Crown Prince of Saudi Arabia**  
PHOTO: REUTERS



**KATE KELLY & STANLEY REED**  
7 December

Early on October 15, a group of international investment bankers delivered some unwelcome news to top executives of Saudi Arabia's giant oil company, Saudi Aramco.

The bankers, gathered at Aramco's headquarters in Dhahran, reported that global investors weren't as bullish on the company's initial public offering (IPO) of stock as the officials had expected, said two people who were in the room and three who were briefed on the meeting. That meant Aramco appeared unlikely to reach the \$2-trillion valuation wanted by Saudi Arabia's crown prince, Mohammed bin Salman.

Instead, a banker from JPMorgan Chase, presenting on behalf of the group, explained that investors viewed Aramco as worth \$1.1 trillion to \$1.7 trillion.

Aramco

executives, who hadn't seen the news coming, were angry. Saudi Arabia was counting on the IPO to attract foreign investment to help diversify its economy away from oil. An Aramco IPO valuation reduced by forecasts of weakening global demand for oil and geopolitical jitters could hurt that effort.

On Thursday, Saudi Aramco priced the IPO at 32 riyals, or \$8.53, a share, valuing the company at \$1.7 trillion. The offering is expected to raise \$25.6 billion — a fraction of the \$100 billion that Prince Mohammed originally imagined. The company's shares are set to begin trading on Wednesday on Saudi's stock exchange, known as the Tadawul.

The result was not what Saudi officials had in mind. Rather than being listed in New York or London, shares of Aramco are being sold primarily to investors in Saudi Arabia and in neighbouring countries. Some of the international banks hired to underwrite the deal have instead taken on secondary roles, with the IPO share sales being overseen by two Saudi banks and the British bank HSBC.

"The Aramco IPO was meant to be Saudi Arabia's debut ball to global investors," said Karen Young, a resident scholar at the American Enterprise Institute. "Instead, it will be more of a family reunion."

According to interviews with a dozen

underwriters, strategists and others briefed on the IPO, who spoke on the condition of anonymity to discuss confidential negotiations, Aramco's journey from private to public company was an unwieldy and at times fractious deal-making process. It involved 25 banks, three financial advisors, numerous Aramco company officials, at least two Saudi government committees and the crown prince himself.

The idea to sell shares in state-owned Aramco, the world's most profitable company, which for decades has been an engine of the Saudi economy, was foundational to Prince Mohammed's Vision 2030 plan to modernise that economy. Released in 2016, that blueprint helped vault Prince Mohammed, then the deputy crown prince, to become the heir apparent to his father, King Salman. JPMorgan, Morgan Stanley and HSBC were brought in to start the long process of preparing the company for sale to public investors.

The IPO was initially proposed to take place in 2018, but then shelved amid concerns over how highly the company would be valued and where it should list its shares. That year also saw Prince Mohammed come under global condemnation after the brutal killing of Jamal Khashoggi, a *Washington Post* columnist, by Saudi agents in Istanbul. **Turn to Page 4**

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