

CBIC clarifies on late GST payments

PRESS TRUST OF INDIA NEW DELHI

Interest payable on delayed payment of GST will henceforth be calculated on net tax liability and the law is being amended to give effect to it, the Central Board of Indirect Taxes and Customs (CBIC) said on Saturday. Amid concerns over its recent directive to field formations to begin recovery of about ₹46,000 crore of unpaid interest on delayed GST payment, the CBIC, in a series of tweets, clarified that the Centre and several State governments had prospectively amended the GST Acts to collect interest on net tax liability. GST laws now permit interest calculation on delayed GST payment on the basis of gross tax liability. This position has been upheld in the Telangana HC's decision dated April 18, 2019.

Credit growth gaining momentum: Das

Budget proposals won't stoke inflation as government is maintaining fiscal prudence, says RBI chief

PRESS TRUST OF INDIA NEW DELHI

Amid concerns over the economic slowdown, RBI chief Shaktikanta Das on Saturday said credit growth momentum is picking up and ruled out any possible spike in inflation due to Budget proposals as the government is maintaining 'fiscal prudence'. After the first meeting of the RBI Board post the 2020-21 Budget presentation, Mr. Das also expressed hope that transmission of rate cuts would improve further.



Finance Minister Nirmala Sitharaman with RBI Governor Shaktikanta Das in New Delhi on Saturday. ■KAMAL NARANG

Budget discussed

The meeting, which was also addressed by Finance Minister Nirmala Sitharaman, discussed various Budget proposals. "The direct inflationary impact of any Budget is the fiscal deficit number, when borrowing goes up; but the government has adhered to the principle

of fiscal prudence. [Taking into account] the 'escape clause' under the FRBM Act, the deficit number in the current year as well as the next year are very much within the parameters set as per FRBM committee recommendations," Mr. Das said. Facing revenue shortage, the government raised the fiscal deficit target to 3.8% of the GDP for 2019-20 in the

Budget, from the 3.3% pegged earlier. The government has utilised 'escape clause' under the Fiscal Responsibility and Budget Management (FRBM) Act, which allows the Centre to breach its fiscal deficit target by 0.5 percentage points in times of severe stress in the economy. Speaking on the inflationary impact of the Budget proposals, Mr. Das said,

"The good part of the government borrowing is also budgeted to come from small savings. Therefore, I don't see much of an inflationary impact."

Lower oil prices helpful

"Declining crude prices definitely have positive impact on inflation... The main reason for the spike in inflation is because of food inflation, mostly milk, fish, and various protein related items. Core inflation has slightly edged up because of revision of telecom tariffs," he added.

Retail inflation based on consumer price index (CPI) soared to a near six-year high of 7.59% in January, surpassing the Reserve Bank of India's comfort range primarily on account of rising vegetable and food prices.

Similarly, wholesale prices-based inflation accelerated to a 10-month high of 3.10% in January, mainly due

to costlier food articles, particularly onion and potato. On moderating credit growth, Mr. Das said there are signs of uptick and the momentum is gathering pace.

"Credit flow is slowly and steadily reviving... we do hope and we do expect the credit flow to improve in the coming months," he added. Credit flow from all sources - banks, domestic market and external commercial borrowing - has improved to ₹7.5 lakh crore, he said, adding nearly ₹6 lakh crore flow has happened between October and January to the commercial sector.

"Without that, if you look at bank credit to the commercial sector, it was actually a negative growth at the end of September by about ₹1.3 lakh crore or so. Now it is plus ₹2.7 lakh crore, the latest number we have at the end of January," he said.

Liquidation remains high in NCLT cases

Out of 1,351 closed cases, only 190 cases were resolved; average haircut was 57%

SPECIAL CORRESPONDENT MUMBAI

More than half of the cases admitted to the National Company Law Tribunal (NCLT) are being liquidated as recovery through resolution continues to elude creditors, latest data released by the Insolvency and Bankruptcy Board of India (IBBI) showed.

A total of 3,312 cases were admitted in the insolvency courts till the end of the third quarter of the financial year, of which 561 were during the Oct-Dec period. This was the second highest number of cases admitted in a quarter after the July-September period of the current financial year when 565 cases were admitted.

Out of a total of 1,351 closed cases, 780 or 58% were closed through liquidation and only 190 cases or 14% were resolved with an average haircut of 57% on admitted claims.

Riches To Rags

Barring a few, almost all resolutions in the third quarter of FY20 had a haircut of over 60%. A look at the status of cases admitted under corporate insolvency resolution

Quarter	No. of corporates undergoing resolution at the beginning of the quarter	Admitted	A	B	C	D	No. of corporates undergoing resolution at the end of the quarter
Q2 FY20	1,243	565	23	18	32	153	1,582
Q3 FY20	1,582	561	14	4	30	134	1,961
Cumulative total		3,312	246	135	190	780	1,961

A: Appeal/ review | B: Withdrawal under section 12A | C: Approval of Resolution Plan | D: Commencement of Liquidation

Source: IBBI, Kotak Institutional Equities

For the third quarter, haircuts for cases resolved were high, around 88%.

"Barring a few cases, almost all resolutions in 3QFY20 had a haircut of over 60%," Kotak Securities said in a note to its clients.

"A high number of liquidated cases and duration of resolution remain primary concerns," the note said.

The number of cases admitted in the NCLT has been

increasing, with 561 cases admitted during the October-December period. Out of the total number of cases admitted, 50% were filed by financial creditors.

"This reflects the increasing pivotal role played by this body in resolution of stressed assets despite the introduction of a new circular from RBI in June 2019 which removed the clause that made it mandatory for

cases to be admitted to IBC," Kotak Securities said.

Of the 182 cases which were closed in the third quarter, 30 cases were resolved while 134 cases faced liquidation.

The note also pointed out that the average duration of resolution was over 350 days for all resolved cases till December, while more than 30% of cases have crossed 270 days.

Banks will pay a price if a telco files for bankruptcy, says SBI

'Onus of ensuring compliance with SC order lies with DoT'

PRESS TRUST OF INDIA NEW DELHI

SBI Chairman Rajnish Kumar on Saturday said banks will 'have to pay the price' in case any telecom firm files for bankruptcy, a day after the Supreme Court made it clear that telecom companies will have to pay the ₹1.47 lakh crore in past dues.



Rajnish Kumar

The chief of the country's largest lender State Bank of India (SBI) said it is in the 'wait-and-watch mode' and the onus of ensuring telecom companies' compliance with the Supreme Court order lies with the Department of Telecommunications (DoT) under the govern-

ment. "If there is a negative impact on any enterprise, it impacts a larger ecosystem, whether it is banks, whether it is employees, whether they are vendors, consumers, so everybody gets impacted. So, that impact,

when it comes, we will have to pay the price," Mr. Kumar said, when asked about the impact on banks if telcos move towards bankruptcy.

He added that the closure of any corporate impacts the country's economy and, therefore, the endeavour is to prevent the shutting down of any enterprise.

Asked if any telco account is currently classified as non-performing asset (NPA), he said there were two accounts - Aircel and RCom - that went into bankruptcy. Besides, he said SBI will not pass on the burden of the hike in premium of deposit insurance to its customers.

Move fully to BS-VI, vehicle makers told

PRESS TRUST OF INDIA NEW DELHI

An automobile dealers' body on Saturday asked vehicle manufacturers to shift wholesale despatches to BS-VI compliant vehicles only, with the Supreme Court refusing its request to extend deadline for sale and registration of BS-IV vehicles beyond April 1.

The Federation of Automobile Dealers Associations (FADA) said considering the long downturn that has lasted well over a year now and the current dynamic demand situation, selling 100% of the BS-IV vehicles currently in stock with its members by March 31 was a tough task.

'Higher offtake in plans with additional coverage'

Focus is on plans with riders: Kotak

SPECIAL CORRESPONDENT COIMBATORE

Kotak Mahindra Life Insurance is seeing higher offtake of plans with riders (additional coverage) in the last one-and-a-half months.

Subhasis Ghosh, senior executive vice-president and head of Marketing and Group Insurance, Kotak Mahindra Life Insurance, told The Hindu here recently that the life insurance industry launched the 'Sabse Pehle Life Insurance' campaign in December. The position that Kotak has taken is to focus on plans with riders.

While customers have the option to choose just the base plan, there are products with riders such as critical illness and accidental disability. Between April

and December last year, 60% of the customers had taken plans with value adds. In the last one-and-a-half months, this had increased to 75%. The company has 243 branches across the country and Tamil Nadu is its third biggest market.

Online sales Mr. Ghosh said its online sales is expected to grow two to three times next year and group insurance has seen consistent growth of 30% year-on-year.

The company has a full-fledged team that is working on the "mass market" segment, where Kotak has tied up with direct money transfer companies. This is mainly for workers who do direct money transfer, he said.

JLR unveils new Land Rover Discovery Sport

R-Dynamic diesel priced at ₹61 lakh

SPECIAL CORRESPONDENT MUMBAI

Jaguar Land Rover India has launched the new model of its luxury SUV Land Rover Discovery Sport which is available in the S & R-Dynamic SE derivatives.

The new Discovery Sport is offered with BS-VI compliant 183 kW Ingenium Turbocharged Petrol powertrain and 132 kW Ingenium Turbocharged Diesel powertrain options.

The company has announced the delivery of the diesel-powered Land Rover Discovery Sport, which is priced at ₹57.06 lakh for the S derivative and ₹60.89 lakh for the R-Dynamic SE trim.

Start of deliveries of the petrol-powered Discovery Sport will be subsequent to



Rohit Suri

the start of diesel versions and will be announced separately. Rohit Suri, president and MD, Jaguar Land Rover India, said several financing options were available for this model and one could buy a Discovery Sport at an EMI below ₹60,000 depending on the initial payment one can make.

'By 2024, half of new 3-wheelers sold will be EVs'

Cab aggregators to drive e-car sales; traction may be low for four-wheelers: Crisil

SPECIAL CORRESPONDENT MUMBAI

As much as 43-48% of new three-wheelers (excluding e-rickshaws), and 12-17% of new two-wheelers sold in India will be electric vehicles (EVs) by 2024, Crisil Research said in a study. But the traction may be low for four-wheelers, with only 5% of new sales likely to be EVs.

Looking at demand, supply and policy growth drivers for EVs such as battery costs, government subsidy and charging infrastructure, the study said that faster adoption of two-and three-wheelers would be a function of cost.



Typically, electric scooters are cheaper to run compared with ICE scooters. And e-autos are cheaper to both own and run compared with their ICE counterparts. "Supply will also be a critical factor for adoption. The top five electric two-wheeler manufacturers are expected

to increase their capacity for electric variants from 0.4 million units in fiscal 2020 to over 3 million units by fiscal 2024. And in three-wheelers, even incumbent original equipment manufacturers are launching e-autos at a rapid pace.

But low-speed, four-seater e-rickshaws are fast emerging as an alternative to e-autos because of being 30% cheaper," said Hetal Gandhi, director, Crisil Research.

But, sales of personal e-cars will remain low due to high acquisition and ownership costs, in the absence of demand incentives. Cab aggregators, however, would opt for EVs as these will pro-

vide better operational economics and subsidies.

A cab aggregator e-car that runs 50,000 km a year, for instance, can save about ₹1.65 lakh a year compared with ₹35,000 for a personal e-car that runs 10,000 km a year. The study added that in commercial vehicles, subsidies to State transport undertakings will drive sales of electric buses for intra-city operations. But poor public charging infrastructure will impact adoption.

Crisil Research expects the landed cost of the lithium ion battery, a key driver of EV adoption, to fall in line with an expected drop in global prices by fiscal 2024.

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VISVESVARAYA JALA NIGAM LIMITED (Government of Karnataka Enterprise) Office of the Executive Engineer, VJNL, Upper Bhadra Project Division No.9 Sira. Phone: 08135-276101 E-Mail: ubpee09@gmail.com

CORRIGENDUM-1 On behalf of the Managing Director, Visvesvaraya Jala Nigam Limited Bengaluru, the undersigned had invited the tender on Turnkey Basis in two cover system through e-procurement portal of Govt. of Karnataka from eligible Contractors for the work of filling up of tanks in Sira taluk, Tumkur District under the Jurisdiction of Division, No.09, Sira office under Upper Bhadra Project.

Karnataka Renewable Energy Development Limited (A Government of Karnataka Undertaking) # 39, "Shanthigruha", Bharath Scouts & Guides Building, Opp.The Chief Post Master General Office, Palace Road, Bengaluru-560 001. Tel:080-22207851

e-TENDER NOTIFICATION (Through e-procurement) Karnataka Renewable Energy Development Limited (KREDL) has invited tender through e-Procurement for Operation & Maintenance of 0.50 MW wind power project at Mavinahunda wind farm, Raybagh Taluk, Belagavi District for a period of 36 months under Two Cover System from the manufacturers of wind turbine generators/expertise firms in performing O&M works of WTG's of such capacities.

BRUHAT BENGALURU MAHANAGARA PALIKE Office of the Executive Engineer, Project South, South Zone Office Complex, 9th Main, 9th Cross, Jayanagara 2nd Block, Begaluru - 560011 No.: EEP(S)/E-Procu/26/2019-20 Date : 15.02.2020 INVITATION FOR TENDER (IFT) (TWO COVER SYSTEM) (Through GOK e-Procurement Portal only)

SOUTHERN RAILWAY SIGNAL & TELECOMMUNICATION / MADURAI DIVISION E-TENDER NOTICE No. U-SG-12-2019-20 Dated 13.02.2020 Senior Divisional Signal & Telecommunication Engineer, Southern Railway, Madurai Division for and on behalf of The President of India invites E-Tender for the following work as per detailed tender notice given in our e-tender portal www.ireps.gov.in.

Sl. No.	Name of the work	Date of closing
1.	Provision of 10 line display board in Madurai (Main & Western entry), Dindigul and Tirunelveli and 5 line display boards in Madurai Division (Virudhunagar, Sengottai, Tenkasi, Karaikudi, Rameswaram, Palani, Kovilpatti, Ramanathapuram and Tuticorin)	05.03.2020
2.	Provision of E1 convertor to improve redundancy of Networking arrangement to BPAC working in Tiruchchirappalli - Rameswaram section, Replacement of defective EMC box and derivation joint Virudhunagar - Tenkasi and Manamadurai - Rameswaram section, Painting of signal assets in Punalur - Quilon section.	05.03.2020
3.	Hiring of TATA SUMO / TAVERA (Non-AC) for the official use of Senior Section Engineer/Signal/Palani for a period of Two years.	25.02.2020
4.	Hiring of TATA SUMO / TAVERA (Non-AC) for the official use of ADSTE/TEN for a period of Two years.	25.02.2020
5.	Hiring of TATA SUMO / TAVERA (Non-AC) for the official use of DSTE/SW/MDU and ADSTE/MDU for a period of Two years.	25.02.2020