

## AT-1 bonds write-down: Yes Bank debenture trustee moves high court

PRESS TRUST OF INDIA  
NEW DELHI, MARCH 9

AXIS TRUSTEE Services Ltd, a debenture trustee of Yes Bank, Monday petitioned the Bombay High Court against the RBI's proposal to write-down additional tier-1 (AT1) bonds. The petition is likely to be taken up for hearing by a division bench of Justices K K Tated and S K Kotwal this week.

The debenture trustee has sought relief against the proposal made by RBI as part of its plan to rescue the private sector lender, which has been put under a moratorium last Thursday.

Meanwhile, Yes Bank's RBI-appointed administrator Prashant Kumar on Monday said he is hopeful of the moratorium on the private sector lender being lifted by Saturday. "We are hopeful that we will be able to work around, where the moratorium will be lifted by this weekend," he said, making it clear that moratorium lift-off and the capital raising plans are "unconnected".

## SBI providing 'unfair public subsidy' to Yes Bank owners: Khemka

ENSE ECONOMIC BUREAU  
NEW DELHI, MARCH 9

IN A letter to Prime Minister Narendra Modi and Reserve Bank Governor Shaktikanta Das on Monday, IAS officer Ashok Khemka raised several objections to the draft reconstruction scheme for revival of Yes Bank, arguing that State Bank of India (SBI) is providing an "unfair public subsidy" to existing owners of the private lender using the wealth of SBI shareholders.

Calling the protection of existing common equity Tier 1 capital a "scam", Khemka said the total capital of Yes Bank should be written down permanently, before bringing in public money in any form. "Yes Bank, like IL&FS, DHFL, PMC, is not a case of genuine business loss. The losses are due to fraud by its promoters, directors, management and overlooked by regulators, auditors, credit rating agencies, trustees and other statutory intermediaries," he said, calling for action against such entities. He said licences of auditors,

Ashok Khemka called the protection of existing common equity Tier 1 capital a "scam"

credit rating agencies and trustees responsible must be suspended or cancelled. "Promoters committing fraud must be declared individually bankrupt and their personal wealth seized to repay creditors and depositors," the bureaucrat suggested.

Last Friday, the Reserve Bank of India unveiled a reconstruction scheme under which SBI would be acquiring a 49 per cent equity stake in the Yes Bank, pumping in around Rs 10,000 crore in the troubled lender. The reconstruction plan also includes permanently writing down the Additional Tier 1 capital of Rs 10,800 crore raised by Yes Bank.

The RBI, which gave time till Monday for public comments on the draft plan, is hopeful of finalising the reconstruction plan for the private bank by the week's end.

## INFY CHAIRMAN ASKED TO MAKE PRESENTATION AT GST MEET Plan resolution for GSTN glitches within 15 days: FinMin to Infosys

ENSE ECONOMIC BUREAU  
NEW DELHI, MARCH 9

POINTING OUT the technical glitches faced during peak filing hours of goods and services tax (GST) returns and the "tardy" progress of resolution despite repeated concerns, the Finance Ministry has now asked Infosys to submit a resolution plan within 15 days.

Infosys chairman Nandan Nilekani has also been asked to make a presentation in the upcoming GST Council meeting slated for Saturday.

In a letter to Infosys dated March 5, the Ministry said that some of the problems highlighted as early as 2018 are still unresolved and failures month after month lead to genuine taxpayers "getting frustrated".

"It is requested to go through the pending issues, day-to-day disruptions and the future road map and come up with a plan for

### PROBLEMS FROM 2018 YET TO BE RESOLVED

■ In a letter to Infosys dated March 5, the Ministry said that some of the problems highlighted as early as 2018 are still unresolved and failures month after month lead to genuine taxpayers "getting frustrated"

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the IT backbone of the indirect tax regime

■ The Ministry said that such glitches on the portal lead to an unhealthy tax compliance requirement more so when on account of such disruptions some taxpayers end up becoming liable for payment of late fee and interest

quick resolution within 15 days. Infosys has set high international standards and it is expected that the efficiency which your organisation is known for should be visible in the GST project also," the Ministry said in the letter to the IT company.

Some of the issues highlighted in the letter include multiple cache failure and long period of recovery, configuration issues, ear-

lier pending request to scale up the server capacity, wrong computation of late fee for annual return for financial year 2017-18, wrong credit of transition credit and transition issues to the new GST registration system for union territories of Ladakh and Jammu & Kashmir.

The facility for Aadhaar verification of new and existing registrations is also yet to be created,

the letter noted.

The Ministry said even though the GST system has been in operation for the last 30 months, there have been instances of taxpayer complaining about facing issues in filing returns in the last two days of the filing of returns (for GSTR-1 and GSTR-3B).

"It is noticed that MSP (Master Service Provider) M/s Infosys have been repeatedly asked to take timely action and to identify the root cause of issues after each event and taken corrective action. However, the problem still persists," it said.

Infosys has developed software for GST Network, the IT backbone of the indirect tax regime. When contacted, Infosys refused to comment. The Ministry further said that such glitches on the portal lead to an unhealthy tax compliance requirement more so when on account of such disruptions some taxpayers end up becoming liable for payment of late fee and interest.

## 'Quick resolution of Yes Bank crisis to keep sector contagion at bay'

ENSE ECONOMIC BUREAU  
NEW DELHI, MARCH 9

GLOBAL RATING agency S&P on Monday said a quick resolution of the Yes Bank crisis will keep India's banking sector contagion at bay but there could be a possibility of wider economic pain in the country as credit markets tighten. Also, any delay in, or uncertainty about, the implementation of the central bank-anchored resolution plan may roil markets, it said, calling for better governance standards at banks.

The RBI on March 5 superseded Yes Bank's board for 30 days on ground of a "serious deterioration" in its financial position and the absence of a viable revival plan. On the same day, the government imposed a moratorium on the bank up to April 3. During this period, the ordinary withdrawal by a depositor of Yes Bank is capped at Rs 50,000.

The central bank then unveiled a draft reconstruction scheme on March 6 for the capital-starved Yes Bank, under which State Bank of India is expected to buy up to 49 per cent in the country's fourth-largest private lender.

"Many mutual funds hold Yes Bank securities, including subordinated debt and AT-1s. A depreciation in the value of these instruments would hurt credit funds, potentially triggering capital outflows"

S&P GLOBAL RATINGS

"Quick resolution of Yes Bank's insolvency will keep bank-sector contagion at bay, though it poses pain for investors in bank hybrid securities. As credit markets tighten, we also see a possibility of wider economic pain in the country," S&P Global Ratings said.

"Many mutual funds hold Yes Bank securities, including subordinated debt and AT-1s. A depreciation in the value of these instruments would hurt credit funds, potentially triggering capital outflows. This could widen spreads and drain the credit available to lower-rated entities," it added. The report said the government has historically not allowed commercial banks to fail and has in the past swiftly stepped in to address trouble. FE

## 'AT-1 bond exposure of investors to Indian banks at ₹93,000 cr'

PRESS TRUST OF INDIA  
MUMBAI, MARCH 9

INVESTORS HAVE total bets of over Rs 93,000 crore on the additional tier-1 bonds in Indian banks and a complete write-down proposed in the Yes Bank restructuring may lead to risk aversion, as per a report by rating agency Icr.

The report comes two days after IndusInd Bank virtually dropped a plan for the issue of the AT-1 bonds by deferring a board meet following the Yes Bank package by the Reserve Bank of India (RBI), implementation of which is set to erode investments.

As part of the SBI-led restructuring package announced by the RBI, there is a proposal to write down the entire outstanding on AT-1 bonds, which has been pegged at Rs 8,695 crore by Icr on Monday. Investors have reportedly approached the banking regulator seeking help.

The proposal is "likely to further increase the risk aversion of investors as the investors will factor in a higher probability of write-downs on these bonds", Icr said in the report.

Appetite for future issuances and also the investor base for fu-

The rating agency said the proposal to write down the entire outstanding on AT-1 bonds is "likely to further increase the risk aversion of investors as the investors will factor in a higher probability of write-downs on these bonds"

ture issuances will take a beating because of the move, it said.

A total of Rs 93,669 crore of AT-1 bonds is outstanding as on date (Rs 84,574 excluding Yes Bank), of which Rs 39,315 crore will be in private banks (Rs 30,620 crore excluding Yes Bank).

The largest outstanding is with SBI at Rs 27,432 crore, followed by ICICI Bank at Rs 10,120 crore, while the immediate call option is coming up for Bank of Baroda on a Rs 400 crore bond, it said. Most of these bonds were issued in 2016-17 and 2017-18 with first call option after fifth year from issuance, which means large bonds are due for call in 2021-22 and 2022-23.

## AS PER INTERIM REPORT RELEASED BY ETHIOPIAN INVESTIGATORS Ethiopian Airlines crash: 'Software pushed jet's nose down four times'

ASSOCIATED PRESS  
ADDIS ABABA, MARCH 9

SOFTWARE DESIGNED to stop an aerodynamic stall activated four times as Ethiopian Airlines pilots struggled to control their Boeing 737 Max 8 shortly before the jet slammed into the ground on March 10, 2019.

That's one of many findings in an interim report on the crash released Monday by Ethiopia's Aircraft Accident Investigation Bureau. The report came out just a day before the one-year anniversary of the crash, which killed all 157 people on board.

The report makes safety recommendations and gives clues to the cause, but an analysis won't be done until the final report, which is expected later this year. The software called MCAS pushes the nose of the plane down. That touched off the pilots' desperate struggle to regain control of the plane. The report also blames a faulty sensor reading that led to the cascading events that brought the plane down. And it says that pilots should have received simulator training on what to do if the flight-control system malfunctions.

One of Boeing's biggest selling points for the Max was that it was



US Representative Angie Craig (centre) with Paul Njoroge (right), who lost his wife and three children, as Michael Stumo (left), who lost his daughter, before the start of a House Transportation subcommittee hearing on aviation safety, on Capitol Hill in Washington, on July 17, 2019. AP file photo

essentially the same as older 737s and therefore no simulator training was needed to switch to the new aircraft. Boeing said in a statement Monday that it is providing technical assistance to support the probe. "We look forward to reviewing the full details and formal recommendations that will be included in the final report from the Ethiopian Accident Investigation Bureau," it said.

According to the report, the pilots de-activated MCAS and tried

to control a stabiliser on the tail manually to point the nose back up. But their air speed was 575 miles per hour (925 kilometers per hour), which some experts believe put too much force on the stabilizer, making manual movement nearly impossible.

About five minutes and 43 seconds after takeoff, the pilots apparently reactivated MCAS, and the plane descended despite the pilots exerting force to bring the nose up.

## NCLAT upholds Competition Commission order on Adani Gas for 'abuse of dominant position'

PRESS TRUST OF INDIA  
NEW DELHI, MARCH 9

The NCLAT has upheld the fair trade regulator CCI's order, holding Adani Gas Limited (AGL) "guilty of abuse of dominant position" while supplying piped natural gas to industrial customers in Faridabad.

However, a two-member NCLAT bench headed by Chairperson Justice S J Mukho-

padhaya reduced the quantum of penalty from four per cent of the average annual turnover of the relevant three years to one per cent, observing that it would be "commensurate with and proportionate to the level of proved abusive conduct of AGL".

Competition Commission of India (CCI) had on July 3, 2014 imposed a penalty of Rs 25.67 crore on AGL after finding its Gas Supply Agreement (GSA) had impose unfair conditions on the

complaints of Faridabad Industries Association.

CCI had also directed AGL to cease and desist from indulging in conduct found to be in contravention of the provisions of the Competition Act.

This was challenged by AGL before the NCLAT, which is an appellate authority over the CCI. Faridabad Industries Association, an informant before CCI, also appealed before the tribunal. The National Company Law

Appellate Tribunal (NCLAT) found AGL's GSA imposed unfair conditions on industrial customers of Faridabad.

"Having found that AGL, being the only supplier of natural gas and there being no gaseous substitute for the same, we find that AGL abused its dominant position qua the Industrial Customers by imposing unfair conditions upon the buyers under GSA as it existed in original form," the bench said.

## RBI's LTRO for ₹25K cr gets bids worth ₹48,856 crore

PRESS TRUST OF INDIA  
MUMBAI, MARCH 9

THE RESERVE Bank on Monday said it has received Rs 48,856 crore of bids in the fourth long-term reverse repo operation (LTROs) conducted for an amount of Rs 25,000 crore with a 3-year tenor. The RBI received 37 bids in the LTRO with a reversal date on March 7, 2023.

"The total bids that were received amounted to Rs 48,856 crore, implying a bid to cover ratio (i.e., the amount of bids received relative to the notified amount) of 2," RBI said in a release.

It allotted an amount of Rs 25,021 crore, with a pro-rata allotment percentage to 51.18 per cent. Last week, the RBI received Rs 1.719 lakh crore in the LTRO conducted for an amount of Rs 25,000 crore with a 3-year tenor. It conducted two LTROs with three-year and one-year tenors for Rs 25,000 crore each on February 17 and February 24, respectively.

## Twitter, Elliott ink deal to add new 3 directors; Dorsey to remain CEO

SVEA HERBST-BAYLISS & SUPANATHA MUKHERJEE  
BOSTON/BENGALURU, MAR 9

TWITTER INC on Monday reached an agreement with Elliott Management that lets Jack Dorsey stay as CEO and adds three new directors a few days after Elliott's plan to push out the social media company's chief became public.

Elliott's head of US activism, Jesse Cohn, and private equity firm Silver Lake's co-chief executive officer Egon Durban, will join the social media site's board immediately and the company plans to appoint a third new director soon. Silver Lake also will invest \$1 billion in Twitter. The agreement brings together hedge fund Elliott, which owns a \$1 billion stake in Twitter, and Silver Lake in an unusual arrangement that lets Dorsey continue to lead the company, for now, and sidestep a potentially nasty proxy contest.

"While our CEO structure is



In reaching the agreement, Elliott Management keeps a close eye on Twitter CEO Jack Dorsey. Reuters file photo

unique, so is Jack and so is this company," Twitter's lead independent director Patrick Pichette said in a statement.

Twitter shares were up about 0.4 per cent on a day of heavy selling on Wall Street. In reaching the agreement, Elliott keeps a close eye on Dorsey while also giving the company more time to formulate long-term plans and repair missteps, people familiar with Elliott's thinking said. REUTERS

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**ENGINEERING DEPARTMENT CHANDIGARH ADMINISTRATION U.T., CHANDIGARH**

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The Executive Engineer C.P. Division No.6, U.T. Chandigarh invited online the Percentage rate tenders on behalf of the President of India from eligible reputed contractors/agencies fulfilling the eligibility criteria mentioned below which shall be uploaded and received on http://tenders.cnd.nic.in/niceep.

Sr. No.	Name of Work	Estimated Tender Amount	Earnest Money	Time Limit	Last Date of Submission of Bid	Date of Opening of Tender
1.	CONSTRUCTION OF 216 NOS. TYPE-II HOUSES AT CHANDIGARH ARMED POLICE COMPLEX, VILLAGE DHANAS, U.T. CHANDIGARH (COMPOSITE WORK).	a) Civil Component: Rs. 40,99,40,700/- b) PH Services Rs. 5,50,70,920/- c) Electrical Installation: Rs. 1,87,86,233/-	Rs. 58,37,979/-	18 Months	25.03.2020 11.00 A.M.	25.03.2020 12.00 P.M.
		<b>Total: Rs. 48,37,97,853/-</b>				

Sd/-  
Executive Engineer, C.P. Division No. 6, 2nd Floor, Additional Deluxe Building, Sector 9-D, U.T., Chandigarh. Ph. No. 0172-2740094, E-mail: xencp6@gmail.com

## Niti CEO to Trai: Set floor price for phone calls, data

PRESS TRUST OF INDIA  
NEW DELHI, MARCH 9

NITI AAYOG CEO Amitabh Kant on Monday came out in support of fixing minimum rates for mobile calls and data, saying there is no other option due to heavy debt of the telecom sector and unsustainable fall in prices.

At present, telcos are free to decide on call and data rates but due to stiff competition they have sought regulatory intervention.

Mobile subscribers get access to 4G data at a price as low as Rs 3.5 per GB but if the floor price is fixed as demanded by telecom operators, the mobile internet prices will rise 5-10 times from the current level.

Debt-ridden Vodafone Idea has proposed that the minimum price of data should be fixed at Rs 35 per GB, Bharti Airtel has proposed minimum price of Rs 30 per GB for low data users and Reliance Jio wants it to be priced gradually to Rs 20 per GB.

## EU again requests WTO to set up dispute panel against India

PRESS TRUST OF INDIA  
NEW DELHI, MARCH 9

THE EUROPEAN Union (EU) has again requested the WTO's trade dispute settlement body to set up panel for a case against India's import duty on certain ICT products like mobile phones and components. India has earlier blocked the first request from the EU for the establishment of a dispute panel.

"Now, this issue of request from the EU for the establishment of a panel will be considered in the next meeting of the dispute settlement body on March 30. This is the EU's second request," an official said. On March 5, India expressed its disappointment with the EU's request for the establishment of a panel as New Delhi believed that consultations held with the EU on May 21, 2019 were constructive and India was able to address the concerns raised by the EU by adequately explaining its measures on tariff treatment on certain goods in the ICT sector.

## BRIEFLY Union Bank cuts MCLR by 10 basis points

Mumbai: Union Bank of India Monday announced reduction in its marginal cost of funds-based lending rate (MCLR) by 10 basis points across all tenors, effective March 11. This is the ninth consecutive rate cut announced by the Mumbai-based bank since July 2019. It reduced one-year MCLR to 8 per cent from 8.10 per cent, according to a release. The overnight MCLR has been revised to 7.55 per cent, while the new one-month rate stands at 7.60 per cent, the bank said.

## Cognizant names Archana Deskus to board

New Delhi: Cognizant Monday said Archana Deskus has been appointed to its board of directors as independent director. "...on March 5, 2020, Archana Deskus was appointed to its board of directors as a new independent director, effective immediately," Cognizant said. PTI

## Japan economy shrinks to 7.4% in fourth quarter

Tokyo: Japan's economy shrank more than initially estimated in the fourth quarter, by the most since the 2014 sales tax hike, exacerbating economic fears at a time when the impact of the coronavirus outbreak is in creating recession risks in the world's third-largest economy shrank an annualised 7.1 per cent in the quarter ended December, revised data showed on Monday.

## Australia sues FB, alleges user data breach

Sydney: The Australian privacy regulator filed a lawsuit against Facebook Inc, accusing the social media giant of sharing the personal details of over 300,000 people with political consultant Cambridge Analytica without their knowledge. The suit sought unspecified damages, adding that each breach of privacy law could draw a maximum penalty of Australian \$1.7 million. REUTERS

## CP Group to buy Tesco's Thai, Malaysia stores

Bangkok: British supermarket chain Tesco has agreed to a \$10.6 billion deal to sell all its stores in Thailand and Malaysia to companies belonging to the CP Group, Thailand's biggest conglomerate. CP is controlled by the Charavanont family, listed by Forbes magazine as Thailand's richest outside of the country's royal family. AP