

'SELF-ASSESSMENT CAN'T BE PERMITTED EVEN IN WILDEST DREAMS'
SC slams Centre, warns telecom operators over AGR dues: Payment timeframe of 20 yrs unreasonable

PRESS TRUST OF INDIA
NEW DELHI, MARCH 18

3 KEY POINTS

1 The Supreme Court said all managing directors of telecom companies will be personally responsible and held for contempt of court for any such future write-ups hiding the truth

2 A Bench of Justice Arun Mishra, Justice S A Nazeer and Justice M R Shah refused to take up the Centre's plea for allowing telcos to pay AGR dues in 20 years, saying the application will be taken up after two weeks

3 The Bench said it will summon the secretary and desk officer of the DoT who permitted telecom companies to do self-assessment of AGR dues

"Exercise of self-assessment of AGR dues by telecom companies cannot be permitted even in wildest dreams," it said.

The court said serious fraud was being committed by telecom companies by asserting to do self-assessment of AGR dues and that its judgment was final and to be followed in letter and spirit.

"We will be party to fraud if we allow self-assessment of AGR dues by telecom companies," the bench said, adding, it cannot permit encroachment of its powers by allowing self-assessment.

The court also said that newspaper articles will not be able to influence its decision and it will draw contempt proceedings against the managing directors of telecom companies if they publish "fake news" against court on payment of AGR dues.

"Any future newspaper article hiding truth from public on telecom case will make MDs of telcos personally responsible," the bench said.

The SC had on October 24 last year ruled that the statutory dues need to be calculated by including non-telecom revenues in AGR of telecom companies. It had upheld the AGR definition formulated by the DoT and termed "frivolous" the nature of objections raised by the telecom service providers.

the Department of Telecommunications (DoT) who permitted telecom companies to do self-assessment of AGR dues.

'Stressed NBFC sector relying more on banks for borrowings'

Facing difficulties in raising money from the capital market, NBFCs are relying more on banks to meet their funding requirements, according to Care Ratings



Investments in corporate debt paper of NBFCs held steady at ₹1 lakh crore in January 2020, and the percentage share fell to 6.2% as against 6.5% in November 2019 and 7.7% in July 2018

● NBFCs ARE STRUGGLING TO RAISE FUNDS FROM THE CAPITAL MARKET DUE TO HIGHER COST AND LACK OF AVAILABILITY OF FUNDS

34.7% Banks' lending to non-banking financial companies (NBFCs) registered a growth of 34.7 per cent from September 2018 to January 2020

₹7.37 LAKH CRORE Banks' advances to NBFCs stood at Rs 7.37 lakh crore as of January 2020 compared to Rs 5.47 lakh crore in September 2018. The figures do not include funding made available to NBFCs by banks

● NBFCs' BORROWING PROFILE HAS CHANGED SIGNIFICANTLY FROM CAPITAL MARKET INSTRUMENTS TO BANK BORROWINGS

via securitisation route (direct assignment and pass through certificate), which amounted to Rs 1.70 lakh crore in 2018-19 alone

4.7% The percentage share of funds deployed by mutual funds in commercial papers (CPs) of NBFCs in January 2020 stood stable at 4.7 per cent of debt AUMs (lowest since July 2018), while the amount held was Rs 0.7 lakh crore

Borrowing from MFs through CPs and corporate debt stood at ₹1.69 lakh crore as at end-January 2020 from ₹2.25 lakh crore in September 2018

Source: Care Ratings/PTI

₹8,415 CR OF YES BANK'S AT-1 BONDS WRITTEN DOWN AS PART OF REVIVAL
Despite being ineligible in offer document, retail investors were sold ₹1K cr of AT-1 bonds

Over 20 individual investors reveal they were lured into breaking their FDs and investing in the bonds

SANDEEP SINGH & SUNNY VERMA
NEW DELHI, MARCH 18

EVEN AS Yes Bank sold its unsecured perpetual subordinated Basel III compliant additional tier 1 (AT-1) bonds worth nearly Rs 1,000 crore to retail investors, a close look into the offer documents of the two bonds issued in 2016 (Rs 3,000 crore) and 2018 (Rs 5,415 crore) by the bank shows that the application form did not have retail and high net worth individuals (HNIs) as an investment category. In fact, the offer document said that resident individual investors are not eligible to participate in the offer.

Both the offer documents for 2016 and 2018 read, "The following class of investors are not eligible to participate in the offer: Resident Individual Investors, Foreign Nationals, any related party over which the Bank exercises control or significant influence, Persons resident outside India (except FPI & NRI), Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the

Yes Bank ops resume; all banking services available for customers

Mumbai: Yes Bank on Wednesday said it has resumed operations, and all its banking services are available for its customers now after the Reserve Bank of India lifted the moratorium. "Our banking services are now operational. You can now experience the full suite of our services. Thank you for your patience and co-operation," the lender tweeted. "We have made adequate precautions... all our ATMs are full with cash all our branches have adequate supply of the cash," Yes Bank Administrator Prashant Kumar said on Tuesday.

Yes Bank branches will open one hour earlier at 08:30 hours from March 19 to 21, 2020. **ENS**

partners, Hindu Undivided Families through Karta..."

According to the offer document, the ten categories of investors that were eligible to invest in the bonds were 1) financial institutions 2) insurance companies 3) provident, gratuity, pension & superannuation funds 4) regional rural banks, 5) mutual funds, 6) companies, body corporates 7) trusts, association of persons, societies 8) FPIs 9) NRIs and 10) scheduled commercial banks or co-operative banks.

Even as the bonds were not meant to be sold to resident indi-

viduals, Yes Bank branch officials sold it to individuals through various financial institutions.

Several individuals that *The Indian Express* spoke to said Yes Bank officials lured them into breaking their fixed deposits (FDs) and invest in these bonds stating that the bond offered 10.5 per cent and was equivalent to FD, as the money was getting invested into bank's bonds itself.

Documents accessed from the investors show that Yes Bank branch officers acted as agents on behalf of large financial institutions which then sold these bonds to retail investors in

the secondary market. Madhu Patni, a Gurgaon-based retired senior citizen, said while she was looking for an FD which provides monthly interest income, the Yes Bank branch officers coaxed her into buying these bonds explaining that these are at par with FDs. She said each bond was worth Rs 10 lakh and she was given a total of seven bonds worth Rs 70 lakh having 10.50 per cent annual coupon. While the sale of bonds in her case was arranged by the Yes Bank branch, their seller is Reliance Financial Ltd.

Email sent to Yes Bank did not elicit any response. Discussions with over 20 individual investors reveal that they were sold AT-1 bonds as being similar to FDs but offering higher rate of return. Sajal Sethi, a Delhi-based businessman, said he along with his family bought bonds worth Rs 1.5 crore and there seems to be no recourse now.

"Even in December, we went to Yes Bank branch, asking our bonds to be redeemed. But the branch officials kept assuring us that there is no reason to worry," Sethi said. "It's only later that we realised that these bonds do not

have any maturity date and are perpetual," he said.

A senior citizen from Noida, who asked not to be named, said many of his family members have in aggregate bought 48 bonds worth Rs 4.8 crore, and are now in tatters as they cannot get their money back. "We were looking for assured interest income. And this was pitched to us as that. We never realised a bank will not pay us our money back."

Ashish Garg, a Noida-based service professional, said he was sold these bonds at a premium by the bank, which said these were for select customers and a minimum of five bonds need to be bought. "Yes Bank sold us Rs 10 lakh worth of bond at Rs 10.50 lakh," he said. "In January, when the branch officers told me that bonds can be redeemed only at a discount, as there were no buyers, I said you pay me 70 per cent of the value. But even that did not come through," Garg added.

These investors said that till January, they were regularly receiving interest payments on these bonds, but they never realised that these "can be written down fully."

NCLT approves another 90-day extension for Jet insolvency process

ENS ECONOMIC BUREAU
NEW DELHI, MARCH 18

THE INSOLVENCY process for grounded Jet Airways will be extended for another 90 days till mid-June. The National Company Law Tribunal (NCLT) on Wednesday allowed the extension which was sought by the airline's resolution professional.

The 270-day deadline for the insolvency process ended on March 15. FE last week reported that the process had come to a standstill without concrete resolution plans from potential buyers.

At least three parties were understood to be interested in the airline which has now been grounded for a year. Last month, a Russian government-backed fund showed interest in the airline at the eleventh hour. As a re-

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sult, the committee of creditors (CoC) to the debt-laden airline called for a third round of expressions of interest. The Colombian Synergy Group, which had earlier submitted an informal plan conditional on assurance of the airline's slots in London and Amsterdam, did not take things forward. Jet Airways ran out of funds to continue operations in April

BRIEFLY

Consulting agency to boost Startup India

New Delhi: The Department for Promotion of Industry and Internal Trade (DPIIT) will rope in a consulting agency to support it in effective and on ground implementation of initiatives for startups. The department has floated a notice inviting request for proposal (RFP) from interested agencies.

Volkswagen drives in T-Roc SUV in India

New Delhi: Volkswagen India on Wednesday said it has launched new SUV T-Roc in the country at an introductory price of Rs 19.99 lakh (ex-showroom). The model comes with 1.5 litre petrol engine mated to a seven-speed DSG gearbox.

RIL takes over some debt liabilities of Jio

New Delhi: Reliance Industries Ltd Wednesday said it has taken over some of the debt liabilities of Reliance Jio Infocomm following approval from the Ahmedabad Bench of the NCLT. The company neither disclosed the name of the creditors nor the quantum of liabilities.

Create SWF to save equity market: Garg

New Delhi: The government should create a Sovereign Wealth Fund (SWF) by transferring its stake in PSUs as well as some unlisted firms to stabilise the Indian equity market and reorganise the disinvestment programme amid the coronavirus pandemic, according to former finance secretary Subhash Chandra Garg.

Karan Bajwa is India MD for Google Cloud

New Delhi: Google on Wednesday said it has appointed former IBM executive, Karan Bajwa as managing director of Google Cloud in India. He will be responsible for driving all revenue and go-to-market operations for Google Cloud's portfolio that includes Google Cloud Platform and G Suite, a statement said. Google Cloud's field sales, partner and customer engineering organisations in India will also report to him. **PTI**

Pradhan: Subsidised LPG price hiked by ₹35.55 in 5 months

PRESS TRUST OF INDIA
NEW DELHI, MARCH 18

THE PRICE of subsidised cooking gas (LPG) has been hiked by Rs 35.55 per cylinder in the last five months, Union Petroleum and Natural Gas Minister Dharmendra Pradhan said Wednesday.

As per government policy, LPG all over the country is available only at market price. However, households are entitled to buying 12 cylinders of 14.2-kg each at a subsidised rate in a year.

The government transfers the subsidy amount directly into the bank accounts which the beneficiaries use to buy LPG at the market price. The subsidised LPG price has gone up by Rs 35.55 per cylinder since October.

In a written reply to a question in the Rajya Sabha, Pradhan said domestic subsidised LPG in Delhi was priced at Rs 538.95 per cylinder on October 1, 2019, and this month it costs Rs 574.50.

He did not give any reason for the price increase. While non-subsidised or market priced LPG has varied from month to month based on benchmark international rates, subsidised LPG prices have been raised every month by Rs 4 per cylinder plus taxes.

These rates, however, are no longer published by the oil market companies. To the question of whether state-owned oil marketing companies had stopped publishing subsidised gas prices, he said the price of non-subsidised domestic LPG is available at the websites of oil companies.

In reply to another question, Pradhan said non-subsidised LPG cylinder costs Rs 805.50. Household consumers are getting a subsidy of Rs 231 per 14.2-kg cylinder, he said.

COMMERCE MINISTER ON EXPORT PROMOTION SCHEMES

'India under no obligation to implement WTO's dispute panel recommendations'

PRESS TRUST OF INDIA
NEW DELHI, MARCH 18

INDIA IS under no obligation to implement the recommendations of the WTO's dispute panel on its export promotion schemes, which was challenged by the United States, as new Delhi has appealed against that order at the higher level, Parliament was informed on Wednesday.

A dispute settlement panel of World Trade Organization (WTO) in its report issued to members on 31 October 2019 has ruled that India's export-related schemes (including SEZ scheme) are in the nature of prohibited subsidies under the Agreement on Subsidies and

"Due to non-functioning of appellate body (of the WTO's dispute settle mechanism), the appeal has been kept in suspension. Till the appeal is disposed of, India is under no obligation to implement the recommendations of panel"

PIYUSH GOYAL
COMMERCE AND INDUSTRY MINISTER

Countervailing Measures and are inconsistent with WTO norms.

The panel has given a timeframe of 180 days for withdrawal of Special Economic Zone (SEZ) scheme.

India has appealed at the WTO's appellate body against this ruling.

"Due to non-functioning of appellate body (of the WTO's dispute settle mechanism), the appeal has been kept in suspen-

sion. Till the appeal is disposed of, India is under no obligation to implement the recommendations of panel," Commerce and Industry Minister Piyush Goyal said in a written reply to the Lok Sabha on Wednesday.

In a separate reply, the minister informed Parliament that India is involved in 15 trade disputes, mostly against the US, at the WTO at present.

"Currently, India is involved

in 15 disputes at the WTO, in which it is complainant in 4 and respondent in 11," he said.

The disputes where India is a complaining party are countervailing duty by the US on Indian steel products; measures by America concerning non-immigrant visas; renewable energy programmes of the US; and import duties imposed on steel and aluminium products by America.

Disputes at the WTO where India is a responding party include prohibition by the country on import of poultry and poultry products filed by the US, and import duties on certain information and communication technology (ICT) goods filed by the European Union, Japan and Taiwan.

HSBC SAID on Tuesday it appointed Noel Quinn as chief executive officer, handing the insider and interim boss the reins of Europe's biggest bank and ending months of speculation an external candidate could get the role.

Quinn, who joined HSBC in 1987, took interim charge of HSBC last August after the shock ousting of John Flint and has been auditioning for the permanent job since, despite media reports that chairman Mark Tucker preferred an external candidate.

HSBC picks Noel Quinn as new CEO

REUTERS
LONDON, MARCH 18

HSBC SAID on Tuesday it appointed Noel Quinn as chief executive officer, handing the insider and interim boss the reins of Europe's biggest bank and ending months of speculation an external candidate could get the role.

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Unicredit boss Jean Pierre Mustier and incoming UBS Group Ralph Hamers were among those reported to have caught Tucker's eye.

RBI to inject ₹10,000 crore liquidity into market via OMO tomorrow

PRESS TRUST OF INDIA
MUMBAI, MARCH 18

THE RESERVE Bank will inject liquidity of Rs 10,000 crore through open market operations on Friday to maintain financial stability in the system in the wake of coronavirus outbreak in the country.

"With the heightening of Covid-19 pandemic risks, certain financial market segments have been experiencing a tightening of financial conditions as reflected in the hardening of yields and widening of spreads.

"It is important to ensure that all market segments remain liquid and stable, and function normally," RBI said in a release on Wednesday.

Accordingly, the Reserve Bank of India (RBI) has decided to conduct open market operations on March 20, 2020 (Friday) in the

RBI receives ₹27,096 crore bids in 5th LTRO

Mumbai: The RBI Wednesday said it has received Rs 27,096 crore of bids in the fifth long-term repo operations (LTROs) conducted for an amount of Rs 25,000 crore with a tenure of three years.

Earlier this week, the RBI had announced to conduct additional LTROs for up to a total amount of Rs 1 lakh crore at the policy repo rate after reviewing the current financial conditions and to further improving monetary transmission. **PTI**

form of purchase of an aggregate amount of Rs 10,000 crore of gov-

ernment securities through a multi-security auction using the multiple price method, the release added.

It will purchase securities with coupon rate of 8.20 per cent (maturity February 15, 2022); 7.37 per cent (April 16, 2023); 7.32 per cent (January 28, 2024) and 7.72 per cent (May 25, 2025).

RBI said there is no notified amount against any of these securities within the aggregate ceiling of Rs 10,000 crore set for the operation.

The result of the auction will be announced on the same day and payment to successful participants will be made during banking hours on March 23, 2020 (Monday).

Successful participants should ensure availability of requisite amount of securities in their SGL accounts by 12 noon on March 23, 2020 (Monday), it added.