SC allows NDMC to e-auction Taj Mansingh hotel

NEW DELHI, APRIL 20 /--/ The Supreme Court Thursday allowed civic agency NDMC to e-auction five-star hotel Taj Mansingh, presently being run by Tata Group firm Indian Hotels Company (IHCL), in the heart of the national capital.

A bench comprising Justices P C Ghose and R F Nariman allowed the plea of New Delhi Municipal Council (NDMC) that the Tata Group firm cannot have the right to refusal in the auctioning of the hotel. The bench, however, asked the civic body to grant six months "breathing time" to the company in vacating the hotel in case they lose out in the e-auction. The court also said that the "blemish-free" record of Tata Group firm IHCL may be taken into account by NDMC while auctioning the iconic property. The civic body had on March 3 told the apex court that it wants to e-auction the hotel. The court had earlier asked the IHCL, which challenged a Delhi High Court order allowing auction of the hotel, to file objections, if any, within a week. The IHCL had told the apex court that it was "not clear" why NDMC wanted to auction the prime property which gave the "best revenue" to it. The company had submitted that NDMC expert report suggests that the council would "lose revenue" if the hotel was auctioned to other players. The apex court had on November 21 last year directed that status quo be maintained with regard to NDMC's auctioning process of Taj Mansingh Hotel. IHCL had on November 8 last year approached the apex court against the Delhi High Court's order that cleared the decks for auctioning of the iconic property. The apex court had asked the NDMC to reconsider its decision to auction the five-star hotel in the wake of the Attorney General(AG) and Solicitor General's (SG) opinion not to initiate any such process. It had noted the fact that the opinions of both top law officers against the auctioning of the hotel was not placed before the Ministry of Home Affairs for consideration. The bench had also taken note of the fact that there was an internal opinion of top NDMC officials against auctioning process. When the bench had asked Additional Solicitor General Sanjay Jain, who was appearing for NDMC, whether the body agreed to reconsider the decision of going ahead with the auctioning process, he had replied, "No".

To this, the bench had said, "Why are you not agreeing to reconsider the decision. It is not a matter of right. Do you not want to be fair to the party who has been paying the rent continuously for 30 years." The division bench of the high court had on October 27 last year dismissed the IHCL's plea challenging the move by NDMC to auction the property, saying the company has "no right" for renewal of the licence period and NDMC was "within its power" to secure maximum consideration for grant of licence for the property located at the prime location of 1, Man Singh Road in Lutyen's Delhi. The IHCL had moved the division bench of the high court against the September 5 last year judgement of a single judge who had not acceded to the firm's request for renewal of licence for a further period, saying it was not entitled for the extension.

The property, owned by NDMC, was given to the IHCL on a lease of 33 years. The lease had ended in 2011 and the company was given nine temporary extensions since then on various grounds, with three of them granted last year itself.

Indian Hotels to participate

NEW DELHI: Indian Hotels Company on Thursday said it intends to participate in the e-auction for the Taj Mansingh property, which the Tata Group firm has been running for decades. The Indian Hotels Company Ltd (IHCL) had on November 8 last year approached the Supreme Court against the Delhi High Court's order that had cleared the decks for auctioning of the iconic hotel in the heart of the national capital. It suffered a setback on Thursday with the apex court allowing civic agency New Delhi Municipal Council (NDMC) to e-auction the property.

"We respect the decision of the Honourable Supreme Court and intend to participate in the e-auction when it is held. We stay committed to our colleagues and guests, whose loyalty and trust remains our biggest asset," a company spokesperson said in an e-mailed statement. A bench comprising Justices P C Ghose and R F Nariman allowed the plea of NDMC that IHCL cannot have the right to refusal in the auctioning of the hotel. The bench, however, asked the civic body to grant six months "breathing time" to the company in vacating the hotel in case they lose out in the e-auction. The apex court also said that the "blemish-free" record of the Tata Group firm may be taken into account by NDMC while auctioning the iconic property. The civic body had on March 3 told the apex court that it wants to e-auction the hotel. The property, owned by NDMC, was given to the IHCL on a lease of 33 years. The lease had ended in 2011 and the company was given nine temporary extensions since then on various grounds, with three of them granted last year itself. (PTI)

MP's panel calls Patel again on note-ban issue

NEW DELHI, APRIL 20 /--/ RBI Governor Urjit Patel has been asked by a parliamentary panel to appear before it again on May 25 over demonetisation issue after former prime minister Manmohan Singh prevailed over BJP MPs in the panel to call him. Interestingly, Patel was spared a grilling when he had appeared before the Parliamentary Standing Committee on Finance in January this year after Singh, who himself was RBI governor once, intervened to say that the RBI as an institution needs to be respected and Patel should not be put "odd" questions. Top sources and members of the committee said that Patel has been asked to appear again before it to brief the members about demonetisation as discussion on it is yet to be concluded.

"BJP members in the panel including Nishikant Dubey were not in favour of calling Patel to appear before the committee, but after members from opposition led by Manmohan Singh insisted, it was decided to call the RBI governor," a member said. The Committee headed by former Union minister and senior Congress leader M Veerappa Moily had in January also called finance ministry officials besides top RBI officials to discuss the demonetisation of currency notes of Rs 500 and Rs 1,000 and the impact thereof. As members could not complete their questions, the committee had decided to call RBI Governor and ministry officials again on a later date, after the Budget session. The sources privy to development said that the members in the panel are likely to ask Patel about how much money has come back into the system. The members will also inquire as to when banks' operations will be normal. (PTI)

Banks have room to lower lending rates: Patel told MPC

MUMBAI, APRIL 20 /--/ RBI Governor Urjit Patel told the Monetary Policy Committee (MPC) that there is room for banks to further cut interest rate while sounding a note of caution on inflation front in the coming months. The six-member MPC, headed by Patel, had opted for status quo on the benchmark policy rate (repo rate) on April 6.

"There is still room for banks to cut lending rates. For efficient transmission, it is important that interest rates on small savings are not out of line with interest rates on other comparable instruments in the financial system," Patel said as per the MPC minutes released by the RBI on Thursday. The weighted average lending rate of banks has come down

only by 0.85-90 per cent as against a 1.75 per cent cut in policy rates since January 2015. Lower lending rates encourage economic activities, but they also have the potential to fuel inflationary expectations. The RBI's mandate is to contain inflation without hurting economic growth.

Referring to the price situation, Patel said that notwithstanding likely favourable base-effects in the next few months, "the outlook for inflation calls for close vigilance". The vigilance, he said, was required with a view to ensuring that inflation remains closer to the target of 4 per cent.

Another member and RBI Deputy Governor Viral Acharya said that on the growth front, the remonetisation is continuing apace and many sectors of the economy are recovering steadily after the transient slowdown. "There are signs though that the recovery is somewhat uneven. Private investment, given the high indebtedness of several stressed sectors, remains a particularly weak spot," he said. RBI Executive Director and MPC member Michael Debabrata Patrar said high frequency indicators may be indicating that demonetisation affected actual output rather than potential.

"With remonetisation, therefore, the output gap may close sooner than expected perhaps at a sub-optimal level since there is slack in several industries and demand pressures could soon confront the path of inflation in the months ahead," he said. In a surprise move, the government on November 9, 2016 had demonetised old Rs 500/1000 notes with an aim to check black money, fake currency and terror financing.

RBI's PCA norm for greater regulatory action on banks: Fitch

NEW DELHI: The RBI's 'prompt corrective action' (PCA) framework suggests a greater willingness to regulatory action to address problems of struggling banks, Fitch Ratings said on Thursday. However, its implementation is only likely to be effective if it is matched by credible plans to address banks' significant asset quality issues and capital shortages, it said. The RBI has tightened the thresholds -- for capital ratios, NPLs, profitability and leverage - at which banks enter the PCA framework.

"This appears to be an acknowledgement of the significant asset quality stress in the system and that more banks are in need of regulatory intervention," the US-based agency said. It said PCA was previously viewed as an extraordinary step, which the RBI urged banks to make great efforts to avoid. That now looks likely to change. "More than half of state-owned banks would breach at least one of the new thresholds, mainly owing to high NPLs, based on their latest financial reports," it said. The gross NPAs of public sector banks have risen from Rs 5.02 lakh crore at the end of March 2016 to Rs 6.06 lakh crore in December 2016. The new PCA framework will be invoked on the basis of the banks' 2016-17 financials. The RBI has also given itself greater discretion in terms of the measures it can use to intervene in banks once they fall under the PCA framework, which suggests it has recognized a need to take corrective action at an earlier stage when banks run into difficulties. Fitch said the previous PCA, in contrast, explicitly reserved the most interventionist actions for banks that had breached more extreme thresholds. "It is possible that intervention could involve forcing banks to conserve capital, if other actions do not address problems.

The risk of non-performance on bank capital instruments may therefore have risen," it said, adding the actual impact of the new rules will depend on how the RBI uses them. The RBI has recently tightened the PCA rules requiring regulatory action on lenders if they fall short of capital or exceed bad loan limits. According to PCA framework, banks are assessed on three grounds-- asset quality, profitability and capital ratios. Not meeting the requirements in any of these parameters could lead to RBI action on banks. The actions could include stricter norms for lending, branch expansion, management change and asset reduction. "These circulars might weigh on bank earnings in the next round of reports. Should the additional disclosures reveal weaknesses that are greater than expected, there could be further pressure on the banks' Viability Ratings," the agency said.

Under the amended PCA norms the scope for possible regulatory actions has been broadened, but it remains uncertain to what extent the RBI will use the tools it has just made available, it added "The RBI may use the PCA framework to identify weak banks as candidates for mergers. State Bank of India took over five smaller lenders earlier this month, and further consolidation could be part of the overall strategy to clean up the banking system. However, mergers would also require the support of the government," Fitch said. (PTI)

BlueStone.com projects Bengal as a key market for growth

Unveils two new collections Nava & B-Iconic

EOI CORRESPONDENT

KOLKATA, APRIL 20/--/ BlueStone.com, online destination for fine jewellery, is targetting steady growth in traditional markets such as West Bengal. Kolkata recorded a 70% growth in revenue in 2016, over the previous year making it one of the top six markets for BlueStone.com.

BlueStone.com is targeting revenue of Rs 1000 crore in early 2019 and is expected to achieve profitability around the same time. The USP of the company is its design prowess, which allows it to add almost 250 new designs each month, company sources said. The company has invested heavily on designs, marketing, technology and logistics in order to strengthen its offerings and widen the customer base.

Kolkata and West Bengal is expected to achieve strong growth in the eastern region and be a significant contributor to the growth and profitability of the company. BlueStone.com also unveiled two new jewellery collections today in the city of joy, called the 'Nava Collection' and 'B-Iconic Collection', ahead of the auspicious occasion of Akshaya Tritiya. The Nava Collection is a unique take on traditional Navratna jewellery drawing inspiration from the art and architectural marvels of Hampi, which was once the epicenter of the Vijayanagara Empire in the south. The B-Iconic Collection has been designed with the BlueStone logo at the heart of the design of each piece. Through an exhaustive design journey, the logo was adapted into creating a unique "jaali" that has been incorporated into each piece of the collection. Speaking on the occasion, Gaurav Singh Kushwaha, founder & CEO of BlueStone.com, said, "Kolkata ranked among the top six markets in sales in 2016 for BlueStone. We see tremendous growth potential in this region and are delighted to launch our latest collections, Nava and B-Iconic. We will continue to build upon our key strength, which is our unique designs and use technology to provide our consumers with a seamless jewellery shopping experience."

S. N. Agrawal, General Manager, Eastern & South Eastern Railway, addressing the Regional Railway Vigilance Meet, organized by Eastern Railway and participated by Eastern Railway, South Eastern Railway, Metro Railway, Chittaranjan Locomotive Works, East-Coast Railway and Northeast Frontier Railway held at Fairlie Place, today- -EOI Piks

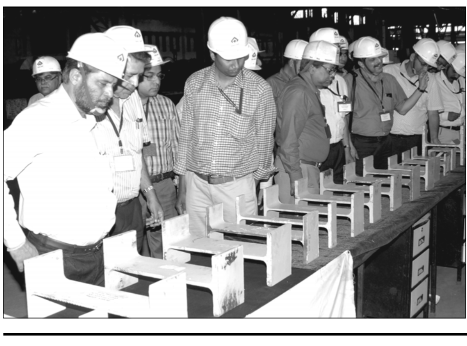
Better quality domestic coal leads to power cost reduction

KOLKATA/NEW DELHI, APRIL 20/--/ The easy availability of the quality domestic coal has started leading towards reduction in the power costs for the consumers in the country.

The downward trend is witnessed on the back of coal sector reforms initiated in the last couple of years. The initiatives to improve coal quality and efficiency in the supply chain have brought down the cost of power from coal-fired plants in spite of revisions in the prices of coal, central cess and railway freight in the last three years. Lower cost of power ultimately benefits consumers through lower tariff. As per the government data, power stations are now burning 8% less coal than they used to three years ago for each unit of electricity. NTPC which accounts for 17% of all generation capacity in the country and is the key supplier to states has reduced its coal consumption by 5.5% in 2016-17. NTPC's coal cost stood at Rs 2 per unit in 2014-15 and should have risen by 33 paise due to revisions in coal price, government cess and railway freight. Remarkably though, it stood at Rs 1.94 per unit for 2016-17. In other words, even after paying 33 paise more since 2014-15, NTPC's power costs six paise less today. There is also import substitution of over Rs 23,000 crore, which saves fuel costs.

The decline in the cost of power has accrued mainly from power stations burning less coal to generate each unit of electricity on assured quality of domestic fuel. The cost of coal alone makes up to 54%-60% of the price charged by power producers and is passed on to consumers, coal consumption has a bearing on tariffs and environmental dividend in terms of emissions. In addition to burning less coal, Government initiatives to improve the supply chain has also added to the cost reduction in power. (EOIC)

Steel customers visit IISCO Steel Plant



EOI CORRESPONDENT

BURNPUR, APRIL 20/--/ SAIL organised a visit of a group of customers to its IISCO Steel Plant at Burnpur on Wednesday to have a first-hand look at the production facility of state-of-the-art Universal Section Mill (USM). Chief Executive Officer Rajesh K Rathi complemented this joint effort with Central Marketing Organisation and called it vital to promote steel intensive designs for usage in various projects, buildings and structures.

A team of twenty eight representatives from Engineers India Limited, L&T, M N Dastur, Simplex Infrastructure Ltd, Mecon, Tata Steel, RITES, McNally Bharat, BHEL, GRSE, INSDAG, BBJ, ITD Cementation, STUP Consultants, EIS Planners & Engineers and others were part of this initiative to popularise sections produced from USM. The state-of-the-art Universal Section Mill backed by cutting edge technology from SMS Meer, Germany has an annual production capacity of 0.85 MTPA. Structural sections in various grades of Carbon Structural Steel, Low Alloy Structural Steel, Structural Steel - IS-2062, IS-8500, SAILMA, High Tensile Steel, Corrosion Resistance Steel and DMR Steel produced by the Mill has already caught the fancy of structural engineers and architects due to their unique chemical and mechanical properties.

The distinguished team of major consultants, designers and customers from various parts of the country were initially briefed on the major production facilities at Burnpur with special emphasis on the Universal Section Mill. A detailed interactive session on the various grades and types of products being offered by the Mill followed this. The delegates were explained about the benefits of Universal Sections over conventional sections. Their queries on technical parameters of the sections and their adaptability to the modern architecture were answered by a team headed by GM (Mills) Ajit Saxena and GM (PPC) Sanjeev Taneja along with DGM (USM) Tapas Chattopadhyay, GM (Long Products-CMO) Arvind Mishra, DGM (CMO) Anil Arora and other team members from the Central Marketing Organisation of SAIL.

The delegates were particularly impressed with the versatility of the product to replace most conventional sections at optimum cost. Later they visited the Universal Section Mill where they witnessed the process; starting from rolling to the finished product, and greatly appreciated the high level of precision and stringent quality parameter followed during the entire process. The visit is expected to give a fillip to ISP's contribution to SAIL's top line; both in B2B sales and retail segment.