Union Minister for Heavy Industries and Public Enterprises Anant Geete addressing a press conference on the achievements of the Ministry of Heavy Industries and Public Enterprises, during the last four years, in New Delhi ---PIB

RBI needs more powers to oversee PSBs: Guv to panel

NEW DELHI, JUNE 12 /--/ The Reserve Bank needs more powers to oversee public sector banks (PSBs), Governor Urjit Patel told a parliamentary panel on Tuesday amid mounting bad loans in state-run lenders.

The RBI governor, who appeared before the Parliamentary Standing Committee of Finance, faced tough questions from lawmakers on bad loans, bank frauds, cash crunch and other issues, according to sources. Sources said the governor assured the members that steps were being taken to strengthen the system. Regarding PSBs, he told the panel that the RBI has "inadequate" control over them. The governor asked for more powers to control the government-owned banks, said sources present at the meeting. There are 21 state-owned banks, including State Bank of India. Their combined losses crossed a whopping Rs 87,300 crore in 2017-18 fiscal, topped by scam-tainted Punjab National Bank which took a hit of nearly Rs 12,283 crore. Of the 21 state-owned banks, only two banks, Indian Bank and Vijaya Bank, posted profits during 2017-18. Indian Bank posted the highest profit of Rs 1,258.99 crore and Vijaya Bank's profit was Rs 727.02 crore in the fiscal.

Gross non-performing assets (NPA) of the entire banking sector stood at Rs 8.31 lakh crore at end-December 2017. Sources further said the RBI governor also answered queries regarding the USD 2 billion fraud allegedly committed by diamontaire Nirav Modi and his associates in the PNB. According to sources, Patel said it was impossible to look after each and every branch of a bank in terms of an audit. Some members of the committee, headed by senior Congress leader Veerappa Moily, sought to know about the reasons for recent instances of ATMs running out of cash and why enough steps were not taken to tackle banking frauds. Patel told the panel that steps were being taken to strengthen the banking system. "We are confident that we will be able to tide over the crisis," a source quoted the governor as saying with respect to the NPA situation.

On an optimistic note, Patel informed the committee that after implementation of the Insolvency and Bankruptcy Code (IBC), the situation on the NPA front has been improving.

Assures panel steps being taken to tone up banking system

NEW DELHI: Patel Tuesday faced tough questions from a parliamentary panel on bad loans, bank frauds, cash crunch and other issues even as he assured the members that steps were being taken to strengthen the system, sources said.

Sources present at the meeting of the Parliamentary Standing Committee on Finance said the RBI Governor expressed confidence of tiding over the crisis regarding non-performing assets (NPAs). Some members of the committee, headed by senior Congress leader Veerappa Moily, sought to know about the reasons for recent instances of ATMs running out of cash and why enough steps were not taken to tackle banking frauds. Patel told the panel that steps were being taken to strengthen the banking system. "We are confident that we will be able to tide over the crisis," a source quoted the Governor as saying with respect to the NPA situation. Striking an optimistic note, Patel informed the committee that after implementation of the Insolvency and Bankruptcy Code (IBC), the situation on the NPA front has been improving. There have been rising concerns about bad loans, health of various public sector banks and fallout of the the nearly Rs 13,000 crore fraud at the Punjab National Bank. TMC leader and member of the panel Dinesh Trivedi had said on Monday: "It's been long time and the RBI has still to come out with amount of the cash returned into system post demonetisation. And the Governor must share these details with the panel and I hope he will do it tomorrow."

The panel, he had said, would also ask questions about the mounting NPAs in the banking system and the Rs 13,000 crore PNB fraud, which raises doubts about the monitoring system of the RBI. (PTI)

Tata Steel's joint venture with Thyssenkrupp hits delay

LONDON, JUNE 12 /--/ Tata Steel's proposed joint venture with German steel major Thyssenkrupp is likely to be hit by delays as workers and investors questioned the viability of the current business plan. Representatives from the Tata Steel Europe European Works Council (EWC), formed to address issues of transnational interest that significantly affect the Indian steel company's employees in Europe, said in a statement this week that they remained "unconvinced" and also found Thyssenkrupp's lack of engagement with them "deeply regrettable".

"The EWC acknowledges there is an industrial rationale for pursuing this JV, but with the matters outstanding the EWC remains unconvinced that this partnership with Thyssenkrupp would be in the best interests of the TSE (Tata Steel Europe) operations and the employees we represent, the statement notes. "At this stage there are still significant gaps in our knowledge which makes it difficult to reach definitive conclusions. In particular, the financial structure of the deal remains a work in progress and there is very little available detail on the JV business plan, it notes. The statement is expected to delay the JV process, coming on the back of doubts expressed by American asset management fund Elliott Management Corp. In a recent letter addressed to Thyssenkrupp, Elliott highlighted the divergence in performance in Tata and Thyssenkrupp's steel businesses and stressed that the German firm must seek a better deal. "This significant divergence in relative valuation should be adequately reflected in the final terms of the steel JV, Elliott wrote in the letter reported by German newspaper 'Frankfurter Allgemeine Zeitung'. Thyssenkrupp CEO Heinrich Hiesinger had hoped for the JV to make significant progress by the end of this month. However, he still needs to convince the company's supervisory board to sign off on the deal and the latest developments seem to have thrown the timelines further off-track. Tata Steel said it welcomed the European Works Council's recognition of the industrial rationale for the proposed joint venture with Thyssenkrupp and the conclusion of this stage of their consultation process.

A spokesperson said: "We believe in the business plan for the proposed joint venture and we are committed to delivering the joint venture without the need for compulsory redundancies. We will continue to engage in constructive dialogue with our employee representatives throughout the process of creating the proposed joint venture.

Industrial growth rises by 4.9% in April

NEW DELHI, JUNE 12 /--/ Industrial output expanded by 4.9 per cent in April this year, spurred by higher growth in manufacturing and mining sectors. The industrial growth, measured on the Index of Industrial Production (IIP), was 3.2 per cent in April last year. In March this year, industrial production had grown at 4.4 per cent. As per the data released by the Central Statistics Office (CSO), the manufacturing sector, which constitute more than 77 per cent of the index, recorded a growth of 5.2 per cent in April, up from 2.9 per cent in the year ago month. The mining sector too expanded by 5.1 per cent, up from 3 per cent in April 2017. The growth in power generation however slipped to 2.1 per cent in April this year, from 5.4 per cent in the year-ago month.

Retail inflation inches up to 4.87% in May

NEW DELHI: Retail inflation inched up to 4.87 in May on increase in prices of certain items in the food basket, as per the government data released on Tuesday. Based on the Consumer Price Index (CPI), the inflation was at 4.58 per cent in the preceding month April. In May last year, it was 2.18 per cent. As per the data of the Central Statistics Office (CSO), food inflation rose to 3.10 per cent last month, as against 2.8 per cent in April. The price data is collected from selected towns by the Field Operations Division of NSSO and from selected villages by the Department of Posts. The data is received through web portals, maintained by the National Informatics Centre. (PTI)

Govt wants to ease process of purchasing ethanol: Pradhan

LUCKNOW, JUNE 12 /--/ Oil Minister Dharmendra Pradhan has promised to ease the process of purchasing sugarcane-extracted ethanol for doping in petrol, a move that will help farmers get better price for the crop and cut the country's dependence on oil imports.

Pradhan, on a visit to the city to promote bidding for city-gas distribution licences, said, "For this, based on co-ordination, a way will be evolved. There is a provision of ethanol blending up to 10 per cent. In the coming days, there will be immense possibilities about use of ethanol. The farmers will also benefit from this in a major way." Just like crude oil is treated as basic raw material for making petrol and diesel, Pradhan wanted ethanol to be given the same treatment. Meanwhile, Uttar Pradesh government officials said that 50 acres of land has been shortlisted in Gorakhpur for a proposed ethanol project. "Work on this will start soon," Pradhan added. The state government also raised the issue of biomass energy project in Sitapur.

Uttar Pradesh Chief Minister Yogi Adityanath asked Indian Oil to expedite work on hydrocarbon projects in Deoria. (PTI)

'Indian decision to increase tariff on apples to hit US growers'

WASHINGTON, JUNE 12 /--/ A bipartisan group of about a dozen influential lawmakers Tuesday said the recent Indian decision to increase tariff on apples from 50 per cent to 80 per cent would hurt growers of the fruit in America.

The lawmakers also alleged that India was abusing rules of the World Trade Organization (WTO). On May 28, India notified the WTO that it plans to raise its tariff before June 21 on apples from the already very high level of 50 per cent to 80 per cent. India describes this increased tariff as retaliation for the US Section 232 tariffs on aluminium and steel. "In our view, India, like China and other countries, is abusing WTO rules by unilaterally retaliating in this way without authorisation, and we urge you to confront such abuses," a group of about a dozen Congressmen from Washington State alleged in a letter to US Trade Representative (USTR) Robert Lighthizer. "As the second largest market to date this season, an 80 per cent tariff on apples entering India would have a grave impact on Washington's growers," the lawmakers said.

For this season, more than 7.7 million boxes valued at more than USD 118.3 million have been shipped to India.

JSW Cement Inaugurates railway siding at Salboni for cargo

KOLKATA, JUNE 12 /--/ Cement has inaugurated a railway siding to cater to the incoming and outgoing cargo of its 2.4 MTPA cement manufacturing unit at Salboni in West Bengal. The 6.5 km-long railway siding will connect the manufacturing unit to the main railway line between Godapiasal and Salboni, the company said in a statement on Tuesday.

"In cement business, logistics accounts for 30-35 per cent of the cement cost and to be cost effective, we are continuously working on various levers to reduce this cost. "This railway siding is a step in this direction. Access to markets in the east would be economically feasible," JSW Cement managing director Parth Jindal said in the statement. The state-of-the-art manufacturing unit produces eco-friendly PSC cement for the eastern markets including West Bengal, Jharkhand, Bihar and northern Orissa.

Liquor & fuel should not come under GST: Telangana fin minister

HYDERABAD, JUNE 12 /--/ Telangana Finance Minister Etela Rajender Tuesday said the state would suffer huge financial losses if the Centre brings petrol and diesel under the ambit of Goods and Services Tax (GST). Speaking to reporters on the sidelines of a programme, the minister said Telangana differs with some of the terms of reference issued by the 15th Finance Commission.

"This (bringing petrol and diesel under GST) is not a correct decision. It would hurt the federal spirit of our country. If these products are brought under GST, state finances will be further reduced," he said. Liquor and fuel should not come under GST, he added.

States should have some independence for generating their own revenue, the minister further said. On the current prices of petrol and diesel hovering above Rs 80 and Rs 70 respectively, the minister said instead of suggesting to states to reduce VAT on the products, the central government should cut excise duty and bring prices down.

"Most of the welfare schemes are implemented by the states. We request the central government to reduce central excise, which has been continuously increased," he said, adding it is the responsibility of the Centre to reduce and give relief to common man. The minister said, "Though Telangana opted out of the recent conference in Amaravati in Andhra Pradesh held by some of the finance ministers on the changes to the terms of reference (ToR) of the 15th Finance Commission, Telangana would voice its concerns to the centre."

Punjab fin dept unearths over Rs 19cr embezzlement

CHANDIGARH, JUNE 12 /--/ The Punjab Finance Department has unearthed Rs 19.29 crore embezzlement of public funds in several state government offices, an official spokesperson said on Tuesday. He said the financial irregularity was detected during the audit of local funds, public and quasi public bodies for the financial year 2017-18.

"Any erring official/functionary found involved in such malpractices will be dealt with severely," the spokesperson said. The irregularities were found in the Improvement Trust, Amritsar; Municipal Corporation, Moga; Municipal Council, Rampura Phul; Municipal Council, Begowal; Nagar Panchayat, Mehatpur; Municipal Council, Raikot; Nagar Panchayat, Chauke (Bathinda); Municipal Council, Sri Anandpur Sahib; and several other gram panchayats. The embezzlements were detected by the local audit wing of the department, he said.

Aircel-Maxis: PC appears before ED for second time

NEW DELHI, JUNE 12 /--/ Former Finance Minister P Chidambaram Tuesday appeared before the Enforcement Directorate for the second round of questioning in the Aircel-Maxis money laundering case, officials said.

The senior Congress leader arrived at the ED's headquarter annexe office here shortly before 11 am, they said. He was summoned for today after he was first questioned on June 5 by the agency, a department that reported to him during his tenure in the Finance Ministry. The investigating officer of the case is expected to record Chidambaram's statement under the Prevention of Money Laundering Act (PMLA) today, like the last time, they added. It is understood that the agency wants to put across a fresh set of questions to him regarding the deal and decisions taken by him. The agency had recorded his statement for six hours on various aspects last time. The ED had earlier recorded statements of FIPB officials when this deal took place and it is expected that Chidambaram may be confronted with these too. Some specific queries on circumstances and procedures adopted by the now-defunct Foreign Investment Promotion Board (FIPB) while giving approval to the Aircel-Maxis deal during his tenure were reported to have been put to him last time, they said.

Chidambaram's son Karti has already been questioned by the ED in this case, twice. After leaving the ED office on June 5, Chidambaram had tweeted that all answers he gave to the probe agency were already recorded in government documents. e also had said that there is no FIR, yet a probe had been initiated. "More than half the time taken up by typing the answers without errors, reading the statement and signing it!, he had said in his tweet.

Chidambaram, also a former home minister, earlier had approached the court of Special Judge O P Saini seeking relief from arrest by the ED in the case. The court then directed the ED not to take any coercive action or arrest him till July 10 in connection with the case. (PTI)

News In Brief

SpiceJet-Amity tie-up

MUMBAI, JUNE 12 /--/ Budget carrier SpiceJet has joined hands with Amity to launch a three-year online degree course in business administration, which includes a six-month certification programme in in-flight management. The Spice Star Academy, which was launched Tuesday, will facilitate skill development for potential and aspiring cabin crew members, while also ultimately creating a resource pool of future leaders, the airline said in a release on Tuesday.

City hotel co to raise Rs 30cr

KOLKATA, JUNE 12 /--/ Kolkata-based Dream Gateway Hotels, part of realty Jain Group, will raise Rs 30.51 crore through its maiden public offer by early July to fund expansion, a top company official said on Tuesday. The company currently owns only one hotel, Holiday Inn Airport Kolkata, and the entire proposed proceeds will be invested in the existing 137 room property for further expansion following excellent response since unveiling of this property, Dream Gateway Hotels director Shrayans Jain said here. (PTI)

OPEC sees 'considerable uncertainty' in oil market

PARIS, JUNE 12 /--/ After months of sharp oil price rises there is now considerable uncertainty as to the market's direction for the rest of the year, OPEC said on Tuesday as a key meeting of oil producers looms.

Question marks over global economic growth, and resulting oil demand, as well as over US producers' capacity to pump oil at an ever faster pace make forecasting difficult, the Organization of the Petroleum Exporting Countries said in its regular monthly oil market report. Various sources show that "considerable uncertainty as to world oil demand and non-OPEC supply prevails", OPEC said, leading to a wide range of estimates for the remainder of 2018.

While economic growth is projected to be strong in the US, Europe and Japan, there is a chance of a slowdown in China and India, OPEC said. For now, global oil demand growth is expected at 1.61 millions of barrels per day (mb/d) in the second half of the year, with total oil demand projected to breach the 100 mb/d level. But uncertainty "warrants close monitoring of the factors impacting both world oil demand and non-OPEC supply that will shape the outlook of the oil market going forward", the report said. Non-OPEC suppliers include the United States where producers have returned to the business in droves, encouraged by rising prices. This will help push non-OPEC oil supply growth to 2 mb/d in the second half of the year, OPEC said. The oil price has risen steadily over the past year, with Brent crude establishing itself above USD 70 for the first time in years last month -- some 30 per cent higher than at the same time in 2017. Drawdowns "in crude oil inventories, healthy oil demand and geo-political developments have supported this rising trend," OPEC said. Today, Brent oil stood at nearly USD 76. The oil price will be a critical factor when OPEC and its partners meet in Vienna next week to decide on a possible extension of a production cut deal -- which crucially included giant producer Russia -- that has been key to the oil price recovery. OPEC kingpin Saudi Arabia in January publicly floated the idea to extend the cooperation agreement which was struck by 24 OPEC and non-OPEC producers in late 2016 to trim output to shore up prices. OPEC secretary general Mohammad Barkindo in April praised the agreement as a "great success". The oil market is on high alert ahead of the June 22 meeting, sector analysts reported, saying there were signs that Saudi Arabia and Russia would push for higher production ceilings at the meeting.