

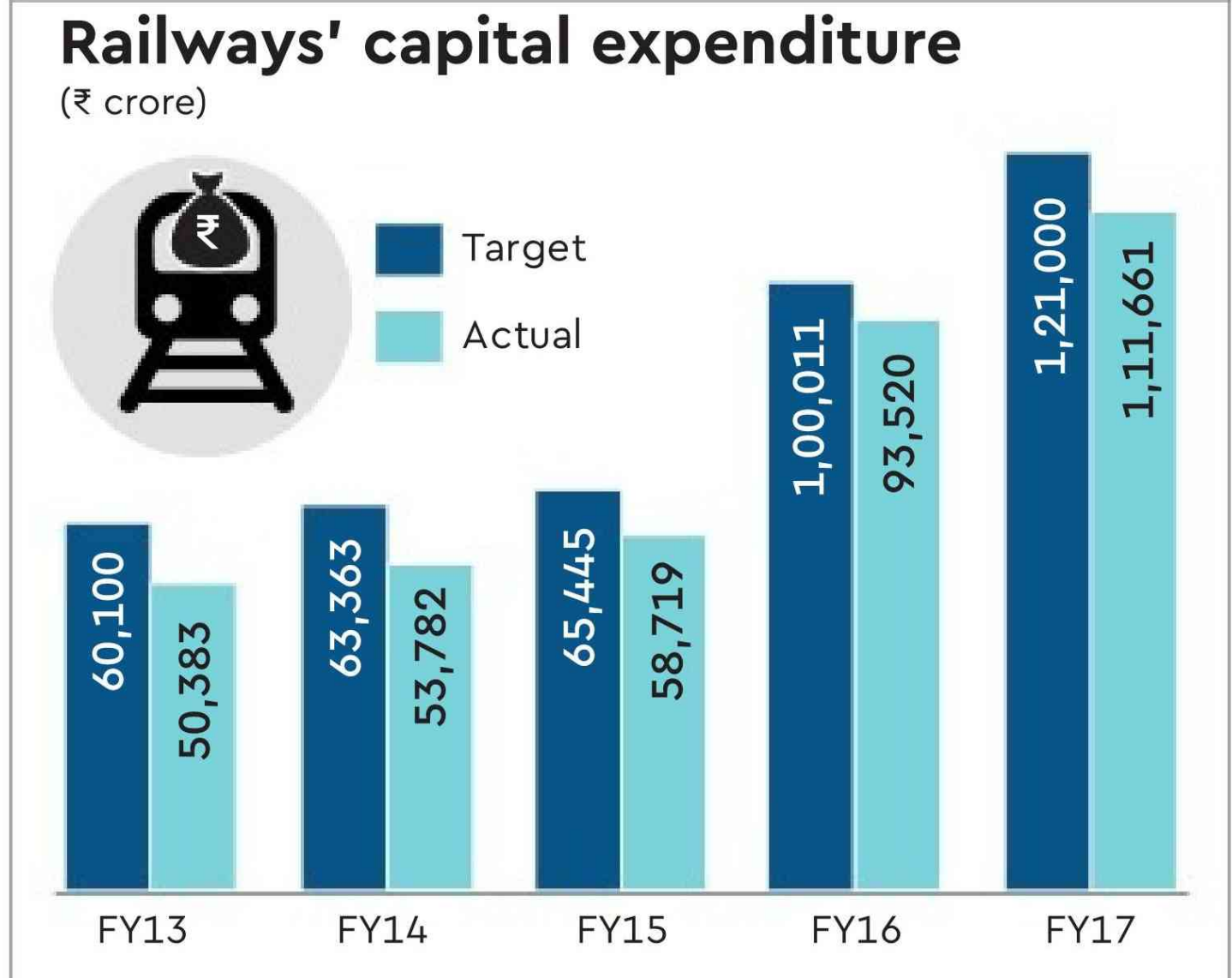
CHUGGING ALONG

Railways' capex rises 19% in 2016-17

Transporter meets 92% of target; on top of 59% jump a year earlier

SAURABH KUMAR AND PRASANTA SAHU
New Delhi, May 1

INDIAN RAILWAYS' CAPITAL investments rose 19% to ₹1.12 lakh crore in 2016-17. Coming as it does on top of a steep and unprecedented 59% surge in capex in the previous year, the transporter has indeed helped the economy's investment rate improve marginally from the third quarter of last fiscal. PSUs and some other government undertakings like the National Highways Authority of India have been the other players which have salvaged the investment climate, vitiating by a prolonged sluggishness in private investment.



IR met 92% of the 2016-17 capex target as it undertook significant expansion of tracks, traffic facilities, passenger amenities and electrification. It was the biggest investor among PSUs and other government outfits, followed by NHAI at ₹53,800 crore. The spurt in the railways' in-

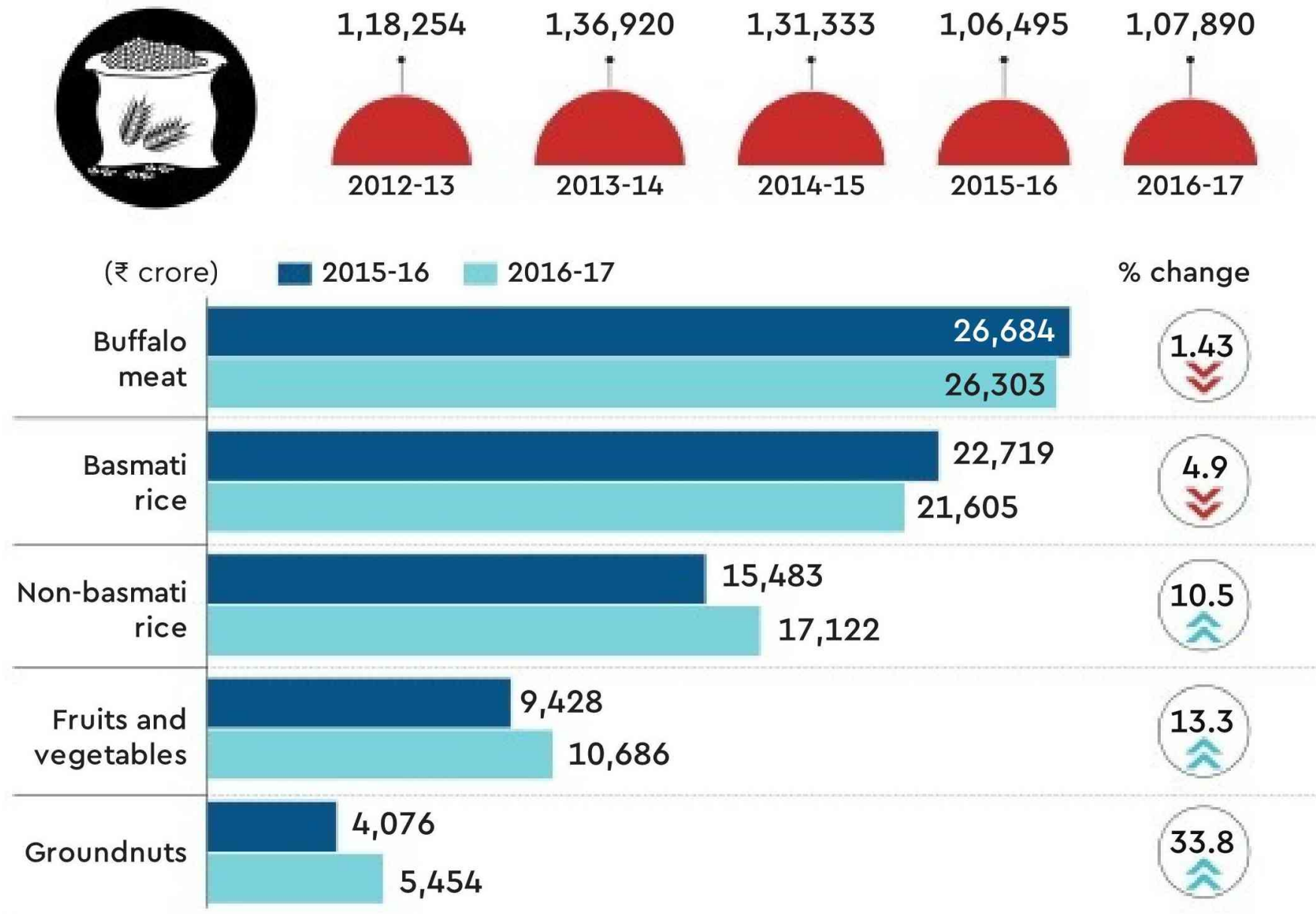
vestment, after years of stagnation, came when the Narendra Modi government gave a big boost to the carrier's capex at ₹93,520 crore in 2015-16, relying heavily on extra-budgetary resources.

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Exports of buffalo meat stay on track

Export of agricultural and processed food products

(₹ crore)



Source: APEDA

When contacted, a Cairn Energy spokesperson confirmed the company had written to “Sebi and Cairn India in relation to payment of Cairn India dividends”.

“Both Sebi and Cairn India have confirmed receipt of the letter, the spokesperson said.

Originally, Cairn Energy approached the arbitration panel in February saying India is stopping Cairn India from paying dividend.

The tribunal asked the tax department if it had stopped Cairn India from paying dividend. The tax department in its reply stated that the matter was between the two companies and it had no role to play, sources said.

When replying to that notice, the tax department had internally observed that there can be no attachment of the dividend unless formal tax demand is raised and tax is not paid.

Sources said based on tax department state-

ment, the tribunal gave its verdict that it will not intervene.

This led to Cairn Energy on March 8 stating in a press statement said the tax department has agreed to lift the freeze on being paid dividend by Cairn India, but it will continue to be restrained from selling the residual stake pending a tax dispute.

But the dividends never flowed to the company, prompting it to approach Sebi.

Cairn India replied to that letter saying it had deposited the dividend amount in a scheduled bank within five days of declaring the dividend.

However it is awaiting the advise of the revenue authorities whether dividend can be paid.

Sources said Cairn Energy also wrote to the tax authorities on why it was not clearly stating its position on freeze on dividend payments.