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BOARD TO SEEK REFUNDS FROM LENDERS

IL&FS May File Contempt Case Against 9 Big Banks

SBI, PNB, BoB, HDFC Bank, Yes Bank among banks that may face action for unauthorised withdrawals of about ₹800 cr

Shilpy.Sinha@timesgroup.com

Mumbai: The government-appointed board of Infrastructure Leasing & Financial Services (IL&FS) is likely to file contempt proceedings against nine large banks including State Bank of India, Bank of Baroda, HDFC Bank, Yes Bank, Punjab and Sind Bank, Punjab National Bank, Indian Bank and Indian Overseas Bank for unauthorised withdrawals of about Rs 800 crore during the moratorium period, said people with knowledge of the matter. It will also seek refunds, they said.

They made "unauthorised auto-deduction from IL&FS escrow accounts," in the last six months towards debt recovery, said one of them. These violated the protection granted to the financier and its subsidiaries by the National Company Law Appellate Tribunal (NCLAT), which restricted any lender from initiating recoveries, said the sources.

"Unauthorised deductions affected cash flow and it is also likely to affect timelines, which is detrimental to overall resolution framework being followed by

Counter Punch

At least **9 banks** face contempt action for withdrawing **₹800 cr** from IL&FS escrow accounts during moratorium period

They include SBI, BoB, HDFC Bank, Yes Bank, Punjab and Sind Bank, Punjab National Bank, Indian Bank and Indian Overseas Bank

NCLAT restricted any lender from initiating recoveries during moratorium

Next hearing on moratorium is on **July 12**

Banks' exposure at about **₹50,000 cr** out of **₹91,000 cr** IL&FS debt



IFIN AUDITOR'S STATEMENT TO SFIO

Auditor's Dilemma: Is Evergreening a Fraud?

BSR partner tells SFIO there was no clarity on what kind of transactions should be regarded as 'evergreening' since RBI's final report on IFIN was pending. **Rashmi Rajput & Sugata Ghosh** report. Evergreening is a ploy to mask loan default by giving new loans to help delinquent borrowers repay or pay interest on old loans. >>> 5

HUGE BUMP ON REVIVAL PATH

Two Jet Suppliers Seek to Land Airline in Bankruptcy Court

Out of Fuel

Jet Airways could be headed for bankruptcy

FIRST MOVES

Two operational creditors file bankruptcy petition against airline

Shaman Wheels and Gagar Enterprises take Jet Air to NCLT

Mumbai NCLT to hear matter on June 10

Financial creditors may have to join case if matter admitted

SOME HOPE

Banks talking to Hinduja Group & Etihad PJSC to bailout Jet

Bid process monitored by SBI Caps did not bear fruit

Lenders plan to restructure Jet loans did not take off

Tata Group backed out after showing initial interest



Hearing today; if petition admitted, fin creditors would also have to become party to the case

Saloni Shukla & Maulik Vyas

Mumbai: The Mumbai bench of the bankruptcy court is scheduled to hear on Monday insolvency petitions filed against Jet Airways by two of its suppliers, a development that could hurt the efforts of banks to cobble together a deal with investors to revive the grounded airline.

Banks have so far tried to keep Jet out of court-monitored insolvency proceedings, as sought now by the two operational creditors, as they wanted to maximise the money they could recover from the debt-ridden airline. If the National Company Law Tribunal (NCLT) accepts the pleas of Shaman Wheels and Gagar Enterprises under the Insolvency and Bankruptcy Code (IBC), these financial

creditors would also have to become party to the case to recover their money.

"We have to see what the Mumbai NCLT decides. If the petition is admitted, it's the end of the road for the airline," said a banker aware of the development. "We are not very hopeful of recovering our dues in bankruptcy as the other liabilities are much bigger than bank loans. We will have to see if other creditors will be treated on par with financial creditors."

The government and banks have been trying to find a resolution to the debt crisis since Jet started defaulting on payments five months ago, but have so far failed to come up with any concrete proposals.

ET in its May 22 edition reported that the Hinduja Group might partner with UAE's Etihad Airways to rescue the Indian airline. But, there haven't been any announcements yet. Potential investors including the Hinduja and Etihad are insisting on wiping out the equity holdings of existing investors.

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Today on

ETPrime.com

L&T-Mindtree deal: worth it?

Content monetisation is a distant dream for telcos

How binary-options platforms dupe investors

BRANDS & COMPANIES >>> 5

Inside story

Pak Shuts 13 LoC Terror Camps ahead of Watchdog Plenary

Pakistan has shut down key terror infrastructure, including over a dozen training camps across the line of control, according to sources, ahead of anti-terror watchdog Financial Action Task Force's (FATF) plenary meeting next week where it faces the possibility of being blacklisted for non-compliance. After India cranked up diplomatic pressure by reaching out to FATF member countries after the Pulwama terror attack, Pakistan was placed on the grey list and was expected to show that it has taken action on this front to avoid being blacklisted.

Pure Politics >>> 2

Incentives on Cards to Send India Inc on Tech Drive

The government could offer incentives in the form of tax breaks or subsidies to prompt India Inc to adopt a new standard that aims to drive use of new technology and digitisation. "A major initiative is being mulled to push the industry to adopt 'Industry 4.0'," a senior official said.

Economy & Companies >>> 7

ET INSTA POLL

Do you think a govt bailout of shadow banks is now unavoidable?

60% YES, 34% NO, 6% CAN'T SAY

TODAY'S QUESTION

Is conquering Indian retail possible without the help of kirana stores?

www.economicstimes.com

Made-in-India Tag for Flipkart Brands

India Kart

Flipkart's deeper 'Make in India' connect for its in-house brands

LOCAL SOURCING

100 out of **150** factories Flipkart works with located in India

Less than **50%** of electronics and furniture products now imported by Flipkart

Etailer's private labels now span 300 categories from Android TVs to apparel

Amazon too says most of its private label products are manufactured locally

Co moves big proportion of manufacturing and sourcing for in-house brands from China and Malaysia to India

Aditi Shrivastava & Alnoor Peermohamed

Bengaluru: Walmart-owned Flipkart has moved a substantial proportion of its manufacturing and sourcing for in-house brands from China and Malaysia to India over the past year, helping to cut costs and comply with the government's Make in India initiative. That's helped Flipkart reduce prices of private label products sold across 300 categories on its platform.

"About two years back, almost 100% of our electronics came from China," said Adarsh Menon, head of private label business at Flipkart. "Today, that number would be less than 50%. When we launched our furniture brand, the entire range was sourced from Malaysia

—now that's down to less than 50%." Flipkart's private brands include MarQ, Perfect Homes, Billion and SmartBuy, which contribute about 8% to the company's overall sales, sources said. According to Menon, much of the electronics and consumer durables, textiles, most high-end Android TVs, air conditioners, washing machines and smaller appliances are now being sourced from India. As much as 50-60% accessories also get sourced from India.

Move helps to reduce prices of private label products sold across 300 categories

This comes as the Indian government has been able to convince global electronics manufacturers to set up shop in the country.

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The ThinkCentre Tiny M Series desktop delivers powerful performance in a size that can fit in your desk drawer. It also carries the ThinkPad legacy of going over 200 quality checks and 12 military-grade requirements. And it doesn't stop there, with an ENERGY STAR® 7.0 and EPEAT™ Gold ratings, it's also extremely energy-efficient.



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(Left) Prime Minister Narendra Modi visits St. Anthony's Church — one of the sites bombed during the Easter suicide attacks in April — in Colombo on Sunday; (Top) Modi being welcomed at the airport in Colombo on Sunday —ANI

1ST FOREIGN LEADER TO VISIT ISLAND AFTER ATTACK

PM Modi Pays Tribute at Bombed Colombo Church

India stands in solidarity with the people of Sri Lanka, Modi tweeted

DipanjRoy.Chaudhury @timesgroup.com

New Delhi: Prime minister Narendra Modi visited a Colombo Catholic church that was bombed during the Easter suicide attacks in April showing solidarity and support for fight against terror on Sunday.

Modi's entourage took a detour to St Anthony's church on their way to President Maithripala Sirisena's office, where a red carpet military parade was accorded to the visiting leader.

"I am confident Sri Lanka will rise again. Cowardly acts of terror cannot defeat the spirit of Sri Lanka. India stands in solidarity with the people of Sri Lanka," Modi tweeted.

Modi is the first foreign leader to visit the island nations since the Easter

attacks. "My heart goes out to the families of the victims and the injured," Modi added.

Reiterating India's support to the neighbouring nation, Modi said: "I had a short but immensely fruitful Sri Lanka visit. Sri Lanka has a special place in our hearts. I assure my sisters

Assured India's full support to further strengthen bilateral partnership including via people-oriented projects...

NARENDRA MODI

and brothers of Sri Lanka that India will always be there with you and support your nation's progress. Thank you for the memorable welcome and hospitality."

Nine suicide bombers carried out a series of devastating blasts at St Anthony's Church in Colombo, St Sebastian's Church in the western coastal town of Negombo and another church in the eastern town of

Batticaloa on Easter Sunday. Three high-end hotels frequented by tourists were also attacked in what was the deadliest violence Sri Lanka has witnessed since the devastating civil war that ended in 2009.

A local Jihadi group and ISIS affiliate — National Thowheeth Jama'ath — had claimed responsibility for the attacks.

Modi's visit is an affirmation sign of India's solidarity with Sri Lanka in the wake of the deadly terror attacks. India had shared prior information with Colombo about the attack but local authorities failed to act on the intelligence.

"Happy to be back in Sri Lanka, my third visit to this beautiful island in four years," Modi said on Twitter. "Share the warmth shown by the people of SL in equal measure. India never forgets her friends when they are in need. Deeply touched by the ceremonial welcome."

After concluding his visit to Sri Lanka, Modi tweeted: "Had fruitful discussions with Prime Minister Ranil Wickremesinghe. Assured India's full support to further strengthen bilateral development partnership including through people-oriented projects in Sri Lanka."

ACTION ON LeT, JAISH-E-MOHD, HIZBUL TRAINING FACILITIES

Pakistan Shuts 13 LoC Terror Camps Ahead of Watchdog FATF's Plenary

New Delhi cranked up diplomatic pressure by reaching out to FATF after Pulwama attack

Manu.Pubby@timesgroup.com

New Delhi: Pakistan has shut down key terror infrastructure, including over a dozen training camps across the line of control, according to sources, ahead of anti-terror watchdog Financial Action Task Force's (FATF) plenary meeting next week where it faces the possibility of being blacklisted for non-compliance.

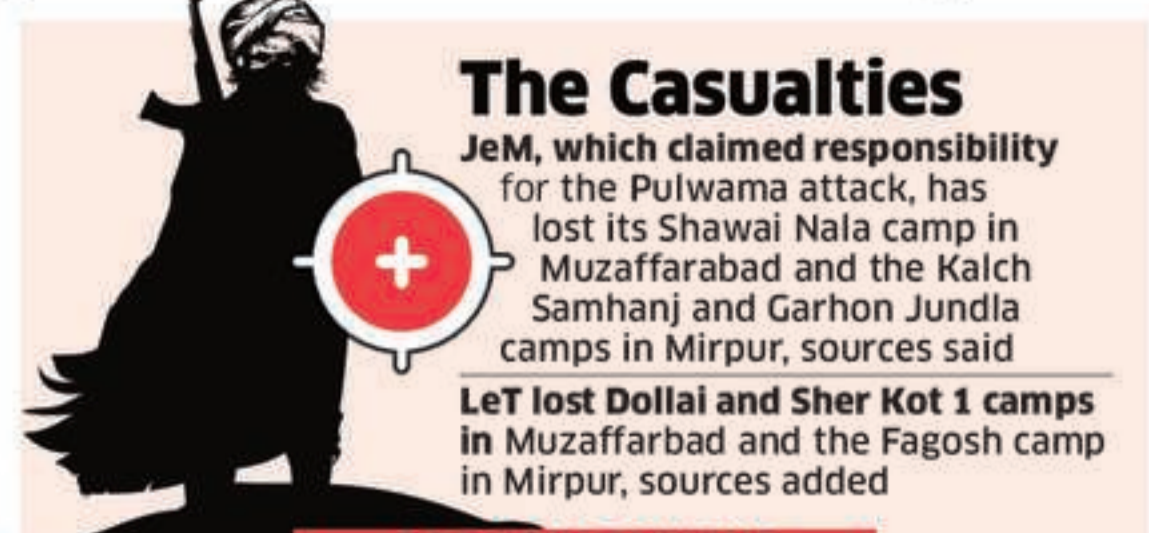
After India cranked up diplomatic pressure by reaching out to FATF member countries after the Pulwama terror attack that left 40 soldiers dead, Pakistan was placed on the grey list and was expected to show that it has taken action on this front to avoid being blacklisted, which would have a devastating cas-

cademic effect on its already broken economy.

ET has learnt that in the last few weeks, 13 terror training camps of the Lashkar-e-Toiba, Jaish-e-Mohammed and Hizbul Mujahideen in Pakistan Occupied Kashmir (PoK) have been shut down. The shutdown seems to have had an early impact on cross-border terrorism with army sources saying that infiltration has ebbed.

The JeM, which claimed responsibility for the Pulwama attack and saw most of its leadership in Kashmir being wiped out in operations since then, has lost its Shawai Nala camp in Muzaffarabad and the Kalch Samhanj and Garhon Jundla camps in Mirpur, according to sources.

Similarly the LeT, which faced big reverses after a series of successful operations by counter insurgency forces last year, have lost the Dollai and Sher Kot 1 camps in Muzaffarabad and the Fagosh camp in Mirpur.



The Casualties
JeM, which claimed responsibility for the Pulwama attack, has lost its Shawai Nala camp in Muzaffarabad and the Kalch Samhanj and Garhon Jundla camps in Mirpur, sources said
LeT lost Dollai and Sher Kot 1 camps in Muzaffarabad and the Fagosh camp in Mirpur, sources added

OPPOSING VIEWS
A possible rift within the Pak establishment with ISI wanting Kashmir-focused groups to survive the crackdown and the army and political leadership taking an opposing line

India's outreach to crack down on terror seems to have had a throttling impact on Pakistan, which sources said has charged cadres and financiers of groups that were focused on India, including the Falah-e-Insaniat, and frozen their assets since February this year.

While in the past, especially after the 26/11 attack and the parliament attack in 2001, Pakistan had

attempted to show action against terror only to go back to its old ways, this time round the crackdown is largescale as FATF member nations will demand verifiable proof to ease the pressure.

For the first time, almost all educational institutions, seminars and even hospitals of terror organisations — believed to number over 800 — have been seized.

TO COUNTER US TRADE PROTECTIONISM

India Likely to Join China-Russia Call for New Trading System on SCO Sidelines

New Delhi upset over Trump regime ending GSP benefits granted to India in 1976

DipanjRoy.Chaudhury @timesgroup.com

New Delhi: India is likely to join China and Russia in voicing reservations about US trade protectionism at the SCO summit in Bishkek this week, which will mark prime minister Narendra Modi's

maiden foreign outreach beyond South Asia in his second term.

At the Shanghai Cooperation Organisation (SCO) meeting on June 13-14, leaders of these three nations along with other member states may pitch for a "new type" of multilateral trading system based on rules, people familiar with the issue told ET.

The continuing trade war between the US and China and its impact on the global economy will be among the key talking points at the meet, one of persons cited earlier said.

China has been reaching out to India, Russia and other SCO states to unite against the protectionist trade policies of US President Donald Trump. At the summit, the leaders of

Choosing Sides

Impact of Sino-US trade war on global economy to be a major talking point at Shanghai Cooperation Organization Summit this year

China has been reaching out to India, Russia and other SCO states to unite against the protectionist trade policies of US President Trump

these nations could call for "joint resistance to any manifestations of unilateral protectionism and active cooperation with a view to forming a global economy of a new type and strengthening the multilateral trade system that is inclusive, transparent, non-discriminatory and based on rules", the official said.

Modi is expected to hold bilateral meetings with the presidents of China, Russia and other Central Asian nations on the sidelines of the summit.

The Indian government is upset over the Trump administration's announcement on May 31 that it was ending a special trade privilege granted to India in 1976 for exporting goods to the US duty-free.

CARING FOR YOUNG AND OLD



Congress president Rahul Gandhi with kids in Kerala on Sunday. Gandhi also hugged Rajamma Vavathil, a retired nurse, 49 years after she took him in her hands as a newborn at a Delhi hospital. —PTI

RSS BODY OPPOSES DISINVESTMENT

SJM Urges Centre to Support Lossmaking PSUs

Our Political Bureau

New Delhi: Swadeshi Jagran Manch (SJM) — an affiliate body of the Rashtriya Swayamsevak Sangh — on Sunday urged the government to rethink its disinvestment plans and instead support loss-making public sector enterprises (PSU).

Based on suggestions made by the NITI Aayog, the Department of Public Asset Management (DIPAM) has listed 92 PSUs for disinvestment this year. It has proposed 'strategic sale' of some companies and in others, assets (mostly immovable) are planned to be sold.

In a resolution issued on Sunday after the national council meet at Pune, the Manch specifically referred to the 'strategic sales' of the three wholly-owned subsidiaries of Air India and the broadband services and tower assets of Bharat Sanchar Nigam Limited, arguing that disinvestment of these would bleed the PSUs further.

"Similar issues are there in other strategic disinvestment proposals. SJM firmly believe that the Government should give a rethink to their recent proposals of disinvestment of 92 CPSEs as suggested by NITI Aayog".

SJM strongly urged the government

"not to go ahead with its disinvestment plan in these strategically important subsidiaries of Air India and rather support them to further expand their businesses by claiming back their businesses given to private parties earlier for example ground handling business of key airports given to AISATS, a Singapore-funded firm during UPA regime".

ET was the first to report on June 2 that the SJM was preparing to nudge the Centre against the disinvestment plans for Air India.

OTHER NEWS OF THE DAY

JDU Won't Be Part of NDA Outside Bihar: KC Tyagi



PATNA: The Nitish Kumar-led Janata Dal (United) on Sunday announced that it will not be a part of the NDA outside Bihar and will contest the upcoming assembly polls in four states on its own. The decision has been taken in order to expand the presence of the JDU and to attain the status of a national recognised party by 2020, party's chief general secretary K C Tyagi said. He was speaking to reporters here after the JDU's national executive meeting. "We want to make the JDU a national party. JDU is a recognised party in Bihar and Arunachal Pradesh," he said. —PTI

Let Modi's Flight Pass Through, Pak Requested



NEW DELHI: India has requested Pakistan to let Prime Minister Narendra Modi's aircraft fly over its airspace to Bishkek in Kyrgyzstan where he has to attend the Shanghai Cooperation Organisation (SCO) summit on June 13 and June 14, said a senior government official. Pakistan had fully closed its airspace on February 26 after an Indian Air Force (IAF) strike on a Jaish-e-Mohammed (JeM) terror camp in Balakot. Since then, it has only opened two routes, both of them pass through southern Pakistan, of the total 11. —PTI

BJP Made Tea-Seller PM, Paper Hawker President & a Simple Man minister: Sarangi



BHUBANESWAR: The BJP is a party which made a tea-seller the prime minister, a newspaper hawker its president and a man living in a hut a representative of the people, Union minister Pratap Sarangi has said. Sarangi said this on Saturday while speaking at a function here where he and Union minister Dharmendra Pradhan were felicitated by the party on their first visit to Odisha after taking over as ministers. APJ Abdul Kalam, who became the President during Atal Bihari Vajpayee's tenure, used to work as a newspaper hawker during his school days. —PTI

JOINT PARLIAMENT SESSION

President Kovind to Stress on Inclusive Growth, Jobs

President's speech likely to talk about safety, justice and equality to all citizens via empathy and empowerment

Rahul.Tripathi@timesgroup.com

New Delhi: President Ram Nath Kovind will address a joint session of both the houses of Parliament on June 20 to delve upon the outcome of the recently concluded elections for the 17th Lok Sabha. He is also likely to stress on the need for a strong and stable government with effective leadership. The inputs for Kovind's speech have been compiled by various central ministries, collated by the Union home ministry and the prime minister's office (PMO), ET has learnt.

In 2014, prime minister Narendra Modi coined 'Sabka Saath, Sabka Vikas' and in 2019, PM added 'Sabka Vishwas' to the slogan, signalling his government's intent to stand with even those who did not vote for him during the 2019 polls. President's speech is likely to convey a similar message while talking about safety, justice and equality to all its citizens through empathy, support and empowerment, a top government official told ET.

Also, the speech is likely to provide a broad framework of NDA-II along with a focus on unemployment, sanitation and national security, among other issues, officials who were part of the deliberations told ET. "From economic reforms to liberalised FDI policy to GST to Ayushman Bharat and black money, President's address will include reservation in jobs and past success of the previous government's schemes like Mudra and Ujjwala," the official added.

The opening session of the 17th Lok Sabha will be from June 17 to



THE JOBS ISSUE

As per a recent National Sample Survey Office survey, the unemployment rate in FY18 stood at 6.1%

July 26. The upper house of Parliament will be convened on June 20 after the election of the Speaker on June 19. "In terms of Article 87 I of the constitution, President Kovind will address both the Houses of Parliament assembled together in the Central

Hall of Parliament June 20. The Union budget for the 2019-20 is likely to be presented on July 5, 2019," according to an official statement.

Amid concerns over the high unemployment rate, the President's speech may try to allay fears among citizens and talk about boosting employment generation and development of new sectors to generate additional jobs and better amenities, officials said.

As per the recently released Periodic Labour Force Survey (PLFS) of the National Sample Survey Office (NSSO), the unemployment rate in FY18 stood at 5.3% in rural India and 7.8% in urban India, resulting in overall unemployment rate of 6.1%.

THIRD EYE



Moving Into Legend's Office

After news that home minister Amit Shah is likely to move to 6A, Krishna Menon Marg, the house allotted to former PM Atal Bihari Vajpayee, there is a buzz that he may also occupy the office given to the former PM in Parliament House. The room next to the BJP office there was given to Vajpayee as NDA chairperson and was used by party veteran LK Advani as NDA working chairperson. Shah also has the option of moving to the room given to Rajnath Singh as home minister in Parliament House.



Tejashwi Rarely Seen

Ever since the loss in the Lok Sabha elections, RJD leader Tejashwi Yadav is hardly seen in public. Tejashwi has been staying in Delhi for the past couple of weeks and barring once or twice, he has not gone to Patna.



Accessible Akhilesh

SP leaders feel that party president Akhilesh Yadav has lost his connect with people on the ground. Yadav is trying to change his image of being inaccessible to people. In the last couple of days, he visited the families of those who died in the hooch tragedy in UP recently. Also, he shared a picture of him buying corn from a street seller on Twitter.

Poliloquy R PRASAD



A small poribartan for you too. Make yours 'Ma, Mati, Prashant Kishor'!

SERVING THE HIGH & MIGHTY The raids were conducted following allegations that Parvez Ahmed offered loans worth crores to people recommended by politicians and placed his relatives in plum positions

State Netas may Feel Heat as Raids Intensify against Ex-J&K Bank Chief

Dalip Singh and Hakim Irfan Rashid

Srinagar | New Delhi: In a crackdown that could reach many high-profile politicians in the state, the Jammu and Kashmir government had started investigations against a web of operations surrounding former J&K Bank chairman Parvez Ahmed Nengroo.

The raids were conducted following allegations that Parvez Ahmed offered loans worth crores to people recommended by politicians, placed his relatives in plum positions, and for even diverting funds meant for the bank's corporate social responsibility (CSR) initiative for the beautification of Royal Spring Golf Course—a rendezvous of the elite.

However, officials in the state administration and police claim that the crackdown is part of the government's efforts to build a case against the People's Democratic Party (PDP) and National Conference (NC) for their alleged political intervention into the bank's functioning and the recruitments it made.

"Farooq Abdullah's name figures in the cricket scam and now Gol would make sure that through Par-

vez, Mehbooba Mufti's PDP figures in the recruitment scam in J&K Bank as well. They want to keep snakes around everybody here in Kashmir," a senior bureaucrat told ET. He stated that Nengroo's removal order should have come from the RBI and not from the state administration.

The government's move to remove Parvez Ahmed soon after the Narendra Modi-led NDA won the elections has regional political overtones as people in Kashmir see it as a Central government ploy to control institutions within the state directly. This is also seen as an extension of the debate on the Centre's attempts to deprive the state of its special status.

The vigilance department, which continued its raids on Sunday at the bank's headquarters and Parvez Ahmed's residence in Srinagar, has registered corruption cases against the bank officials and is investigating illegal appointments, fraudulent promotions, transfers and loan settlements in the bank since 2010.

THE ALLEGATIONS

Sources in the Anti Corruption Bureau (ACB), which is investigating the charges against Parvez Ahmed, said the bank was being run as Parvez Ahmed's personal fi-

eldom as he got his nephew Muzafar posted into his office immediately after taking over as chairman.

His daughter-in-law, Shazia Ambreen, was appointed as a PO and is currently heading its Hazratnagar branch. Two of his relatives—Asif Beg and M Fahim—control the HR and board affairs, including credit proposals. Faheem Nengroo and Taseen Nengroo, who are also related to him, were working in the former chairman's office, said sources aware of the investigation carried out by ACB.

The JK Bank had also recently signed an insurance deal with IFFCO TOKIO, where Parvez Ahmed's sister's son is working.

Officials sources said Shamsuddin Andrabi, a 12th pass, and brother of former state minister Farooq Andrabi and a former chief minister's relative, was appointed directly as manager and posted in JK Bank's Bhaderwah branch.

Officials close to ACB said two JK bank branches—in Kaprin Shopian and Wuyan Pulwama—operate in the premises owned by him and his in-laws.

Parvez Ahmed was also charged with indiscriminate transfer of bank staff and for that his personnel manager Aslam Gana acted as his conduit, said informed sources.

Loans worth hundreds of crores of rupees were allegedly sanctioned in brazen violation of the standard operating procedure to select persons recommended by Kashmiri politicians—Imran Ansari and Sajad Lone.

The Bureau is also looking into the siphoning of public money through CSR. Sources stated that Rs 8 crore was spent under CSR on beautification of Royal Spring Golf Course, which has no utility for common people. Investigators are also probing why the interior work of hundreds of branches were allotted to select individuals for Rs 50 lakh to Rs 1.5 crore a branch when the actual cost was only 30% of the money paid, said officials sources.

POLITICAL REACTIONS

Former chief minister Omar Abdullah took to twitter to state that the bank should not be made a victim of regional politicking between Kashmir and BJP-dominated Jammu.

"Any steps taken to improve the functioning of J&K Bank will be welcomed. But the administration of the day must guard against playing politics with the bank. It's not meant to be a trophy for regionalist politics."

Kashmir Economic Alliance Cha-

irman Muhammad Yasin Khan, who also heads the Kashmir Traders and Manufacturers Federation, said J&K Bank is the "collective asset of the people of Jammu, Kashmir and Ladakh" and that the business community of Kashmir extends full support to the top management of this premier financial institution.

WHAT LED TO THE RAIDS

Parvez Ahmed, who joined the bank as company secretary, was appointed in October 2016 by the PDP-BJP government and was sacked four months before completing his term on June 8, 2016.

The Bank and J&K Governor Satyapal Malik were at loggerheads in October last year, when the latter accused the bank of appointing employees on political recommendations. The issue was brushed under the carpet. In November, the State Accountability Commission headed by Malik took a decision that the J&K Bank will be treated as a public sector undertaking. The decision was revoked after massive political outcry and Malik clarified that the J&K Bank, which was registered as a government company under the Companies Act, was and would continue to be regulated by the Reserve Bank of India (RBI).

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3 Journalists Held for 'Defamatory' Content On Yogi

Our Political Bureau

New Delhi: Three journalists were arrested by Uttar Pradesh police on Saturday in two different cases for allegedly posting and airing defamatory content about Uttar Pradesh Chief Minister Yogi Adityanath, police said.

The arrests triggered debate over the UP police's attempts to curb free speech with political parties demanding immediate release of the scribes.

Samajwadi Party spokesperson Rajendra Choudhary said the arrests of three journalists showed the "arbitrary attitude" of the state government. "It is unfortunate and undemocratic," he told ET. "The state government must respect the freedom of expression."

In the first instance, Ishika Singh, head of a private TV channel, and its editor Anuj Shukla were arrested from Noida for holding a debate on the channel on June 6 where a woman had allegedly made defamatory statements against Adityanath, the police said.

Workers affiliated to a political party had approached the police with a complaint against the news channel for broadcasting the claims of the woman without verifying facts, a senior official said. "This could have led to a possible law and order situation," said Vaibhav Krishna, senior superintendent of police at Gautam Buddha Nagar.

The third person was picked up by Lucknow police from Delhi for allegedly sharing on social media an "objectionable" post about Adityanath. The man, identified as Prashant Kanaujia, has been booked under charges of defamation and transmitting indecent material in electronic form.

According to his social media accounts, Kanaujia was earlier associated with some media organisations and is now a freelance journalist. He was arrested over a video he shared on his Twitter and Facebook profiles. The video shows a woman repeatedly expressing her desire to marry Yogi Adityanath. The police claimed that Kanaujia's comment on the video had maligned the image of the chief minister.



Editors Guild Terms Arrests 'Misuse of Law'

New Delhi | Lucknow: The Editors Guild on Sunday condemned the "arrest" of a journalist, and the editor and the head of a television channel over alleged objectionable content related to Uttar Pradesh Chief Minister Yogi Adityanath, describing the police action as an "authoritarian misuse of laws" and an effort to intimidate the press.

"The Editors Guild of India condemns the arrest of Noida-based journalist Prashant Kanaujia and the editor and the head of a Noida-based television channel, Nation Live—Shikha Singh and Anuj Shukla—by the Uttar Pradesh government," the Guild said in a statement. "The police action is high-handed, arbitrary and amounts to an authoritarian misuse of laws," it added.—PTI

Omar Warns against Playing Politics over J&K Bank

PTI

Srinagar: National Conference vice-president Omar Abdullah on Sunday said steps taken to improve functioning of the Jammu and Kashmir Bank would be welcomed, but the administration must

guard against playing politics with the financial institution. The Jammu and Kashmir Governor's administration on Saturday removed Parvez Ahmad as the chairman of the bank and appointed its executive president R K Chibber as the interim chairman.

Ahmad's dismissal was followed by Anti-Corruption Bureau (ACB) raids at the Corporate Headquarters of the bank.

"Any step taken to improve the functioning of J&K bank will be welcomed but the administration of the day must guard against playing politics with the bank. It's called J AND K Bank for a reason.

It's not meant to be a trophy for regionalist politics," Abdullah said in a tweet.

The ACB has registered a case under Prevention of Corruption Act after receiving a complaint to look into the allegations related to illegal and fraudulent appointments made in the bank.

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Guv to Meet PM In Delhi Today Amid Unabated Killings In Bengal

Four BJP and a TMC worker were killed in violence in North 24 Paraganas on Sat

Madhuparna Das
@timesgroup.com



Kolkata: With post poll violence continuing almost unabated since the results were out on May 23, political situation and the law and order issues on the ground are becoming immensely critical in West Bengal, which also prompted the union home ministry to issues an advisory to the state and Governor Keshari Nath Tripathi to rush to Delhi. Significantly, in last 15 days 13 persons—eight BJP workers and five Trinamool Congress workers—were killed in the state.

Governor Tripathi is scheduled to meet Prime Minister Narendra Modi on Monday at 12 noon and the poll violence is likely to be discussed, said sources. The meeting is prescheduled as Governor Tripathi's tenure will be coming to an end on July 23, however, the political violence and the repercussion in the state are expected to come up in the meeting, said a senior official.

At least five people—four BJP workers and a Trinamool Congress worker—were reportedly killed in violence that broke out at a village in Sandeshkhali area in North 24 Paraganas late in the evening on Saturday. Even though, BJP leaders claimed that four of their workers were shot dead, police officials said that only three bodies of—two BJP workers and a TMC worker—were recovered while four BJP workers are still missing.

According to the locals, a group of Trinamool Congress men held a meeting at a village called Kamari in Nazat police station

ROHINGYA ANGLE

Senior BJP leader Mukul Roy claims the village was targeted on Saturday because BJP workers from the village were raising their voices against some Rohingya families

area in the district. The area comes under the Basirhat Lok Sabha constituency where Trinamool Congress candidate Nusrat Jahan won with a record margin of almost 3 lakh votes. It has been learnt from the police reports that in both number 56 in the village, TMC trailed by around 156 votes, which saw the villagers allegedly being threatened by the ruling party. On Saturday evening, the ruling Trinamool Congress was holding a meeting in the village before taking out a victory rally in the

area. In the process, as the locals claimed, a group of TMC workers started ransacking some of the houses of the BJP workers when bullets were fired and bombs were hurled and a clash broke out. A 26 year old TMC leader, Kaiyuum Mollah was killed at the spot, while the BJP workers were chasing out the TMC men. Subsequently, a clash broke out near a fish-pond where more TMC men were waiting and the villagers claimed some bodies were dumped in the pond.

Speaking to the ET, BJP leader Mukul Roy said, "The village was targeted on Saturday because BJP workers from the village were raising their voices against some Rohingya families living there whom the Trinamool Congress wanted to protect. We will write to the union home minister with all these information explaining the situation."

Jyotipriya Mallick, state minister and party's in charge of the district said, "One of our local leaders were killed as BJP goes opened fire when our workers were holding a meeting in the village. Six of our workers are still missing. BJP workers were killed in factional feud and

we do not have any connection with that."

Meanwhile, Governor Tripathi in a statement expressed concern about the violent incidents in Sandesh Khali, North 24 paraganas yesterday and other parts of West Bengal recently. "Governor Tripathi is very sad at the unfortunate loss of lives and properties of the citizens. He extends his heartfelt sympathy for the families and near and dear ones of the deceased. He appeals to all concerned to see to it that no violent incidents take place and peace and harmony prevail in the state," stated release.

A seven member delegation of BJP MPs led by party's state president Dilip Ghosh and national secretary Rahul Sinha on Sunday met the families and tried to bring bodies of BJP leaders to party head quarter for last rites. However, the party's convoy with the deadbodies was stopped at several places by police and at Minakha, police blocked the convoy that triggered another stalemate. TMC MP Locket Chatterjee said that the party would complete the last rites on the road if police not allow the bodies to be taken to the party office for tribute.

POLL VIOLENCE Centre Concerned over Killing, State Failure

Union home ministry asks state govt to maintain law and order and peace

Our Political Bureau

New Delhi: In wake of unabated post poll violence in West Bengal, Amit Shah-led Union home ministry expressed deep concerns about the violence and failure on part of the State government.

In an advisory to the Mamata Banerjee government, the union home ministry also asked it to maintain law and order, peace and public tranquility.



"The unabated violence over the past weeks appears to be a failure on the part of the law and order machinery of the state to maintain the rule of law and inspire confidence

among people, was "strongly advised" to ensure that all necessary measures are taken to maintain law and order, peace and public tranquility, the advisory said.

"It is also requested to take strict action against officials found delinquent in discharge of their duty," it said.

According to the MHA, the latest reports indicated that five persons were killed on Saturday in post-poll clashes in North 24 Paraganas district. Earlier too, there have been reports of violence in which people lost lives in various parts of West Bengal, the official said. On Sunday, five political workers—4 from BJP and one from ruling TMC were killed in violence.

NRC Additional likely to be Published on June 22

List to contain people whose names were included in the final draft NRC but were found ineligible on verification

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Guwahati: The office of the National Register of Citizens (NRC) is likely to put out a list on June 22 of people whose names were included in the final draft NRC but were found ineligible on verification.

The government is updating its list of citizens of Assam as part of efforts to tackle the problem of illegal immigrants. The first draft list was published on December 31, 2017. The final list is likely to be put out on July 31 this year. An official associated with the NRC process told ET, "The additional list will have names of



those persons whose names were included in the final draft published in July 30 last year, however, later during suo motu verification those people were found to be ineligible." This exercise is carried out as

per Section 4 (3) of the Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003, the official said. It is laid down in the NRC process that "the Local Registrar of Citizen Registration (LRCR)

may, at any time before the final publication of NRC in the state of Assam, may cause or direct to cause verification of names already in the final draft NRC if considered necessary. The verification may be carried out by LRCR

or any other officer authorised by the District Registrar of Citizen Registration (DRCR)". Applicants must submit documents to prove they or their families lived in India before March 24, 1971. Those not included in the list will have a chance to resubmit their documents. "After disposing these claims, these names will be included in the final NRC: official

Bad Weather Hits Search for AN-32



New Delhi: Airborne search operations to locate the missing AN-32 transport aircraft of the Indian Air Force could not be carried out on Sunday due to bad weather. Helicopters, UAVs and C-130J aircraft took off for the mission but landed back due to rains and bad weather, a Defence spokesperson said.—ANI

Mi-17 Crash: 2 May Face Court Martial



New Delhi: The IAF investigation into the crash of its Mi-17V5 chopper near Srinagar on February 27 is in the final stage and two officers are likely to be court-martialed. On February 27 when Pakistan counter-attacked in response to the Balakot, an IAF Mi-17 crashed over Budgam.—ANI

THE YOUTUBER GUIDE FOR NEWBIES



YouTube can be a viable career choice – provided you have the dedication and perseverance required to see it through. Don't worry if you're completely new to the idea of video content creation – it's simpler than you think. **Karan Bajaj** tells you all you need to get started

GETTING STARTED



Monetizing Your Channel

Just because you have started a channel and uploaded several videos does not mean you will start earning immediately. YouTube has a stringent policy for monetizing your channel. First, your channel needs to have 4,000 watched hours in the last 12 months. Second, you need to have at least 1,000 subscribers. Finally, you have to link a Google AdSense account to your channel. Only after this will you get the option to enable monetization. There are several ways through which you can earn money once monetization is enabled – advertising (ads in videos), super chat (fans pay to get their message highlighted) and you can also have your own branded merchandise that interested users can buy. If case you're wondering how much money you can earn, there is no exact number. On an average, you can expect to earn between \$0.5 to \$1 for every 1,000 views.

your profile picture on the top right and select 'Your Channel'. You get to give a name to your YouTube channel. If you click on the 'Customise Channel' button, you can add a description, channel art as well as your profile picture.

Editing & Uploading Videos

After you sign in, click on your profile picture and select YouTube Studio option. This is where you can upload videos and choose whether they will be public, private, unlisted or scheduled for a specific date/time. You can even import existing videos from Google Photos or go live on YouTube. While your video gets uploaded, you can add information like the title, description and add relevant tags (so that the video is easily searchable). Advanced settings include the option to allow comments, choosing a category, enabling age restriction and soon. After uploading, you will get a short URL to share the video.

Engaging With Your Video

Once your video is published, YouTube Studio helps you keep track of how it's doing using a dedicated analytics section. You can view details on how many views you got, total watch time, number of subscribers, top videos, real-time activity, traffic sources, impressions, top videos as well as a breakup of viewers on the basis of gender and age. In the comments section, you can view and respond to comments on your video. YouTube will show you which comments have been held for review and which ones are likely spam.

Creating An Account

The first step is to have a YouTube account – you can either use your existing google account or sign-up for a new one. Consider setting up a new account for your YouTube Channel because you can separate your personal emails, Google Drive storage as well as video history. Head to www.youtube.com, tap the big Sign-in button on the top left and follow the steps to create a new account.

Setting up Your Channel

Once an account is set up, you can now create a YouTube channel. Click on

EQUIPMENT

Camera

This is not too important if you're just getting started. You can either use a camera or your smartphone. A good DSLR or mirrorless camera will give you better quality and is always recommended if you're serious about it. Also, try to record and upload videos in 4K resolution for wider reach (but 1080p should be the minimum).

Tripod

Your camera/phone needs to be kept rock-steady while recording video and the best way to do that is with a tripod. There are various types of tripods available today starting ₹300 onwards. You can start with one of the Amazon Basics tripods – they give you tilt and swivel motion, adjustable height and come with travel bag.

Lights

While recording a video, be it a product or if you're shooting your own vlog, you need to have good lighting. One way to solve this issue is to shoot in daylight, but if you are shooting indoors, you need to have a good light setup. Start with LED video lights which can be mounted on a table or to your camera. Prices usually start from ₹1,200.

Microphone

Good quality audio is as important as the video and that's why it is best to get a dedicated microphone. You can get a lavalier or lapel mic to start. This will clip on to your shirt and gives you much better audio quality (with reduced ambient sounds) compared to the mic on your phone/camera. Prices start as low as ₹199. Rode and Shure make the best mics but if you're on a strict budget, consider the Boya BYM1 (₹849).

Which software for video editing?

Once you are done capturing your video, you will need to edit it. Apart from just cutting the extraneous bits, this can include adding a voiceover, transition effects and overlays. If you are using an iOS device or Mac, the free iMovie app makes it easy to do basic editing. On Android phones, you can try VideoShow Video Editor, Viva Video or Adobe Premier Rush. For desktops, Adobe Premier is great for both Windows and Mac users. Many professionals swear by Final Cut Pro on Mac. If you edit exclusively on an iPad, LumaFusion is the way to go. And if you want free software for video editing, try Blender (www.blender.org) or Shotcut (www.shotcut.org).



ET REVIEW



OnePlus 7 Pro

SPECIFICATIONS

6.67-inch Fluid AMOLED display (90Hz, 19.5:9, HDR10+), 3120 x 1440 pixels (516ppi), Snapdragon 855, 6/8/12GB RAM, 128/256GB UFS 3.0 storage, triple rear camera (48MP f1.6 OIS + 16MP f2.2 ultrawide + 8MP f2.4 telephoto OIS), 16MP f2.0 motorised pop-up front camera, stereo speakers, optical in-display fingerprint, Wi-Fi ac, BT 5.0, 4,000mAh battery (30W Warp Charge), 206 grams

The best display on a smartphone (90Hz, 2K AMOLED), superlative performance, super-fast 30W Warp charging, stereo speakers, fast fingerprint scanning

No 3.5mm, no wireless charging, no official IP rating (but it does have liquid seals)

PRICE

₹48,999 (6/128GB)
₹52,999 (8/256GB)
₹57,999 (12/256GB)

THE NEW ANDROID KING

This has the best screen we've seen on a smartphone. Combined with the crazy-fast interface and flagship hardware, this is a phone for someone who values performance and screen quality above all else

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'India is a specs-crazy nation' exclaimed a fellow tech enthusiast. We're talking about smartphones in general. And it's right from the start. Their first ever phone – OnePlus One – was being sold in sizeable numbers in India even before they officially launched. India is now their largest market while the OnePlus 7 series is the company's tenth phone (counting the short-lived OnePlus X).

The two flagship strategy is new for the company: they've launched the OnePlus 7 and 7 Pro at the same time. We think they're evolving from the upstart that sold top-spec devices at low prices to a mighty challenger that's likely to woo customers from the Apple, Samsung and Google camps. Our review is based on the 7 Pro.

It's a very attractive phone too. The curved screen and back sit well in the hand. It's heavier but feels sturdy. Sure, it has the pop-up front camera and we've seen this before on phones from Oppo and Vivo. But the bezels are just so tiny on this phone. Even the chin below the display has been shrunk down, giving you a massive expanse of screen. And what a screen it is! The screen has to be the biggest talking point here. OnePlus calls it Fluid AMOLED and it is the best display we've seen on a smartphone. It's high resolution, has support for HDR10+ (HDR videos on Netflix and YouTube are an absolute treat) and covers the DCI-P3 colour gamut. But it's the 90Hz refresh rate that has to be seen to be believed (you can't see the difference in a video since the screen you're watching it on is 60Hz).

est, fastest, most intuitive and best implementation of Android (we even prefer it to Google's stock Android on Pixel phones). There are four main things that contribute to this blazing fast feel: the latest Snapdragon 855 processor, UFS 3.0 rated internal storage (it's more than twice as fast as storage on other flagships), the 90Hz display and the Oxygen OS enhancements. Apart from being heavily optimised for speed and customisation, Oxygen now includes several extras like Zen Mode (helps you do a digital detox for 20 minutes), built in screen recorder, Wind Down (helps reduce usage at night) and a customisable Game Mode. Some India-specific features (developed by the India R&D) like Work-Life

Top end specs, a gorgeous 90Hz 2k screen and butter-smooth Oxygen OS makes the OnePlus 7 Pro an easy recommendation

Balance, Caller ID, Smart SMS and OnePlus Roaming are coming soon.

We tested the top-end version with 12GB DDR4X RAM. A common refrain is – what the heck is any phone going to do with 12GB RAM? Phones with 4GB RAM perform just fine too (and that bit is true). But with the extra RAM you have, this phone does something called RAM Boost – it uses free RAM (which is much faster than internal storage) to launch apps. So the more free RAM you have, the faster it will launch and switch between heavy games and apps.

Since this is the first Snapdragon 855 phone in India, the first phone globally with UFS 3.0 storage and the first 2K 90Hz screen in India, specs need a lot to cheer about. Performance is excellent and the numbers are off the charts.

It also has liquid cooling to keep performance stable during longer gaming sessions. This makes it one of the best phones for gaming too.

The camera is currently the weak link. We say currently because it seems like a work in progress at this point. There have been two camera updates in our time with the phone and more are likely soon. Not that it's a bad camera, just a bit short of expectations. It does well with high dynamic range, macro photography, wide angle and night shots. But the overall sharpness and noise levels of photos captured with the primary 48MP camera falls short when comparing it with phones like the Google Pixel 3a. No complaints with video, because it can shoot stable HDR videos with OIS + EIS at 4K resolution. The front camera is excellent too and it also records 1080p video.

We were expecting amazing battery life too but the 2K 90Hz display is a big power drain. You can expect about 5.5 to 6 hours of screen on time which is lower than expected from a 4,000mAh battery. You could switch to 60Hz and a lower resolution but what's the point of that? Thankfully, you have one of the fastest charging phones on the planet with the 30W Warp Charge. They also sell a 12V 30W Warp charger for the car. Plus we should mention that there is no IP certification. That being said, this has all the internal + external water seals that other phones with IP ratings have.

Overall, there's a lot to like. If you want a device for performance, best interface, gaming, display quality and content consumption, the OnePlus 7 Pro is an easy recommendation. If they could tack on the camera of the Pixel 3 and the battery life of the Huawei P30 Pro, this would be the perfect Android phone by a long shot.



ET REVIEW

Thomson UD9 40 inch Ultra HD LED Smart TV

SPECIFICATIONS

40-inch LED backlit panel, 3840 x 2160 pixels, HDR 10 support, 550 nits brightness, 4,000:1 contrast, 3 x HDMI, 2 x USB ports, Ethernet, Co-axial audio, composite/component, 3.5mm headphone jack, WiFi, dual core processor, 1GB RAM, 8GB storage, 20W (10W x 2) RMS speakers, Android 7.0

PRICE ₹20,999 (40TH1000)



Cheapest 40-inch 4K TV around, high brightness and contrast, loud audio output, intuitive smart interface, supports YouTube 4K, supports multiple format playback over USB

Thick bezels around the screen, no support for Netflix 4K, flimsy remote control, poor black levels, no Bluetooth, no colour correction or adjustments

Aspirations for Everyone

ET REVIEW A Brave Comeback Attempt

Hitesh.Bhagat@timesgroup.com

There's no denying the popularity of the Redmi series in India. They sell in the millions while the factories find it hard to keep up with demand, often leading to shortages. To keep that momentum going, Xiaomi is busy launching devices across a wide price range, ensuring that there's a phone with different features at every ₹1,000 increase in price. The Redmi 7 is the starting point for this strategy – at ₹8k, it offers things like a large Dot Notch display, high screen-to-body ratio, good performance, premium-looking design, dual camera, large battery and latest MIUI OS.

Looking at the Redmi 7 from the front, you won't be able to easily tell the difference between other new phones like the Redmi Note 7, Note 7S and Note 7 Pro. That's because this is now roughly the same size as the Note series phones. This is in contrast to the Redmi 6 phones that were smaller than the Redmi Note 6 phones. While the Redmi 7 looks sort of similar, there have to

be a few things that differentiate it from the more premium Note phones.

For starters, it has what they call the Aura Smoke design – a slightly less premium looking version of the glass back Aura design phones. It is very obviously a glossy plastic back and it picks up small scratches very quickly. This shift from metal (in Redmi 6) to plastic is a step down in our books. Luckily, a soft case is included so you can protect it from day one. The eclipse black is the plain black design while the comet blue and lunar red colours lend a bit of style. Like all the other new series, Redmi 7 also gets P2i protection – a water repellent nano coating that protects against basic water damage (but not immersion). Off to a great start then!

Performance is from a new mid-range Snapdragon 632 processor which offers a great experience for all kinds of web, apps, basic games and multimedia. Android 9 is included out of the box with the usual MIUI interface. MIUI is

loaded with features and customisation options but also shows ads in several of its own apps. Luckily, almost all ads (and personalized recommendations) can be disabled quite easily – a quick online search will show you how.

The display, while the same size as the Redmi Note series, is about half the resolution at 1520 x 720 pixels. It has a pixel density of 269ppi vs 409ppi for Redmi Note 7. Luckily, it is protected by Gorilla Glass 5. Despite the lower resolution, you get the same brightness (450 nits), contrast (1500:1) and colour adjustment settings as the Note phones. The screen is right for the price we think, because you can't tell a difference in resolution for basic use. The camera offers better features and performance that we expected at this price point. For stills, you have pro mode, AI mode, beautify, tilt-shift and Google Lens functionality. It shoots good portraits when there's enough light. It also does well with close up photos. You can capture up to 1080p 60 video, time lapse and slow motion. The quality is definitely above par. Battery life from the 4,000mAh battery is stellar, lasting a day and a half on many occasions.

The Redmi 7 has a much lower starting price because they offer a 2/32GB variant. At face value, it is a great deal for anyone who can't spend more than ₹8k. You'll be getting a large screen phone, new design with small notch and good all-round performance. If you can spend a little bit extra, you can upgrade to the Note series from Redmi. Redmi Note 7 starts at ₹9,999 for 3/32GB. For just a thousand Rupees more (comparing 3/32GB variants of both), you get a Snapdragon 660 processor instead of SD632, a FHD+ resolution screen instead of HD+, thinner bezels (esp. the chin), dual channel LPDDR4X instead of LPDDR3, a more premium glass back and USB type C port with QC4.0 fast charge support.

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Xolo is one of the few domestic brands still surviving in India. The company was missing in action in 2018 but they made a comeback in the entry level segment with the Xolo Era 4X. Now, the company has launched a mid-range device called the ZX.

The ZX has a unibody design with 3D glass finish that shifts colour (blue to purple) as the light bounces off it. This is similar to what most other phones (from Xiaomi, Realme) are doing in this price range. We liked the 7.8mm thin body and the shape makes it good to hold despite being all plastic. However, the glossy back surfaces are prone to scratches and smudges – we recommend using it with a case at all times.

Up front is a notch style 6.22-inch IPS display which impresses with wide viewing angles and good brightness levels. However, the resolution of 1520 x 720 pixels is a letdown considering the price – you can get phones with full HD screens at a cheaper price now. Also, the wide notch on the Xolo ZX seems out of place compared to others that have the drop or dot notch.

The phone has an entry-level Helio P22 processor which offers acceptable performance for basic use and casual gaming. The interface works smoothly and even switching between running apps is fast. Another good thing is that you can get 6GB RAM with 128GB storage at a great price. That being said, if you want to do a lot of gaming, this phone is best avoided. PUBG at low graphics settings borders on the unplayable thanks to lag and frame drops. Once again, if you compare this phone with others in terms of processor, it is priced on the high side.

You get a 13MP + 5MP dual rear camera with f2.0 aperture that takes surprisingly good photos. We noticed the photos taken in

ET REVIEW

Xolo ZX



SPECIFICATIONS

6.22-inch IPS LCD (1520 x 720 pixels), 2GHz MediaTek Helio P22 octa core, 4/6GB RAM, 64/128GB storage (expandable), dedicated micro SD slot, up to 256GB), dual SIM, 13MP f2.2 + 5MP dual rear camera, 16MP front camera, Android 8.1, 3,260mAh battery, 159 grams

Stylish design, bright display, fast fingerprint scanner, good day-to-day performance, above average camera

Expensive compared to competition, glossy finish prone to smudges, HD resolution, not a good gaming experience, low speaker output

PRICE

₹11,999 (4/64GB), ₹13,999 (6/128GB)



daylight had vibrant colours with a good amount of detail. The dynamic range isn't as good as the competition but it's not too shabby either. Portrait photos have good edge detection and an excellent bokeh effect. When it comes to low light, you get some results but

with loads of noise. They're ok to keep a memory but nothing that you would want to show off. Redmi Note 7S will do vastly better in low light. On the plus side, there are a variety of modes including time-lapse, panorama, macro, super night mode, portrait mode and child mode. There is also a mode in which you can choose a stylized template to add location + date information on the photo. We liked that you can choose the aperture while shooting portraits and see where you get the best effect before capturing. Up front is a 16MP shooter which again impresses by capturing a good amount of detail. However, selfie portraits from the front camera are best avoided. It completely misses the mark when it comes to edge detection of the person as well as a convincing bokeh effect. Talking about software, the Xolo ZX comes with the old Android 8.1 with no clarity on updates. This has been one of the pain points with domestic brands and the trend seems to be continuing on latest devices too. What's more, Xolo preloads a bunch of bloatware apps on the device, slowing it down and taking up storage space.

A few things that impressed us on the Xolo include the fast fingerprint scanner and face unlock, dedicated slot for storage expansion and the excellent battery life with fast charge support. A single charge lasted a full day without an issue.

In our opinion, the Xolo ZX is a valiant comeback effort. If this was priced sub-₹10k, the phone would stand neck-and-neck with existing competition. At the current asking price, it goes up against the likes of Redmi Note 7S, Redmi Note 7 Pro and Realme 3 Pro – all of them offer full HD display, way better processors and superior camera performance.

TODAY ON
ETPrime.com

L&T-Mindtree Deal: Worth it?

It is time to ask if the deal signals greater consolidation among India's mid-sized IT companies.

Telcos' Content Monetisation

Tough competition is holding telcos back in what is still a price-sensitive market.

Troubles of Investor Math

Even if a trader has an equal number of wins and losses, the final earnings are less than the money invested.

Faith Online

In Amazon, Indians Trust



Amazon is the most trusted among the internet brands in India, followed by Google and Facebook, according to a recent report by TRA Research. Among the 32 internet brands surveyed, Indian messaging app Hike ranked fourth, beating Facebook-owned Whatsapp, which ranked 10th, said brand intelligence and data insights firm's "Brand Trust Report 2019". Hotel aggregator Oyo Rooms was at the fifth position while taxi aggregator Ola ranked sixth. -IANS

Pitch Report

Spencer's Retail Dy CEO Vipin Bhandari Quits

Spencer's Retail deputy CEO Vipin Bhandari has put in his papers, two senior industry executives said. This comes on the heels of RP Sanjiv Goenka Group, which owns Spencer's Retail, appointing Devendra Chawla as MD and CEO of the multi-format retailer for three years in February. An executive said Spencer's will now abolish the post of deputy chief executive. -Writankar Mukherjee

High Tax on Hybrids a Hurdle: Toyota



Hybrid vehicle sales in India are restricted by high taxation and unless it is reduced, volumes of such cars will remain low, a top official of Toyota Kirloskar Motor said. The company, which has been advocating technology agnostic approach towards popularisation of clean energy fuels, said under the current circumstances further investments on hybrid vehicles in India are not feasible. "If we have to popularise hybrid technology, we need to look at that taxation system," Toyota Kirloskar Motor MD Masakazu Yoshimura said. -PTI

42,000

Number of vehicles sold in China that Porsche will recall starting October 7. The recall is due to potential fire risks, Xinhua reported on Sunday. -IANS

Auditor's Dilemma: When Is Evergreening a Fraud?

With RBI final report pending, there was no clarity on how to classify the transactions; IFIN classified accounts as standard and we made no reference in our report: auditor

Rashmi Rajput & Sugata Ghosh

Mumbai: IL&FS was not only a machine to raise and recycle borrowed money, it now comes across as a theatre of the absurd.

According to one of the auditors of IFIN, the non-banking finance arm of IL&FS, it was unclear whether 'evergreening of loans' was a financial chicanery or a legitimate business activity.

Evergreening is a ploy to mask loan default by giving new loans to help delinquent borrowers repay or pay interest on old loans. For years, it was central to functioning of IL&FS.

In his statement to the Serious Fraud Investigation Office (SFIO), Sampath Ganesh, partner at the auditor BSR & Co LLP, a KPMG affiliate, said that since the Reserve Bank of India's (RBI) final inspection report on IFIN was pending, there was no regulatory clarity on what kind of transactions should be regarded as 'evergreening'. RBI had red-flagged certain accounts in the draft inspection report for 2016-17, but did not release the final report till the company's accounts for the year were approved. And since it was the first time RBI had raised the issue in the case of IFIN and there were ongoing discussions between the management and the regulator, the auditor was not certain whether RBI would view 'evergreening' as an "acceptable business practice" or a "fraud". But why was this never mentioned in the IFIN audit report? The accounting policy for recognition of interest income on loans for NBFCs is governed by RBI guidelines wherein interest on NPAs are required to be accounted on cash basis and on all other loans are to be accounted on accrual basis.

"At the time of adoption of the financial statements, there was absence of clarity on the regulatory interpretation (pending receipt of final RBI inspection report for 2016-17) of the type of transactions that are to be classified as 'evergreening' (that determines NPA classification). In view of the above, Company classified most of such accounts as Standard and evaluated recoverability on the basis of collateral value and/or recovery plans. Following such classification, income recognition for interest in the accounts was on accrual basis and accordingly no reference was made in our auditors report," Ganesh told SFIO when asked about not reporting the fraud of facilitating the existing borrowers who don't have capacity to repay.

These disbursements towards repayment of interest related to borrowers such as AZZ Group, Era Group, Unitech Group, ABG Group, Varun Group, KVK Group, HDIL Group, Flamingo Group, Kohinoor Group, Bay Capital Group; while disbursements for repayment of principal were in cases like Parsvanath Group, AZZ Gro-



up, ERA Group, Flamingo Group, Radior. IFIN did not disclose its negative net-owned fund (NOF) — net worth adjusted for exposure to group companies — as assessed by RBI. The company had not mentioned that RBI had found that its NOF was much lower than the minimum required amount for 2014-15 onwards.

"The users of the financial statements were bludgeoned of the critical information of negative NOF, which had a bearing on the principal business and its very existence of the company, because of the improper disclosure by the management in the financial statements (sic)," said the investigative report by the central agency.

"The question boils down to how IFIN could show itself as a 'going concern' for years," said a source.

The auditors have also told the agency that in November 2017 IFIN management told them that RBI had given it given time till March 2019 to achieve the minimum NOF and capital adequacy. The auditors have said that since the company was in discussion with the regulator, the NOF matter was not mentioned in the audit report for FY16-17. In May 2018, months before IL&FS collapsed, the directors of IFIN (who now stand accused) had allegedly "informed" their statutory auditors of the parent's intention to sell its stake in the company to a third party.

RBI last week had refused to comment on SFIO's findings and allegations as the regulator has not received the report.

Not report negative net owned fund, capital adequacy

Bury RBI inspection reports

Hide in technicalities, regulatory interpretation

Buy time by engaging with regulator

Over-the-Top Growth

RISE OF VIDEO OTT IN INDIA

INDIAN VIDEO OTT service to grow at 21.8% CAGR to reach \$1.7 billion by 2023 from \$638 million in 2018

Indian OTT market to overtake South Korea to become the 8th biggest market in the world by 2023

SUBSCRIPTION DEMAND ON VIDEO to grow at 23.3% CAGR to \$1.5 b, 89.4% of overall revenues

TRADITIONAL TV HERE TO STAY

INDIA HAD the third-highest pay-TV revenue at \$10 billion in 2018. It's expected to reach \$17.59 billion by 2023. Pay-TV penetration was 91.2% in 2018

INDIA'S TV advertising will become the world's top TV advertising markets, overtaking the UK, Germany, France and Brazil by 2023

DIGITAL ADVERTISING

TOTAL INTERNET advertising revenue to grow from \$1.2 billion in 2018 to \$2.6 billion by 2023

FROM 11% share of overall advertising in 2018, internet advertising will corner 22% of ad revenues by 2023

MUSIC, RADIO AND PODCASTS

MUSIC, RADIO and podcasts, which are emerging segments in India, to touch \$1.6 billion by 2023

MUSIC TO be a fastest growing segment at a 13.8% CAGR. It will hit \$0.7 billion by 2023

EASE OF voice search with rising penetration of smart speakers will further drive revenues over next 5 years

96% of smartphone users in India are using their devices to listen to music. 99% for 16-24-year-olds

At 10.7% CAGR, India will be the fastest-growing TV advertising market globally over the next five years and will touch \$6.8 billion

India is the fastest growing entertainment and media market globally and expected to keep that momentum. In the next 5 years India will see significant growth in OTT, online gaming and Internet advertising. Growth in these sub-sectors spurs from the growing trends around personalisation and increased digitalisation

RAJIB BASU partner & leader - entertainment & media, PwC India

SOURCE: PwC Global Entertainment & Media Outlook 2019-2023

In Sharing Economy, Why Airbnb's IPO Will Outdo Uber and Lyft

Bloomberg

The sharing economy is facing the ultimate test in 2019 with a raft of initial public offerings. Even after Uber's recovery, there remain serious doubts not only about the future of those businesses, but also of the entire sector.

Should wise investors avoid the soon-to-IPO Airbnb and publicly-traded Expedia Group, which gets about 10% of its revenue from its fast-growing HomeAway-VRBO subsidiary? Not all segments of the sharing economy are created equal. One benefits from a strong foundation. The other is chugging uphill, hoping not to stall. The contrast is clearest in five major areas.

CUSTOMER EXPERIENCE IS KEY A car ride is a utility, a barely tolerable way to get from point A to point B. There are no Rolls Royce Ubers or Lamborghini Lyfts, just anonymous sedans and SUVs that, if you are lucky, are carrying a room-temperature bottle of water just for you.

On the other hand, an Airbnb booking can be a grand experience unto itself: French chateaus, horse farm cottages, sailboats, re-purposed shipping containers, tree houses, trullos — even a Spice Girls bus! Add in a Viking professional stove in the kitchen and a craft brewery in town, and customers can easily spend weeks anticipating their stay.

The combination of a unique property and a responsive host leads to amazing Instagram posts — the ultimate barometer of the new economy. Uniqueness of goods was what helped eBay in the early days and is currently respon-



Airbnb is selling some extraordinary stuff

COMPANY PHOTO

sible for Etsy's resilience in the e-commerce world.

THEY DEPRECIATE DIFFERENTLY Sharing economy assets degrade over time, but at different rates, depending on the type. A house and an automobile are two of the most expensive purchases for any household. Naturally, everybody wants to make the best use of these purchased assets. Barring recessions and buying at extreme tops of the market, the value of a house generally goes up over time — chiefly because they are not making land anymore. Conversely, a car depreciates over time and has an average life expectancy of about eight years, according to Consumer Reports. Just in the first year, a new car loses about a fifth of its value! Airbnb2, Uber0.

AIRBNB HAS EDGE ON AUTONOMY While tremendous progress has been made on autonomous driving technology, a car still requires an alert and capable human. That takes continuous engagement, often fighting stress and exhaustion. On the other hand, a multi-day Airbnb stay has economies of scale for the home-sharing host —

attention is required when the host checks in, but with lock boxes and digital devices, home-sharing is currently capable of being largely autonomous. Another edge for Airbnb.

UBER'S ECONOMICS Insurance, maintenance and energy expenses are additional overhead costs in the sharing economy business. They tend to be much higher — relative to the revenue opportunity — for automobiles. For shorter rides, Uber and Lyft end up claiming about 40% of the price of the trip, trimming the driver's take significantly. Many studies estimate the drivers' average net compensation to be well below \$15 per hour — the emerging target for general minimum wages. As a secondary or truly flexible job, rideshare driving seems to be a good option. A home-sharing host ends up pocketing roughly 85% of a stay's revenue currently and Airbnb continues to tweak its commission structure to stay competitive with hotel booking sites. Also, there is a ready opportunity for additional revenue lines: breakfast or other meals,

laundry and guided tours or "Experiences."

SCALING SHARING ISN'T EASY

Investors in the ride-sharing space have to take a long-term view, hoping that cab rides are just the beginning of services that could include food delivery and scooter rentals. They should also carefully watch cash flows, profitability and business pivots. Uber and Lyft will need to make some big leaps in innovation, as companies like Google turn their significant mapping and autonomous driving expertise into competitive threats. They can afford to undercut the current economics by offering a monthly subscription service to both drivers and passengers. Monetizing data through advertising and cross-selling goods and services is much easier for Google given its rich, pre-existing engagement with users and businesses alike, globally. There are plenty of regional threats to the ride-sharing giants as well. Airbnb demonstrates robust network effects with almost six million listings and 150 million engaged users, who spend more time on its website than on competing portals.

Airbnb's continued expansion — to places like the Gaza Strip or Cuba, for example — has the potential to double its EBITDA margins from the recently estimated 20% to 40% in the next few years. Booking Holdings Inc., formerly Priceline, pulled off the same feat in the last decade. The stomach-churning feelings of investors are well justified in the car-sharing space. But they have every reason to look forward to arriving at the relatively tranquil side of the sharing economy when Airbnb goes public.

Lucknow Court Issues Warrants for Arrest of Ansal API Promoters

Sushil & Pranav Ansal absconding; warrants against 2 co execs, too

Our Bureau

Mumbai: A Lucknow court has issued non-bailable warrants for the arrest of real estate developer Ansal API's promoters Sushil Ansal and Pranav Ansal based on a complaint filed by one of the firm's customers, alleging fraud. The Lucknow chief judicial magistrate's court has also issued non-bailable warrants against two executives of the company.

Both the Ansal's are currently absconding and not traceable, Lucknow police told ET.

Sushil Ansal is the chairman of the Delhi-based property developer while Pranav Ansal is its vice-chairman.

According to the FIR, which has led to the issuance of warrants, the complainant, Avdhesh Giri, had paid ₹16.3 lakh to buy a plot in one of Ansal API's plotted development projects in 2011. However, the company has not allotted the plot to the complainant despite repeated follow-ups, it alleged.

The FIR also states that the plot being shown to the complainant now belongs to someone else, and Giri has alleged fraud and manipulation by the company. ET has viewed a copy of the FIR.

"Of the total six accused, only two — Arun Kumar Mishra and Harish Gulla — have been produced in the court so far, while the rest of them, including Sushil Ansal and Pranav Ansal, are still absconding," an officer at Lucknow's Vibhuti Khand police station told ET.

Ansal API chief executive officer Anil Kumar had quit the company recently amid scrutiny of the company by the Uttar Pradesh real estate regulator for potential diversion of ₹600 crore from one of its township projects. Anil Kumar was also joint managing director of the real estate company.

The regulator was considering options including a more advanced audit of the developer's projects after a basic audit by a consultant found potential diversion of funds from the company's Lucknow township project.

Ansal API has reported consolidated net loss of ₹140 crore for the year ended March 2019 on total income of ₹854.4 crore.

Mallya Seen at The Oval for India-Australia Match

Press Trust of India



Vijay Mallya arrives at The Oval in London on Sunday.

London: Businessman Vijay Mallya on Sunday joined hundreds of cricket fans for the India versus Australia ICC Cricket World Cup match at The Oval in London.

"I am here to watch the game," he said, as he walked into the stadium with his ticket.

The former Kingfisher Airlines boss, an avid cricket fan, is wanted in India on fraud and money laundering charges amounting to an alleged ₹9,000 crore.

His most recent Twitter intervention was also cricket-related, as he showered praise on a new Indian restaurant and sports bar called Ooty Station in central London, which opened on Friday.

"Was invited for a preview. Suffered all around Sports Bar. Enjoyed the best South Indian Food and an exotic cocktail list watching exciting cricket. The only place to be in London to enjoy a

premium Sports Bar and award winning food," read the tweet by Mallya, who remains on bail as he contests an extradition order issued by a UK court last year.

He has continued to make a series of interventions on social media to offer "100% payback" to state-owned Indian banks to cover his now-defunct Kingfisher Airlines' debt.

After the Westminster Magistrates' Court extradition order was signed off by UK home secretary Sajid Javid in February, Mallya had lodged an appeal in the UK High Court which has already been rejected on paper by a judge and is scheduled for an oral hearing on July 2.

A TRIBUTE

A Connoisseur of Life and the Spirits

Charmy.Harikrishnan @timesgroup.com



Manoj Nair

New Delhi: A journalist, if he is lucky, leaves behind his words. Words that can resonate beyond the datelines and headlines of a day. Words that are more than ephemera. And Manoj Nair was fortunate there.

In the pinkest of newspapers, The Economic Times, he wrote on Pink Floyd and the many shades of Indian contemporary art when the culture cauldron was simmering and threatening to bubble over in the 2000s.

For the most financially astute reader, he gave liberation on the last page, Freedom from Economics — movies, music and the arts. On Saturday, Nair, 49, journalist, writer, curator, was found dead in a house that he had rented in Fort Kochi, Kerala. And we lost a bridge between the artist and the audience, as his former colleague and friend Faizal Khan says. He bridged that long distance with words — in articles, the catalogues he wrote for art shows and as editorial director of the Kochi-Muziris Biennale, with which he was associated from the very beginning.

Like all good culture writers, he effortlessly blended the personal and the political in his articles — it was there in his anxiety and hope for the India Art Fair; it was there in his obituary for Bhupen Hazarika where he recalled his half-diffident, half-ferocious meeting with him on a steamer on the Brahmaputra. The music stayed with him in the newsroom. His former colleague Shantanu Nandan Sharma recalls walking up to Nair one day when he was lost in music. He then passed on the earphones to Sharma, who was flummoxed by the song pouring into his ear. "Ethiopian music," Nair informed, before holding forth on it.

Malayalam writer NS Madhavan recalls Nair as "one of the finest minds I had come across and also self-destructively reckless". "I knew him for a long, long time. When he came to Delhi, one of the first things he did was to kiss my hand. It seems, I had written somewhere that I had met William Burroughs in Thiruvananthapuram during my college days. The kiss was for the hand that shook hands with WB. I think that is a pointer to his personality. He was out-living the Beat Generation by more than half a century."

Sharma says one didn't need to look up the word "maverick" in a dictionary. One only needed to meet Manoj Nair.

Khan adds that Nair was a genius with a heart of gold. He had a wry wit and an easy laugh that went with his effortless style of writing.

Nair was not so easy on himself. He described himself on his Facebook page: difficult, diffident, disastrous, deviant. His Twitter handle was kudiyan, drunk. Alcohol took its toll on Nair and he reportedly wanted to write a novel called Dictionary of an Alcoholic.

Nair was an itinerant. He did his schooling in Patna, went back to his home town Irinjalakuda in Thrissur, Kerala, studied art in Baroda, became a journalist in Delhi and then found his last home by the sea of Kochi — where he worked on his book, Between the Rock and a Hard Place, on India's "western" musical day and played on his saxophone in the morning. Until the music ran out. But the words remain.

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Tweet OF THE DAY



MIKE MAPLES
@M2JR
Apple iOS 2019 is Microsoft Windows 1999...but with 25x more customers.

Tencent to Bring PUBG Lite to India

New Delhi In a bid to cater to those who use low-end hardware and expand its user base, Chinese tech giant Tencent is set to bring a "Lite" version of its popular online game PUBG (PlayerUnknown's Battlegrounds). PUBG Lite is already available in places like Hong Kong, Taiwan, Brazil and Bangladesh, but the PUBG India Facebook page has now confirmed that this version is coming to India soon. Besides helping those with affordable smartphones, this new version of the game may also help players who face connectivity issues. Additionally, Tencent games will be releasing a new update for PUBG Mobile soon.

Quick Byte ANIRBAN BORA

Novel Tool Helps Predict Ideal Time to Take your Coffee



All Caffeinated!

1.2 million Global users of Wysa, a Bengaluru-based mental health wellness app.

Trojan Came Pre-installed on Android

San Francisco Two years after a banking Trojan called Triada was spotted on some budget Android smartphones, Google has confirmed criminals managed to get an advanced backdoor pre-installed in devices before they even left the manufacturing facilities. Triada's purpose was to install apps that could be used to send spam and display ads using tools bypassing Android security.

Jargon Buster
Big Iron
Slang used for a large, extremely fast and expensive computer. It is often used to refer to oversized computers such as IBM's mainframe

FUNDS GALORE Funder's Forum gets ready to compete with marquee Silicon Valley investors and act as an advocacy platform, while Pioneering Ventures' new fund looks to reach a million farmers

Desi Funders Join Hands to Take on Foreign Investors

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New Delhi: A number of India's top home-grown investment firms, which cumulatively manage close to \$800 million in assets, have come together to form a collective to take on foreign investors as well as to act as an advocacy platform.

Funder's Forum, which is being registered as a trust, has the likes of Chiratae Ventures, Kae Capital, YourNest Venture Capital and o Stellaris Venture Partners, all leading early-to-mid-stage domestic venture capital firms as part of its founding advisory teams, and all of which compete with the likes of marquee Silicon Valley-based investors, such as Sequoia Capital and Accel Partners in India's fast-growing startup ecosystem. "We felt that we should get a lot more support from the government, given that the domestic funds look at opportunities in India very differently, as opposed to the global funds," Mahendra Swarup, founder of Venture Gurukul, and a founding member of Funder's Forum, told ET.

"Under the 2:20 fund structure, smaller funds aren't a very viable proposition. The fee structure is so small that it is difficult to hire a good team. The disadvantage is that deal sourcing tends to suffer," Swarup added.

The formation of Funder's Forum follows that of IndiaTech, the advocacy platform founded by startup stalwarts Sachin Bansal, Ola founder Bhavish Aggarwal and MakeMyTrip Group CEO Deep Kalra, and which was formed to solely promote the interests of domestic consumer internet giants over their global peers.

The development also comes even as the likes of Y Combinator, the famous Valley-based incubator, which is behind the likes of Airbnb and Stripe, have been reported to have picked a record 15 startups for its summer batch of 2019, a massive jump from its previous record of selecting four-five startups for Asia's third-largest economy.

Separately, in January this year, Sequoia Capital launched its accelerator programme—Surge—across India and in South East Asia, in the



The Plan

- Members of Funder's Forum will pool their resources, and have a common deal flow
- This will lead to larger cheques being written

Under the 2:20 fund structure, smaller funds aren't a very viable proposition. The fee structure is so small that it is difficult to hire a good team.

MAHENDRA SWARUP, founder of Venture Gurukul

Pioneering Ventures Launches Rural India Impact Fund to Catalyse Investee Ventures

Agri-focused accelerator's PE fund targets \$70m corpus

Alnoor.Peermohamed
@timesgroup.com

Bengaluru: Agri-focused accelerator and investor Pioneering Ventures has launched its Rural India Impact Fund, a private equity fund with a targeted corpus of \$70 million, to provide growth capital exclusively to companies it has backed so far.

The Mumbai and Zurich-based investor has incubated five companies

— Desai Fruits & Vegetables, Citrus International, FarmLink, MilkLane and Samaaru — in the agriculture, agri-supply chain and farmer credit space. "The fund went live recently as a private equity fund that exclusively invests in Pioneering Ventures' (PV's) businesses. The plan is to, over the next two years, build the fund to around \$70 million and to use all the proceeds into PV's five business," said Martin Wittwer, executive partner for operations at Pioneering Ventures.

The limited partners for the new fund are largely European HNIs and family funds who have invested in the five businesses alongside Pioneering Ventures. The investor said the fund was necessary as four of the

BUSINESS FOCUS

Investor has incubated five cos in agriculture, agri-supply chain and farmer credit space

companies were now ready for their next stage of growth.

Pioneering Ventures said the combined revenues of its five companies

will be around \$100 million this year and expects this to grow to \$300 million in the next two years. The new fund will largely look at fulfilling the capital expenditure that these startups will need to make to sustain the threefold growth. "This gives you a sense of the importance of making growth capital available (for these companies)," Wittwer added.

The investor has previously iterated that it wants to reach one million farmers through its companies, enabling them to grow higher quality produce while also enabling them to sell directly to realise better returns. "The five companies (we have backed) play an important role in building an end-to-end value chain in agri-food in India," added Wittwer.

Wipro Offers High Single-digit Pay Hike to Staff

Ayan.Pramanik@timesgroup.com

Bengaluru: Wipro has given high single digit average salary increment to its employees for this year effective June 1.

While the Bengaluru-headquartered software services exporter has announced a high single-digit pay hike for majority of its offshore employees located in India; employees onsite, primarily in the US and Europe, have received low- to mid-single-digit hike. The company has announced special incentives to employees working in the digital technology areas such as machine learning, artificial intelligence.

Some of the employees at the junior level — entry level to five years experience — have been given 6-8% and for some it could be 6% and above, two persons aware of the matter told ET. "On an average, the increments are in the high single digits for offshore employees while increments for onsite employees are in the low-to-mid single digits. There was a special focus on incentivising and rewarding employees in early career stage who are engaged in transformative and future oriented technologies," said a Wipro spokesperson.

Google has Its Eyes Set on Cloud

Firm sees cloud growth from large Indian cos as they compete with unicorns

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Mumbai: Google is expanding its sales team in India as it looks to woo more enterprises to host applications on its cloud platform. The move comes as the search engine giant aggressively competes with rivals such as Microsoft's Azure and Amazon Web Services in the country.

The push comes as Google sees traditional enterprises shifting their IT infrastructure towards the cloud to be agile and compete with Indian unicorns who have leveraged the pay-as-you-use model of hosting applications on the cloud. Google is also looking to tap the public cloud business in India.

Rick Harshman, MD, Google Cloud, Apac, told ET that the company's expansion strategy in India would be driven by adoption of multi-cloud strategies by large companies and with a push of its new open cloud platform, Anthos. According to Harshman, large companies in India have increased the pace of transferring their on-premise applications to the cloud in the last 12-18 months. "The thing that really is driving the enterprises, in my personal opinion, is there's so much more competition now," he said. "Its because cloud has been

an enabler for so many of these unicorns on a global basis and here in India... You look at Ola, Byju's, Truecaller, Hike or Sharechat — none of these companies existed a few years ago and they are disrupting how traditional businesses work," Harshman said. "Cloud is enabling a democratisation of IT and great ideas to come to the forefront faster... Traditional enterprises (therefore) have to be innovative and agile."

The company has been receiving the maximum investment to grow headcount among other Google product companies, he added. Google Cloud is going to triple its sales team in India and add two more centres to its Apac operations by the end of 2019. The company also announced that it has slashed the prices of its cloud skilling programs for the Indian market. According to analysts, Google Cloud lags behind Amazon Web Services and Microsoft Azure in the global market.

Harshman said the strategy to increase market share in India would be to address the needs of enterprises who are increasingly relying on multi-cloud strategies and to increase the penetration of its cloud agnostic Anthos product. "There's not one CEO, CIO or CFO that I talk to in India or anywhere else who is saying I am only going to work with one (cloud) provider. Crux for them is skilling up on each cloud provider's proprietary APIs, tech stack and that takes a long time and can be costly. This is where we think Anthos will be a differentiator," he said.

ON THE CHARTS



ILYA REPIN, A Newspaper Seller in Paris

MOST INTERESTED INDUSTRIES AROUND GOOGLE'S ANTHOS
BFSI, telecom, media, retail and manufacturing

SPOTTING PROMISE HERE
• Google has identified the public sector as a key growth industry for its services
• Firm is looking forward to supporting the govt's digital and fintech initiatives

Merchants are also Seeing more UPI Transactions

Around 120m merchant UPI transactions may have taken place in May; Paytm leads race

Pratik.Bhakta@timesgroup.com

Bengaluru: From peer-to-peer payments which dominate Unified Payments Interface (UPI) transactions, there seems to be a slow shift happening towards merchant transactions.

While the National Payments Corporation of India (NPCI), which manages UPI, does not share the split between the two modes of payments, industry sources estimate around 120 million merchant payments might have happened on UPI in May. Overall UPI recorded 733 million transactions in May. If the share was around 10% couple of months back, it has grown to 15-18%, said multiple top executives in the digital payments space.

Paytm, which is the largest digital payments company in India, claims to be dominating this mode of transactions. "We have recorded between 70 million and 75 million UPI merchant payments in May alone," said Deepak Abbot, senior vice-president at Paytm. "There has been 10% month-on-month growth in the merchant payment share in UPI and Paytm is leading the race."

Merchant payments on the Paytm app were as low as 20 million in the beginning of the year but have jumped to 65 million in April and to more than 70 million in May, said Abbot.

Besides Paytm, its major competitors PhonePe and Google Pay both are trying to expand their presence in this space, where payment companies make money per transaction depending on their arrangement with the merchants.

PhonePe did not share the number of merchant payments recorded on its platform, but said such payments had grown multiple times since January this year. "We are already live with 5 million merchants across more than 150 cities in India; the plan is to ramp it up to 7-8 million by December 2019," said Yuvraj Singh Shekhawat, head of offline business growth at PhonePe.

Paytm, too, has laid out aggressive plans to expand the footprint. Abbot said the company was set to invest more than ₹200 crore for the expansion of its retail merchant base, especially targeting small towns, like Hubballi, Bhatinda and Mirzapur. "The cost of onboarding partner merchants in these locations is higher. While we can add around a day to eight (merchants a day) in

main cities, the number falls to two to three in smaller locations," he said. "The target is to reach 25 million by end of this financial year."

For Paytm, there are more than 10 million merchants on board of whom around 7 million use the mode to make payments at least once in a month. The average size of transactions in this space is ₹250, said Abbot.

Competing with payment companies are merchant-acquiring startups like BharatPe, which allows all forms of UPI transactions through an interoperable QR code. The Se-

Wallet Talk

15-18% Current share of merchant payments on UPI, according to executives in the digital payments space

PAYTM
7 million Merchants in platform use UPI to make payments at least once a month
₹250 Average transaction size in this space

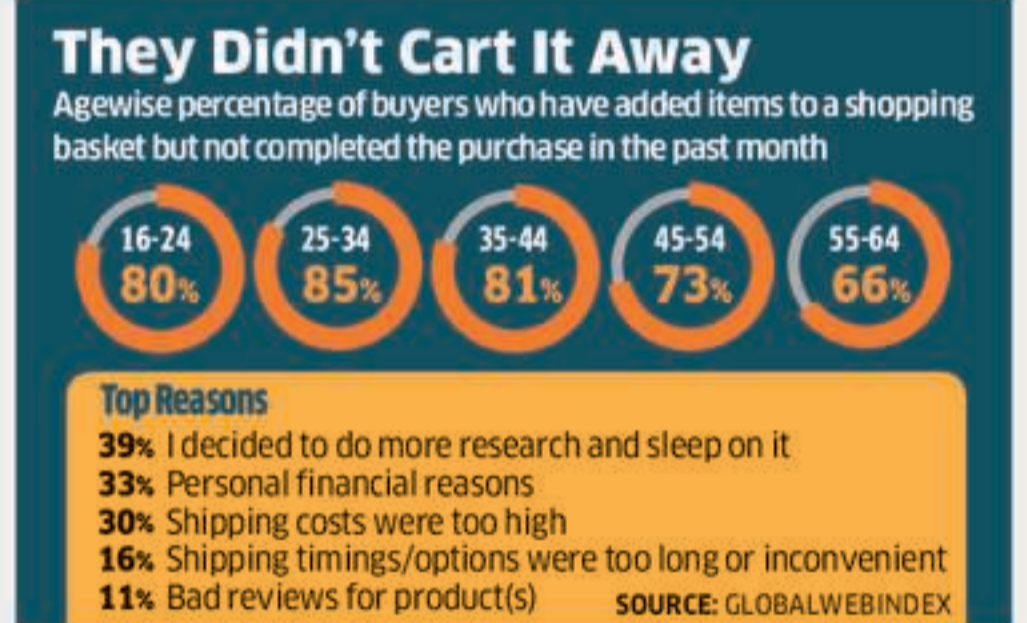
There has been a 10% month-on-month growth in the merchant payment share in UPI and Paytm is leading the race

DEEPAK ABBOT, Senior VP, Paytm

Sequoia Capital-backed startup has set a target to sign up 2 million merchants by end of 2019. It has already created a base of 7 lakh merchants across 13 locations in the country.

Google Pay did not respond to ET's queries on its latest transaction numbers. It has partnered with point-of-sales deployers, who deploy card-swipe terminals at merchant outlets to allow UPI payments through Google Pay. "There have not been massive promotions done yet, but stands and banners have been set up at merchant locations where the initial testing is being done," said a top payment industry executive on the condition of anonymity.

Globe Trotter Meanwhile in tech...



Snapchat may Add New Feature

SAN FRANCISCO
Competing with a similar functionality available on Facebook, photo-messaging app Snapchat is working on integrating support for events into its services. The unannounced feature was spotted in Snapchat's code by James Manchun Wong on Friday. — IANS

Don't Need Musk's Help: Rogozin

MOSCOW Dmitry Rogozin, the Head of Russian space agency Roscosmos said he would not hire SpaceX CEO Elon Musk to get help with reusable rocketry. Rogozin said he would gladly meet the multi-billionaire if he ever comes to Russia for a private visit. — IANS

TikTok Hopes to Bring in Money with more Diverse Content

Adopts from YouTube playbook, bets on user-generated content to grab advertisers' attention

Megha.Mandavia@timesgroup.com

Bengaluru: TikTok, the short-video app owned by China's ByteDance, is looking to grow and diversify its content creator base in India as part of its monetisation strategy.

While TikTok's primary identity is still of an application for creating, sharing and discovering short music videos — a sort of karaoke for the digital age — it is now trying to evolve. And, TikTok is hoping that advertisers will take notice and bring in more business.

On Sunday, TikTok launched a campaign, #MyTikTokStory, on the platform to encourage more Indians to create 15-second videos on cooking, do-it-yourself, sports, pottery, dancing and singing. The campaign

followed a 'Creators Lab' event it arranged for more than 500 people in Mumbai on Friday. The social media company is hoping that diverse content will attract more advertisers to the platform. "We are very clear that creators are a huge backbone. We believe that we have to invest in this creative community," Sachin Sharma, head of ad sales at ByteDance India, told ET. "They are an essential element to the business. Without them there is no TikTok. We are committed to diversify content. It is not just for brands, but we are hopeful brands will take notice of that."

TikTok is not the first platform to up the user-generated content game to attract advertisers. In 2011, YouTube wanted to attract more premium advertisers and raise the quality of its programming. To do that, it intro-

duced grants for creators, opened creator hubs, studios and even acquired a company that helped creators go viral. In the next five years, efforts paid off and YouTube and creators earned millions.

TikTok claims to have 200 million users in India, of which 120 million are active every month. Its monetisation

efforts picked up pace after an interim ban on the app's downloads was lifted by the Madras High Court in April. Premier brands such as Pepsi, Snapdeal, Myntra, Shaadi.com and Shopclues have lined up to advertise.

TRUSTING CREATORS

There is research which says peer-generated content is more sticky, relatable compared to just brand-generated content

SACHIN SHARMA Head of Ad Sales, ByteDance India



The app's India userbase is primarily teens residing in small towns. It overtook Facebook as the most downloaded social networking application globally in the first quarter of 2019. "There is research which says peer-generated content is more sticky, relatable compared to just

brand-generated content. Lot of leading brands and marketers recognise that. A lot of interest we are seeing is because brands understand a user's imagery of what the brand stands for is as relevant as brands' own narrative," Sharma said.

Sharma cited the example of Pepsi's #SwagStepChallenge on TikTok which was kicked off with few celebrities starting of a dance challenge on the platform in May. The promotional videos resulted in TikTok users creating thousands of their own #SwagStepChallenge dancing videos, resulting in 8.6 billion views. The campaign spilled over to Instagram and YouTube later. "There is a lot of talent in India that needs to be identified. We are going to try more engagement with the video format, we are going to reach out to users to express themselves," Sharma said.

ANIRBAN BORA

POWERED UP Power ministry mulls asking electricity regulators to abstain from lowering tariffs of stressed power plants under resolution; aim is to lift investment sentiment in sector; provision also proposed to be made in draft tariff policy

Stressed Power Plants may Get a Breather

Sarita.Singh@timesgroup.com

New Delhi: The power ministry is considering issuing an advisory to electricity regulators asking them to abstain from lowering tariffs of stressed power plants that change hands as part of lenders' resolution mechanism.

The move, followed by a softened Reserve Bank circular issued on Friday, is aimed at immediately lifting up investment sentiments in the stressed power sector and help banks in completing resolutions quickly.

A senior government official said the ministry is likely to consider issuing the advisory to regulators for immediate relief to projects bid transparently in or outside insolvency court. A provision is also proposed to be made in draft tariff policy, which will require cabinet nod.

This is the first time the Union government will intervene in clearing hurdles in way of resolution of stressed assets even as revival proposals for many such projects including steel and cement plants are facing various regulatory and legal challenges.

"Renegotiating tariffs by amending power purchase agreements (PPAs) when a

POWER POINT

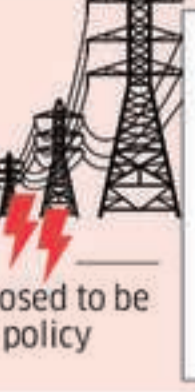
POWER MIN WEIGHS ISSUING AN ADVISORY TO ELECTRICITY REGULATORS

May ask them to abstain from lowering tariffs of power plants under resolution

MOVE TO HELP LIFT INVESTMENT

sentiments and help banks in completing resolutions quickly

Provision also proposed to be made in draft tariff policy



FIRST TIME CENTRE WILL INTERVENE IN CLEARING HURDLES IN RESOLUTION OF STRESSED ASSETS

OF ABOUT 12 POWER PROJECTS in resolution process in last one year only one could get through, only to hit a roadblock at regulatory stage



Power Producers director general Ashok Khurana.

Private power companies and lenders sought the government intervention in keeping regulators out of the paperwork for stressed assets under resolution. The companies said the limited interest in power sector for companies with handful of companies with deep pockets will be wiped out unless the regulators are kept out of the approvals.

An official in Uttar Pradesh government, however, said the tariff has to be determined on reduced cost as was done in the case of NTPC's acquisition of Tandu power plant in Uttar Pradesh. PPAs of Prayagraj Power were signed on cost-plus basis in UP's former Bahujan Samaj Party-led regime.

The Electricity Act, 2003 provides that regulatory commissions should adopt power plant tariffs if it has been determined through bidding or reject the application with reasons recorded in writing. It directs the commissions to issue tariff orders on commercial principles and keeping in view factors which encourage competition and optimum investments. The tariff fixation has to be guided by the National Electricity Policy and tariff policy.

stressed project is sold has become a concern. Such efforts could impair resolution of stressed power plants as new investors will lose incentive to buy projects.

Centre may look into the issue and if need be issue an advisory to regulators for speedy resolution of stressed power projects, till the time a permanent provision is made in tariff policy," the official said.

The concerns stem out of the fact that of about a dozen power projects in resolution process since last one year only one could get through, only to hit a roadblock at regulatory stage. Tata Power and ICICI Ventures-backed Resurgent Power had in November announced acquiring 75.01% stake in Jaiprakash Associates' 1,980 MW Prayagraj power plant, in first of the stressed power

plants proposed to be resolved by lenders outside insolvency court.

The resolution process, however, ran into difficulty after the Uttar Pradesh electricity regulator asked Resurgent Power to cut power tariff from the plant by 40 paise due to decrease in debt. The matter is now with the Appellate Tribunal for Electricity (Aptel).

Power companies and bankers are worried that this can set a wrong precedence if regulators ask for tariff reduction in more projects. Industry sources said about 5-6 stressed power plants including GMR Energy Chhattisgarh, RKM Powergen, RattanIndia Amravati and RattanIndia Nashik can be settled outside bankruptcy court, while many other plants are likely to be resolved

through insolvency code.

"Stressed power plants are fetching much lower valuation than their potential value in view of the systemic constraints. Regulators need to recognise that these are not freshly bid projects. Banks have stepped into the shoes of a promoter to save a beleaguered project, other things remaining constant. In the transaction for these stressed projects "tariff" as stated in PPA is centric to valuation and sustainable debt. Therefore any regulatory adventurism to reduce tariff knocks away the main plank on which the transaction has been finalised. The power ministry, needs to ring fence projects being transferred by banks to new owners from any regulatory intervention," said Association of

Incentives on Cards to Push Industry 4.0

New standard to drive use of latest tech and digitisation

Yogima.Sharma@timesgroup.com

New Delhi: The government could offer incentives in the form of tax breaks or subsidies to prompt India Inc to adopt a new standard that aims to drive use of new technology and digitisation, a senior official said.

"A major initiative is being mullied to push the industry to adopt 'Industry 4.0,'" the official said.

Industry 4.0, or the fourth industrial revolution, will have its mainstay increased digitisation and interconnection of products, value chains and business models. It has been devised by the Niti Aayog.

Fiscal support such as subsidies or tax breaks for a fixed period could be considered for industries adopting the standard, the official said.

Tech Reboot

What is Industry 4.0?

It's a new standard devised by Niti Aayog. Its designed to bring fourth industrial revolution

Who will it benefit? Auto, pharma, chemicals & fin services Tech products MSMEs

What does it seek to do?

To increase digitisation, AI in industry Increase efficiency & become cost effective

What is govt's plan?

Govt could offer sops for early adoption Niti Aayog to initiate consultations

Aayog will initiate stakeholder consultation before the government introduces a policy in this regard, the person said.

Adoption of this standard is expected to give a huge boost to micro, small and medium enterprises (MSMEs) that manufacture products such as sensors, actuators, drives, synchronous motors, communication systems, computer displays, and auxiliary electromechanical systems used in digitisation and new tech.

Adoption of Industry 4.0 is expected to result in operational efficiencies, cost control and revenue growth, and could have significant impact on sectors such as automobile, pharmaceuticals, chemicals and financial services, the official said.

The move weighs high on the government agenda that is keen to make it easier to do business in the country, and is eyeing technology including artificial intelligence in a big way.

Prime Minister Narendra Modi had in October last year spoken about Industry 4.0 and how it will change the face of industry. "Industry 4.0 will touch those aspects which still remain untouched so far," he had said while speaking at the launch of the World Economic Forum (WEF) Centre for the Fourth Industrial Revolution. "It will change the nature of the job and create new opportunities."

BJP's election manifesto had also promised to chalk out a new industrial policy with an eye on Industry 4.0 with technologies such as artificial intelligence and electric mobility.

Short Takes

FM Should Give Tax Breaks to Common Man: Experts

NEW DELHI: Finance Minister Nirmala Sitharaman should consider increasing the income tax exemption limit to at least ₹3 lakh and abolish minimum alternate tax (MAT) for companies to boost consumption and economic growth, suggested tax experts.

Sitharaman, the first full-time woman finance minister, is set to present her maiden Budget on July 5 in the Lok Sabha. Industry chambers like CII and Ficci have already made detailed presentations on their suggestions for the Budget. "While India will not remain unaffected from the global economic situation and domestically too there are challenges, the common man does have lot of hope (from the Budget)," said Kuldip Kumar, Partner PwC India.

CIL to Hire Bankers to Get Stakes in Australian Coal

NEW DELHI: State-owned Coal India will hire merchant bankers to carry out financial due diligence for acquiring equity stakes in identified mines and companies in Australia as part of its plan to meet the growing dry fuel demand in the country. The state-run miner has identified coal assets in Australia for acquiring equity stakes along with offshore rights in an asset or a company. Coal India said in a notice inviting proposals from investment bankers. While efforts are on to enhance coal production from indigenous sources to meet the projected gap between demand and supply, it will not be possible to bridge the entire gap of demand of coking coal and high-grade low ash thermal coal.

Imports from Pakistan Plunged 92% in March 2019

NEW DELHI: Imports from Pakistan declined by 92% to \$2.84 million in March this year after imposition of 200% customs duties on all products. On February 16 this year, taking strong economic action against Pakistan following the attack, India raised the customs duty to 200% on all goods imported from the neighbouring country, including cotton, fresh fruits, cement, petroleum products and mineral ore. According to the data of the commerce ministry, the imports from the neighbouring country stood at \$34.61 million in March 2018.

₹50-cr Turnover Threshold likely for E-invoice to Curb GST Evasion

PTI
New Delhi: The finance ministry is likely to propose ₹50 crore as the turnover threshold for entities to generate e-invoice on a centralised government portal for business-to-business (B2B) sales as it looks to curb GST evasion, an official said. The GST Council, which will meet on June 20, will take a final decision on the turnover threshold for issuance of e-invoice for B2B sales after consultation with states.

Analysis of return filings shows that as many as 68,041 businesses have reported a turnover of over ₹50 crore and accounted for 66.6% of total GST paid in 2017-18.

Further, while these businesses account for just 1.02% of GST payers, they make up almost 30% of the B2B invoices generated in the system.

"The turnover threshold for entities to generate e-invoice for B2B sales is likely to be fixed at ₹50 crore if the GST Council agrees. With this threshold, big taxpayers who are better placed technologically to integrate their software would have to generate e-invoice for B2B sales," the official said.

With e-invoice generation, entities with turnover above ₹50 crore would be saved from the twin activities of filing returns and uploading invoices. From the government's side, this would help in curbing invoice misuse and tax evasion. The official further said that under the current system, there is a gap between the time of generation invoices and filing of sales returns.

G20 TRADE MINISTERS' MEETING

Goyal Pushes for Countries' Sovereign Right to Use Data for Social Welfare

Minister also says advocacy on free trade should not lead to justification of data free flow

Our Bureau

New Delhi: India has said countries must have the sovereign right to use data they generate, for the welfare and development of their people and that advocacy on free trade should not lead to justification of data free flow.

Referring to Digital India, StartUp India and Aadhaar initiatives, which promote economic inclusivity using digital platforms which generate huge amount of data, commerce and industry minister Piyush Goyal said: "This includes personal, community and public data, and countries must have the sovereign right, to use their data, for the welfare and development of its people".

Goyal was speaking at the G-20 trade ministers meeting in Japan. New Delhi also said that issues of privacy and security should be given due consideration in the debate on Data Free Flow with Trust (DFFT) before global rules are made on e-commerce. DFFT seeks to eliminate restrictions on cross-border transfer of information by electronic means, including personal information, and storing data in foreign servers. The idea was proposed by Japanese Prime Minister Shinzo Abe at the World Economic Forum's annual meeting this year. It goes against India's draft national e-commerce policy which has proposed re-



gulating cross border data flows, locating computing facilities within India to ensure job creation and setting up a dedicated "data authority" for issues related to sharing of community data. Goyal said digital infrastructure can help reduce developing countries' capacity constraints and facilitate a level playing field for all countries to take equivalent advantage of data free flows. "Developing countries need time and policy space to build deepest understanding of the subject and for formulate their own legal and regulatory framework before meaningfully engaging in e-commerce negotiations," Goyal said. It is for this reason, he said, that India does not, at this stage, support the joint initiative on e-commerce.

The joint initiative on e-commerce comprises 77 members who have begun negotiating global rules on digital trade while the others, including India, are opposed to these.

"We reaffirm the importance of the Work Programme on electronic commerce. We note the ongoing discussion under the Joint Statement Initiative on electronic commerce. Participants in the respective Joint Statement Initiatives under the WTO welcome the ongoing discussion and confirm their commitment to achieve progress," the G-20 said in its Ministerial Statement on Trade and Digital Economy on Sunday. "At the same time, we recognise that the free flow of data raises certain challenges," they said.

WTO REVIVAL, TARIFFS

India called for a de-escalation of trade tensions, revival of confidence in the World Trade Organization (WTO) and easier movement of skilled professionals to sustain global growth and investment.

Goyal said the WTO's reform process should begin with reviving the dispute settlement mechanism by allowing renomination of Appellate Body members at the earliest. The reform process should not undermine the WTO's fundamental principles, namely, Special and Differential Treatment, consensus based decision making and the objective of development.

Referring to the plurilateral initiatives especially the one on e-commerce, India said that these have been formed outside WTO with no mandate and they "set an unhealthy trend of influencing rule making within WTO".

"The G20 should commit to support only WTO consistent rules and avoid creating unworkable goals. They should remain consistent with WTO rules and not go beyond till such boundaries are re-negotiated and revised," Goyal said. Besides, he also asked for transparency on subsidies, both direct and indirect, given to merchandise exports and a clear distinction between WTO compatible and non-compatible trade practices in assessing market distorting measures.

NBFCs may Starve Real Estate further

After DHFL downgrade, NBFCs wary of pumping money into realty; prop prices likely to be impacted

Sobia Khan & Kailash Babar

Bengaluru | Mumbai: Funds flow from non-banking finance companies (NBFCs) to the liquidity-starved real estate sector is expected to dry up further after DHFL's recent downgrade, as other NBFCs wait out the latest uncertainty.

Not just NBFCs, the funding challenges will hit the real estate sector's recovery and put pressure on property prices, too.

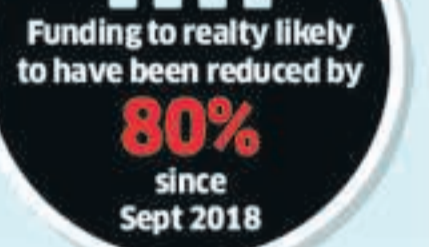
"Since the Reserve Bank of India (RBI) is the custodian of the financial stability of the economy, we expect it to come out with specific measures relating to this crisis and not just stop at providing liquidity to the system," said Samantak Das, chief economist (research and REIS, India), JLL.

"Funding to the (realty) sector has reduced by 80% since September 2018, with average ticket size dropping by at least 60% in the last six month," said the managing director of an international NBFC.

Playing It Safe

28% Surge in housing sales in March quarter from a year ago to 38,600 units in top 7 cities

58% Share of NBFC/HFCs' credit to real estate developers in FY18 from 36% in FY12



NBFC sector earlier boosted by Xander, KKR & Tata Cap deploying funds

Lending based on credit norms & focus on financial strength of entity, not just specific projects



The NBFC sector was limping back to normalcy early this year, with funds such as Xander, KKR and Tata Capital deploying capital to select builders, though based on stringent credit norms, with focus on the financial strength of the entity and not just a specific project. The residential real estate sector also saw some green shoots, with

listed builders registering profit for the last quarter of FY19. Housing sales surged 28% from a year ago to 38,600 units in the top seven cities. NBFCs and housing finance companies' (HFCs) share of outstanding credit to developers rose from 36% in FY12 to 58% in FY18, highlighting their growing importance compared with scheduled commercial banks.

Govt to Finalise Master List for 5G Rollout

Interministerial meeting scheduled on June 17 to build consensus around bands for WRC-19

Kalyan.Parbat@timesgroup.com

Kolkata: The government will shortly finalise a master list of spectrum bands that India will push for deployment in 5G telecom services at the International Telecom Union's upcoming World Radiocommunication Conference-2019 in Egypt.

The matter will be discussed at a high-level inter-ministerial meeting on June 17, which will be chaired by a top official of the Department of Telecommunications (DoT) wireless planning cell, a person with direct knowledge of the matter told ET.

At the meeting, senior officials of DoT, the Department of Space, Indian Space Research Organisation, Doordarshan, defence ministry and Airports Authority of India (AAI) will try to build consensus around new airwave bands that can be identified and backed for 5G rollouts at WRC-19.

Senior executives of phone companies, network vendors and chip makers will also be present. The potential 5G spectrum master list is likely to include multiple bands, including

airwaves across 600 MHz, 1.4 GHz, 2.6 GHz, 4.8 GHz, 26 GHz, 31 GHz, 47 GHz and the E&V bands, which are the wireless equivalent of fibre and can be used for high-capacity backhaul requirements in dense central office districts. The E&V bands include airwaves, typically in the 71-to-86 GHz and 57-to-71 GHz ranges, and are considered ideal for meeting mobile broadband backhaul needs cost-effectively.

"There will be detailed consultations on June 17 between the multi-ministerial representatives to build consensus and mutual accommodation around spectrum bands, including millimeter waves, that can be supported globally at WRC-19 for 5G deployments, including in India, going forward," said another person aware of the matter.

The meeting is crucial, coming as it does on the heels of new telecom minister Ravi Shankar Prasad setting a 100-day deadline to start 5G trials, and also signalling that the next

spectrum sale, which would include 5G airwaves, will be held in calendar 2019.

The WRC conferences are held every three to four years under the aegis of the Geneva-based ITU. The WRC-19, scheduled in Sharm El-Sheikh (Egypt) in October, will review and revise the global radio regulations — the international treaty governing the use of radio frequency spectrum. It will take a final call on which airwave bands will be globally assigned for 5G services.

Accordingly, India needs to put across its views after internally taking stock of the spectrum band requirements of the telecom, space, I&B, defence and civil aviation ministries.

The European Commission has reportedly decided to harmonise millimeter-wave spectrum in the 26 GHz band across the European Union for 5G technology, setting the move towards gigabit-speed wireless broadband services. Initial services likely to be deployed in the 26 GHz band would be enhanced mobile broadband (eMBB) services for high-capacity, fixed wireless access (FWA), high-definition video communications, virtual, augmented and mixed realities, said experts.

AN OPTION FOR DIVESTMENT PROGRAMME

CII for Brownfield Asset Recycling

Our Bureau

New Delhi: The Confederation of Indian Industry (CII) has pitched 'brownfield asset recycling' to the government as an option for its divestment programme.

The low-risk nature of the model will help kickstart the private investment cycle, the industry chamber said, adding that the model will help government raise resources for its infrastructure and capital expenditure programmes at a time when the fiscal headroom is constrained.

"It is important to bring back investor and lender confidence to get the private investment cycle going," said Chandrajit Banerjee, director general at CII.

"Constraints on expansion of public investment due to fiscal compulsions makes it even more important and urgent to revive private investments."

The turmoil in the financial sector, slowdown in consumption and stalled infrastructure projects have made both lenders and investors risk averse, it said.

"Still struggling to recover from the legacy NPAs, banks have been slow to resume corporate lending at levels achieved earlier... Investors, especially those in the infrastructure sector, have been hit hard by project delays because of regulatory approvals and issues related to land acquisition," it said.

A CII report on India's investment requirements has pegged India's infrastructure expenditure needs at ₹451 lakh crore over the next five years to achieve a GDP growth rate of 10% by FY24.

The CII also pointed out that a series of issues had brought down the share of infrastructure investment in GDP from 39.6% in FY12 to 31% in FY19 and increased government investment was required to

kickstart the private investment cycle.

The industry association also added that the availability of such low risk projects would attract long-term foreign investment, adding that the entry of private sector expertise into these projects would also likely help improve efficiency and profitability.

'Consultations on EVs Must'

NEW DELHI: The government must consult multiple stakeholders across the electric vehicle value chain before it firms up a plan for transition to electric mobility, the Confederation of Indian Industry (CII) said. CII has engaged with stakeholders from industries including renewables, electricity and power, battery makers and auto manufacturers to create recommendations that will help India achieve its goals of lowering emissions and meet its climate change commitments, the industry body said in a statement on Sunday.

"Constructive disruptions driven by market forces coupled with enabling policies is the kernel of any innovation and we are hopeful that the same is adopted as India readies itself for the advent of new technologies in mobility including electric vehicles," said Vikram Kirloskar, president at CII. The industry body suggested a three-pronged strategy for deciding the electric mobility roadmap going further. — Our Bureau

Cos Seek Clarity on Anti-profiteering Norms

NEW DELHI India Inc is planning to approach the Centre, after the re-election of the Narendra Modi-led NDA government, for further clarity on the anti-profiteering framework that has become important in the production landscape after New Delhi brought in a uniform producer levy. Companies are planning to make fresh representations for clear guidelines and regulations to be framed on anti-profiteering, seeking to avoid ambiguity on whether manufacturers have passed on the Goods and Services Tax (GST) benefits to consumers in lockstep with tax cuts, officials aware of the developments said. — Our Bureau

Scooter-sharing Startups Ride Small Talent Pool

Cos scout for experience in IoT-based supply chain, design & manufacturing

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Bengaluru: On-demand scooter-sharing startups Vogo, Bounce, Yulu and Drivezy are competing to hire from one another, as they struggle with a limited talent pool chasing niche skills.

The startups, fast emerging as alternatives to last-mile mobility, require people with experience around Internet-of-Things (IoT)-based supply chain, design and manufacturing. These are specialised skills as the technology itself is relatively new.

"We have an 80-member IoT team, but we are now facing a challenge in expanding this team since we have hired only through referrals—people who have worked on such projects earlier," said Anand Ayyadurai, co-founder of Vogo, which has raised over \$100 million. These startups are working with freelancers and consultants globally, especially from countries such as the US, China and Japan.

"We have made an advisory board of such international members who have worked in these fields for 15-20 years and know how to scale up such businesses," said Ayyadurai.

Job portals solve the problem of entry-level hires, but the challenge is for se-



nior positions. Since these startups build new capabilities, they prefer engineers who are flexible and can build things from scratch, said Vivek Hallekere, co-founder and CEO of Bounce.

Bounce has also hired many from abroad who have a better understanding of the technology and its challenges. There are more than 12,000 such scooters on Bengaluru's roads. Vogo and Bounce together plan to roll out between 60,000 and 100,000 bikes in the city over the next 12 months, ET reported earlier.

"I have spent more than half my time recruiting at Yulu, and since the sector is new, it makes the job even more difficult," said Amit Gupta, founder of Yulu. "Attitude and eagerness to learn are

ANAND AYYADURAI
Co-founder, Vogo

We have an 80-member IoT team, but we are now facing a challenge in expanding this team since we have hired only through referrals—people who have worked on such projects earlier

what we look for as we rely on in-house training."

The startup, which has 200 employees, has built a team of 'Yulu pilots' in charge of on-ground operations. This includes moving the scooters around to manage the demand-supply gap and for predictive maintenance, which is also new and tough to build, Gupta says.

Electric scooter maker Ather Energy, which has a team of more than 600 employees, has faced challenges in its software functions. The Sachin Bansal-backed company says it needs a mix of talent to build the UI/UX interface, both on the scooter's dashboard and for apps.

Restaurant Body Writes to Govt for Dual GST Structure

Ratna.Bhushan
@timesgroup.com

New Delhi: The main restaurant industry body has written to the government, demanding that restaurants be given the option to choose a higher GST rate than now levied, but with the right to claim refund of the tax paid on inputs.

Restaurants are now levied a 5% GST, but they can't claim the input tax credit against the tax they paid on raw materials and other expenses like rent.

In a letter to the finance ministry, the National Restaurant Association of India, which represents more than 5 lakh restaurants including McDonald's and Domino's, said denial of the input tax credit had caused a "severe impact" on the sector and led to the closure of 20,000 outlets last fiscal year.

The association has suggested a dual GST structure for the industry—12% for the restaurants that are ready to pay the higher rate but can claim the refund under the GST rule, and 5% for others. The letter, addressed to the revenue secretary, a copy of which ET has seen, said food service providers were sourcing close to half of their inputs from unregistered, non-tax paying suppliers to reduce their operating cost.

Office of the Executive Engineer Road Construction Department Road Division, Garhwa

INVITATION FOR BIDS (IFB) NATIONAL COMPETITIVE BIDDING
e Tender Reference No. RCD/Garhwa/509/19-20 Dated: 07.06.2019

1. The Executive Engineer, Road Construction Department, Road Division, Garhwa invites item rate bids online for the work detailed in the table given below. The bidder is advised to read & examine carefully all instructions including addendum/amendments to IFB, conditions of contract, contract data, forms, terms, technical specifications, bill of quantities etc. in the Bid Document before bidding.

Sl. No.	Name of work	Value of work (Rs. in lakh)	Bid Security (Rs. in lakh)	Cost of Document (in Rs.)	Period of completion
1	Reconstruction of Nagaruntari - Dhurki-Ambakoriya Road (MDR -139) Total Length 24.940 km, under Central Road Fund for the year 2019-20	10571.13	105.72	Stationery charges Rs. 2000.00 & tender cost Rs. 10000.00	19 (Nineteen) months including rainy season.

- Note:- The Bid Amount & Bid security will be decrease or increase.
- Website e-tendering portal of MORTH may be referred for detailed terms and conditions of the Invitation for Bids (IFB) and Bidding Documents (including e-Tendering instruction to applicants), which is available online.
 - Tender will be available online on MORTH portal and e-tendering portal of MORTH from 13.06.2019 upto 18.06.2019 upto 12.00 Hours to 18.00 Hours. Bids must be submitted online only on e-tendering portal of MORTH on or before 18:00 Hours on 12.07.2019 and technical bids received online will be opened on 15.07.2019 at 12.30 Hours.
 - The prospective bidders who do not possess Digital Signature Certificate (DSC) may get the same issued from approved agencies.

Executive Engineer R.C.D., Road Division, Garhwa

OFFICE OF THE RANCHI MUNICIPAL CORPORATION, RANCHI (ENGINEERING SECTION) KUTCHERY ROAD, RANCHI, PIN - 834001 e-mail :- support@ranchimunicipal.com

LETTER No:-28/Eng/RMC DATED:-07-06-2019
Short e-Procurement Notice

- Name of Tender inviting Officer :- Chief Engineer, RMC, Ranchi
- Date of Publication of tender on Website :- 15-06-2019
- Last date/Time for receipt of online bids :- 15-06-19 to 29-06-19 5:00 PM
- Last date/Time for receipt of EMD (Hard Copy) :- 01-07-2019 Up to 4:00 PM
- Date/Time of Opening bid :- 02-07-2019 Up to 12:30 PM
- Helpline number :- 7739568478

Sl. No.	Ward No.	Name of the Work	Approximate value of work (Rs)	Earnest Money (Rs)	Cost of Tender Document (Rs.)	Period of completion
1	08	Construction of Bituminous & PCC Road, RCC Drain and Culvert at ayodhyapur	97,44,300/-	1,95,000/-	10000/-	270 Days
2	09	Construction of PCC Road, RCC Drain and Culvert at Shanti Vihar colony (left Side Toli Talab)	90,36,900/-	1,81,000/-	10000/-	270 Days
3	18	Const. of P.C.C road and R.C.C drain at Harizan Basti, Capitol hospital Gai and at Garha Toli near zym	80,41,736/-	1,61,000/-	10000/-	270 Days
4	26	Improvement of PCC Road with Bituminous surface and RCC drain in Rest portion from Behini Vasundhra Apartment to Saket Vihar	1,24,31,500/-	2,49,000/-	10000/-	270 Days
5	11	Const. of P.C.C road and R.C.C drain at Harizan Basti, Capitol hospital Gai and at Garha Toli near zym	74,93,100/-	1,50,000/-	10000/-	180 Days
6	49	Construction of PCC Road, RCC Drain and Bituminous Road at New saktanagar	2,48,90,300/-	4,98,000/-	10000/-	270 Days
7	34	Const. of RCC Drain in different road of Vidyannagar from Satyapraksh Colony to subhash nayak house and from sangam vihar colony to golden public School and Harinar singh house to dhodho Nala	2,16,89,300/-	4,34,000/-	10000/-	270 Days
8	52	Construction of Road, Drain, culvert at Patel Nagar River View colony Jajbhassa	2,12,56,100/-	4,26,000/-	10000/-	270 Days
9	47	Construction of PCC Road, Guard wall and Drain at Ram Nagar Jorj Namkum from Ravidraji house to Narosh Mahito House Via Anuj House and from Anuj Singh house to Rajesh Yadav, J House	1,48,85,600/-	2,98,000/-	10000/-	270 Days

Further details can be seen on website <http://jharkhandtenders.gov.in>

PR 208305 (Ranchi Municipal Corporation) 19-20 (D)

Office of the Executive Engineer Road Construction Department Road Division, Garhwa

e-Procurement Notice For National Competitive Bidding

e-Tender Reference No. : RCD/GARHWA/507/19-20 Date: 07.06.2019

1. Name of the work	Widening & Strengthening/Reconstruction of Dandai Bazar to Paughatwa PWD Road via Lavahikala Road. (Total Length 10.05 km.)
2a. Approximate Value of Work	Rs. 35,40,23,415.00 (Rupees Thirty Five crore Forty Lac Twenty three thousand Four hundred Fifteen) only.
b. Bid Security*	Rs. 35,41,000.00 (Rupees Thirty Five Lac Forty One Thousand) only.
3. Time of Completion	15 (Fifteen) Months.
4. Last date/Time for receipt of bids	12-07-2019, 12.00 Noon
5. Date, Time & Venue of Pre-bid Meeting	17-06-2019, 11.30 A.M. Office of the Chief Engineer (Comm.), R. C.D., 1st Floor, Engineering Hostel No. -2, Dhurwa, Ranchi -834004.
6. Date of Publication of Tender on website	13-06-2019, 10.30 A.M.
7. Name & address of office inviting tender	Executive Engineer, RCD, Road Division, Garhwa Pin Code - 822114
8. Contact no. of Procurement officer	0651-223543
9. Helpline number of e-Procurement cell	0651-2401010

Note:- The Bid Amount & Bid security will be decrease or increase.

Further details can be seen on website <http://jharkhandtenders.gov.in> UCAN registration is mandatory for the bidders who are already registered in appropriate class with road construction department Govt. of Jharkhand.

PR 208306 Road (19-20) D

JHARKHAND URBAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (Govt. of Jharkhand Undertaking)

3rd floor, Pragati Sadan, Kutchery Road, Ranchi-834001, Jharkhand. Ph No. : +91-651-2225878, CIN: U45200JH2013SG001752, e-mail ID: juicelimited@gmail.com NIT No: JUICDO/PMAY/Vertical-III/2019/245 Date: 08.06.2019

e-procurement Tender Notice

1. (a) Name of the work	Construction (including structural design) of 4,118 dwelling units in 15 number of G+8 blocks (11 blocks with 322 dwelling units each and 4 blocks with 144 dwelling units each) at Birsanagar (Part I), Jamshedpur under Pradhan Mantri Awas Yojana (Urban) under Package V
(b) Scope of Work	Scope of work include Architectural Plan and Design, Engineering Procurement, preparation of detailed structural design & drawing, project execution & construction, after obtaining all approvals from municipal/statutory bodies including water supply and sanitation, sewer network, electrification work, storm water drainage, rain water harvesting, landscaping, street lighting, construction of internal roads and parking area of Pradhan Mantri Awas Yojana (U) at Birsanagar (Part I), Jamshedpur on PCC basis.
2. Mode of Bid Submission	e-tendering (http://jharkhandtenders.gov.in)
3. Estimated Cost (Rs.)	Rs. 309,04,00,676/-
4. Tender Fee and Bid Security	Tender documents fee: Rs. 25,000/- (Rupees Twenty Five Thousand) only (Non-Refundable) Bid Security: Rs. 3,09,04,500/- (Rupees Three Crore Nine Lakh Four Thousand Five Hundred) only.
5. Date / Time of Publication of Tender on Website	08.06.2019 17:00 Hrs
6. Last date of submission of pre-bid queries	14.06.2019 17:00 Hrs
7. Date of Pre-bid meeting	15.06.2019 11:00 Hrs
8. Last Date / Time of Bid Submission	29.06.2019 17:00 Hrs
9. Last Date / Time of Submission of Tender Fee & BMD	01.07.2019 17:00 Hrs
10. Date of Bid Opening	01.07.2019 12:30 Hrs
11. Bid Submission Address	Jharkhand Urban Infrastructure Development Company Limited, 3 rd Floor, Pragati Sadan, Kutchery Road, Ranchi - 834001
12. Helpline No. of e-Procurement Cell	+91 651 2225878

Note: Only e-Tenders shall be accepted. Further details are available on Jharkhand Government e-procurement website and can be seen on the website <http://jharkhandtenders.gov.in>

PR208328 Urban Development and Housing(19-20)D

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9848871244

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TECH VIEWS

Breach of 11,750 could Trigger a Bigger Fall

On weekly chart, the Nifty is trading in a rising channel pattern which is a positive sign suggesting investors can use any dip as a buying opportunity, according to technical analysts. Some of the technical buys where an investor can catch dips for a 10 to 15% gain in the near term include Apollo Hospitals, Godrej Consumer Products, Motherson Sumi, Piramal Enterprises and V-Guard.

ASHISH CHATURMOHTA
HEAD - TECHNICAL AND DERIVATIVES,
SANCTUM WEALTH MANAGEMENT

Where are We? Last week started on a positive note to hit new all-time high of 12,103, but profit booking in the later part of the week saw the Nifty closing off its peak. The Index ended at 11,871, down 0.44%, for the week and up 0.23% for the day on Friday. For the week, the Nifty formed a spinning top candlestick at the top indicating indecisiveness in the market. On the daily time frame, too, the index has formed indecisive pattern Doji, but with long lower shadow which means buying coming at lower levels.

What is in Store? Holding above Friday's low of 11,769, the market can see a bounce-back towards 12,000-12,100 which is the overhead resistance zone. On the downside, if breaking below 11,769 level, expect profit booking towards 11,591 levels where a rising gap support is seen. Among the Nifty options, maximum open interest (OI) for puts is seen at strikes of 11,000, followed by 11,500; but significant amount of OI is seen at 11,800 and 11,700 indicating support zone. Among calls, maximum OI build-up is seen at 12,500 followed by 12,000, indicating 12,000 as immediate hurdle for the market. The India VIX closed at 14.86 down 7.6% for the week. Over the last couple of weeks, the VIX has seen steady decline and reached the pre-election levels. It is likely to stabilise at the current level and a sharp rise from here would see profit booking.

What could Investors Do? Stock specific, **HDFC Life Insurance, V-Guard Industries, UPL and Voltas are looking positive and can be looked at the long side; while Amara Raja Batteries and Glenmark Pharma are showing weakness.**

ROHIT SINGRE
SENIOR TECHNICAL ANALYST, LKP SECURITIES

Where are We? Bulls took a pause last week after the RBI policy and the Nifty closed the week at 11,871 with minor loss of 52 points forming spinning top candle pattern on weekly chart suggesting bulls losing streak for the moment.

What is in Store? After fresh highs, the index witnessed strong selloff hinting some more pressure in near term if it managed to breach a good support of 11,750 on the downside; on the higher side, it has a strong resistance near the 11,950-12,050 zone. For continuing its overall uptrend, the index needs to sustain above the 12,050 zone or else we may see profit booking on every rise in the index. On the options front, maximum put open interest is at 11,500 followed by 11,000 strikes; while the maximum call open interest is at 12,500 followed by the 12,000 strikes, suggesting a broader range for the current expiry.

What could Investors Do? On weekly chart, the index is trading in a rising channel pattern which is a positive sign suggesting investor can use any dip as a buying opportunity for short- to long-term gains. Some of the technical picks where the investor can catch the dips for 10-15% in the short-term with stop losses below 5-7% from last current close are **Apollo Hospitals, Godrej Consumer Products, Motherson Sumi Systems, Piramal Enterprises and V-Guard Industries.**

RUPAK DE
TECHNICAL RESEARCH ANALYST,
BONANZA PORTFOLIO

Where are We? During the recent rally, the benchmark Nifty has made a record high of 12,103.05 on the opening day of the current month. On the weekly chart, we can observe a higher peak which definitely indicates an all-time high optimism among market participants. However, the market buoyancy tends to reduce whenever the Nifty reaches 12,000 mark or higher. On the weekly chart, three consecutive upper wicks also tell us the same story of exhaustion at 12,000. In addition, even after a strong rally in the Nifty, the RSI (14) failed to catch up with the rising value of the index. A negative divergence on daily chart as well as weekly RSI (14) signify waning positive momentum after a strong rally.

What is in Store? Currently, the index has been consolidating at 113% projection of the previous fall from 11,751 to 10,004.

A decisive move above 113% projection, which is pegged roughly at 12,000 would set a strong rally in the market when the Nifty could move towards 12,500 or higher. On the lower end, 11,750 (previous swing high) is likely to act as a crucial line of polarity. A decisive fall below 11,750 may trigger a bigger correction in the market and the Nifty may move down towards 11,400 and lower.

What is in Store? Till the time the index sustains below 12,000, most of the long trades may not prove to be highly rewarding as the market may tend to reverse to lower levels as it approaches 12,000. On the other hand, sustained trades above 12,000 may induce opportunity to create long trades in the market. Banking and financial stocks may witness some profit taking after an exponential move of late. However, we do not expect gross underperformance in the sector. **IT, realty and consumer goods stocks may gain in days to come.** Among these, **Hindustan Unilever, Havells and Larsen & Toubro** are likely to remain in strength.



ANIRBAN BORRA

HUL GAINS ₹10,056 CR Six of Top-10 Firms Lose ₹34,590 cr Market-Cap

PTI

New Delhi: Six of the 10 most valued domestic firms together lost Rs 34,590 crore in market valuation last week in a sluggish broader market. While Reliance Industries (RIL), TCS, ITC, SBI, Kotak Mahindra Bank and ICICI suffered an erosion in market capitalisation (m-cap) for the week ended Friday, HDFC Bank, HUL, HDFC and Infosys finished with gains.

SBI's m-cap dropped Rs 9,727.83 crore to Rs 3,04,909.35 crore and that of RIL tumbled Rs 9,159.92 crore to Rs 8,33,773.72 crore.

The market valuation of Tata Consultancy Services (TCS) tanked Rs 6,716.76 crore to reach Rs 8,17,625.87 crore and that of ICICI Bank plunged Rs 4,224.43 crore to Rs 2,68,847.85 crore. ITC's market cap declined by Rs 3,371.12 crore to Rs 3,38,215.65 crore and that of Kotak Mahindra Bank fell by Rs 1,389.95 crore to Rs 2,88,708.23 crore.

In contrast, the m-cap of Hindustan Unilever Limited (HUL) zoomed Rs 10,055.5 crore to Rs 3,96,504.96 crore and that of HDFC Bank jumped Rs 7,211.09 crore to Rs 6,68,007.04 crore.

HDFC added Rs 4,614.95 crore in its valuation to stand at Rs 3,80,389.02 crore while Infosys gained Rs 1,092.24 crore to reach Rs 3,23,016.95 crore. During the last week, the Sensex fell 98.30 points to 39,615.90. In the ranking of top-10 firms, RIL remained at the number one position, followed by TCS, HDFC Bank, HUL, HDFC, ITC, Infosys, SBI, Kotak Mahindra Bank and ICICI Bank.

SUDDEN DROP IN DHFL BOND PRICES creates opportunity; but retail investors who primarily buy bonds to earn interest income should stay away, say experts

High Risk Takers can Buy DHFL 2019 Bonds Offering 200% Yield

Prashant Mahesh and Narendra Nathan

Mumbai: For risk takers, bonds of Dewan Housing Finance Corporation (DHFL), which missed out on its interest payment recently triggering credit rating downgrades, present an opportunity to make big bucks. Investors could make 33-50% on DHFL bonds maturing in August and September if the company repays its bondholders, said wealth managers. This translates into a 200% annualised return.

Yields on some of the DHFL bonds have shot up to as high as 200%. DHFL bonds, which are traded on the BSE, plunged by as much as 20% last week, as investors rushed to sell them after the company missed paying interest on its bonds due on June 4. Though trades were low, yield to maturity (YTM) on the bonds maturing in August and September this year spiked to above 200%.

Yield to maturity (YTM) is the total return expected on a bond if the investor holds it till maturity with all payments made as scheduled and reinvested at the same rate.

The sudden drop in DHFL bond prices has created an opportunity for investors.

"First, only high risk takers should get into trades like this one. Second, investors who want to buy DHFL bonds from the market now should restrict to short duration papers (i.e. which is maturing in 2019) because the DHFL

Bonds in Focus

DHFL NCD	Maturing on	Market price (₹)	Fall (%)	YTM % at LTP	Total Traded Volume
DHFL-9.25%-9-9-23-	Sep 09, 2023	456.88	-10.77	34.08	2,172
DHFL-9.25%-16-8-21	Aug 16, 2021	517	-13.83	48.24	1,364
DHFL-9.20%-16-8-19	Aug 16, 2019	753.11	-4.7	213.15	636
DHFL-9.10%-9-9-19	Sep 09, 2019	666	-13.46	205.24	535
DHFL-8.90%-4-6-21	Jun 04, 2021	500.8	-20	45.46	678
DHFL-9.00%-4-6-23	Jun 04, 2023	427.06	-5.36	32.84	400
DHFL-9.30%-16-8-26	Aug 16, 2026	458	-4.59	25.89	389
DHFL-9.10%-4-6-28	Jun 04, 2028	425	-1.8	21.79	355
DHFL-9.15%-9-9-21	Sep 09, 2021	500	-8.94	47.97	173

Source: BSE. Last traded on June 7, 2019

SUDDEN SPIKE Yield to maturity on the bonds maturing in August and September this year spiked to above 200%, as volumes remained low

promoter will try to meet their debt obligations now and therefore, the chance of investors losing their money is less in short duration papers," says Feroze Azeez, deputy CEO, Anand Rathi Wealth Services.

Though the company is in the process of selling assets to return the money, retail investors who are not well-versed with the dynam

ics of the bond market, should stay away, said advisors.

"For high risk takers this is a good proposition as returns could be very high. However, retail or small investors who primarily buy bonds to earn interest income should simply stay away," says Rupesh Bhansali, head (distribution), GEPL Capital.

DHFL made two public issues of NCDs in August 2016 and May 2018. These NCDs had tenures of 3 years, 5 years, 7 years and 10 years, respectively.

Of the first tranche NCDs with a tenure of 3 years, the first one comes up for maturity in August 2019. These bonds with a face value of Rs 1,000, carry a coupon of 9.2% and trade at Rs 753, giving a yield to maturity of 213%. Another bond that matures in September 2019, carries a coupon of 9.1%

and trades at Rs 666 giving a yield of 205%.

Traded volumes in these NCDs are thin, with just 200-1,000 bonds changing hands amongst investors in a day at the stock exchange. This is because most retail investors buy bonds to earn interest till maturity. Trading in bonds is complex and many investors do not know how to calculate yields making it difficult for them to trade.

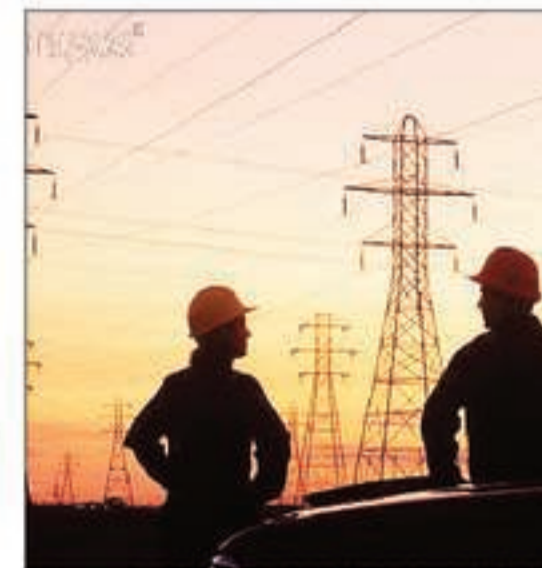
Bonds maturing in 2021 and beyond have low yields. For example, DHFL bonds maturing in August 2021, saw 1,364 bonds being traded and closing at Rs 517, giving investors a yield of 48.24%. The bonds fell by 14% in trade last Friday. Similarly, bonds maturing in June 2028, trade at Rs 425, giving a yield of 21.79%, to prospective investors.

CONCERN REPAYMENT OF DEBT IN SHORT TERM

Rel Power Write-offs, Impairments Raise Concerns Over Debt Repayments

Reclassification of loan leads to a greater mismatch in its current liabilities and current assets

Rachita Prasad
@timesgroup.com



Mumbai: Delay in debt repayment and the impairment undertaken by Reliance Power are adding to the woes of Anil Ambani-led Reliance Group which is anyway dealing with financial stress in its other businesses.

Reliance Power has booked impairment and write-offs worth Rs 4,170 crore in the fourth quarter of 2018-19. While this is a one-time exercise, the company's inability to pay instalments for its 125-mw Rajasthan solar power plant and failure to meet milestones relating to its Samalkot gas-based unit has reclassified some loans resulting greater mismatch in its current liabilities and current assets, causing concern over its ability to repay debt in short term.

As on March 31, the company's current liabilities rose to Rs 18,208.45 crore, widening the gap from its current asset of Rs 5,959.28 crore due to the reclassification of loans, raising concerns over the mismatch.

"We have undertaken a one time clean-up by accounting for write-off and impairment. The reclassification of loan leads to a mismatch but we are confident that there will not be any cash flow issue as our operating assets continue to perform well and we are aiming to monetise some assets. We are also talking to lenders of these loans to get them restructured," Shrikant Kulkarni, president (business), told ET.

Late Friday, the company reported net loss of Rs 3,558.51 crore in January-March quarter, dented by the impairment and write-off, as against profit of Rs 189.21 crore a year ago. Total income in the quarter declined to Rs 1,687.96 crore from Rs 2,321.68 crore. The company made a withdrawal of Rs 1,017 crore from its general reserves which reduced the impact of the one-time impairment and write-off; auditors of the

company highlighted that the losses would have been higher without this.

Reliance Power undertook an impairment on its gas-based Samalkot unit and its concentrated solar power (CSP) project in Rajasthan. "Impairments are one-time exceptional items and are resulting in a notional loss. Impairment of gas-based assets has been taken after seven years due to industry-wide issue of non-availability of domestic gas, which has affected entire 24,000 mw of gas-based capacity in the country. CSP impairment was primarily due to pioneering technology performance, which though improving continuously, is yet to reach commercial viability."

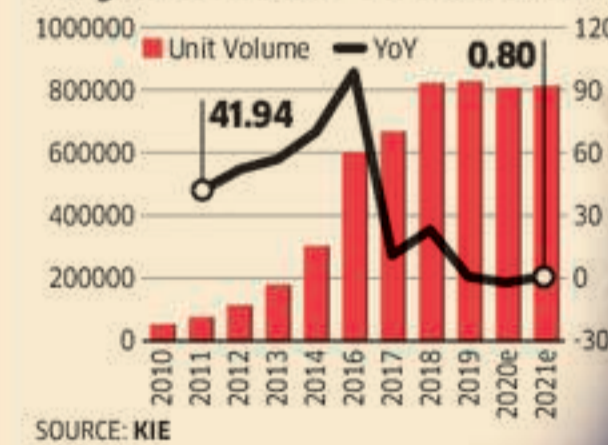
In case of the gas-based Samalkot power plant, US Exim has in principle agreed to restructure its term loan whereby outstanding principal would be paid in three equal annual instalments starting from June 2020 but this was subject to completion of certain conditions by May 31, 2019, which were not fulfilled. Therefore, the loan is now classified as current liabilities.

"We have already signed a term sheet with US Exim and will soon convert into a contract. As soon as that happens, it will cease to be a current liability," a company source said. The company has sold one 750 mw unit from this project for a Bangladesh project and is looking for buyers for two other such units to cut its losses after the project went defunct due to lack of gas.

Rajasthan Sun Technique Energy (RSTEL), the arm that runs the CSP unit, defaulted on a Rs 37.07 crore instalment as generation from the unit has been around 100 million units, almost half of what the company originally targeted. Lenders can be for immediate payment but have not, but the company has declared it as a current liability.

With rural income not rising fast, co might have to wait a bit before a meaningful volume comes from new format stores Eicher Motor's Rural Push may Take Some Time to Gain Speed

Royal Enfield: YoY Growth



SOURCE: KIE



Ashutosh Shyam
@timesgroup.com

ET Intelligence Group: The Bullet is hitting country roads to take the brand back to where it belonged: Growth leadership.

The maker of Royal Enfield, India's premium adventure bike for generations, is venturing beyond urban areas in search of sustainable growth that has lately been hard to come by. The company told global investors at a recent summit in the UK that it plans to open 350 small stores in FY20. These stores will be 225 square feet in size for sales and 275 square feet for workshops, just about a sixth of the regular properties. Royal Enfield expects these small-format stores to sell up to 20 units a month. If the formula clicks, more than 1,000 such outlets would be set up across the rural hinterland.

But will the strategy help Royal Enfield, represented on the bourses as Eicher Motors, help kick-start growth? The stock of Eicher Motors has underperformed the Sensex by 10% and 40% in the past three and twelve months, respectively, as volume rose 1% in FY19 in the slow pace of expansion since 2010.

In the near term, the strategy may help add some volumes to help offset soft demand in the traditionally large markets such as Kerala, Maharashtra and Karnataka. Volumes dropped 29%, 10%, and 5% in Maharashtra, Kerala and Karnataka, respectively, in the March quarter. Even states with lower penetration of premium bikes, such as Uttar Pradesh, Rajasthan and Bihar, saw moderate growth. With disposable incomes in rural India not rising fast enough, Royal Enfield might have to wait a bit before it sees a meaningful contribution from the new format of stores.

Eicher attributes the moderation in volume to economic slowdown, not brand fatigue. Royal Enfield has 28.5 million searches on Google, up 9% YoY, which is around 2.37 million searches per month, compared with 0.6-1.1 million for the next three competitors.

The Street is pricing in volume growth of 807,000-856,000 for the current fiscal year, which implies growth of minus 2% to plus 3%. The company has given production guidance of 950,000 units after the March quarter earnings.

The stock is trading at 20 times its twelve-month projected earnings, a 36% discount to the long-term average.

ENTITIES REFUSED TO PROVIDE BENEFICIAL OWNERSHIP INFORMATION Total exposure of these funds pegged at \$1-1.5 b

Over 150 Overseas Investors Lose FPI Licence

Pavan Burugula
@timesgroup.com

Mumbai: Over 150 offshore investors have lost their foreign portfolio investor (FPI) license for not complying with the Securities and Exchange Board of India's new documentation requirements, said three people privy to the development. These funds have refused to provide the beneficial ownership (BO) information to their custodians as mandated by the capital markets regulator.

According to Sebi data, the total number of FPIs has come down from 9,437 in February to 9,385 now. This is the first time since 2014 there is a net fall in the total number of registered FPIs.

Funds which have lost their licences are relatively smaller ones, said the people aware of the matter. The total exposure of these 150 funds put together would be around \$1-1.5 billion, they said.



TOUGH STAND In late March, the National Stock Exchange (NSE) froze accounts of over 600 FPIs for non-compliance

FPIs have also registered with Sebi during the period. "The markets regulator had issued a circular on April 10 last year asking foreign portfolio investors

(FPIs) to identify the Beneficial Ownership in their funds. In cases where there is no significant BO based on economic ownership, fund managers and other senior management officials of the funds were to be considered BOs. The last date for submission of this information was March 20. Some of them had sought additional time from the market regulator.

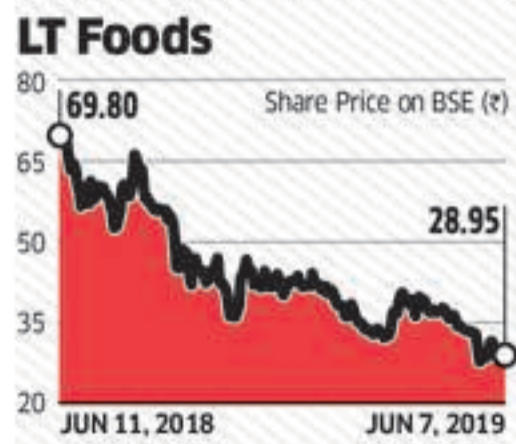
"FPIs not in compliance with the new KYC norms can sell their existing investments by September 2019, failing which they will have to divest all their investments

immediately," said Rajesh Gandhi, partner, Deloitte India. "Sebi is unlikely to relax these KYC requirements because these rules come from prevention of money laundering laws (PMLA)."

Experts said some of the smaller FPIs have governance and transparency related issues and disclosing their actual beneficiary ownership to regulators could land them in trouble. Reluctance of some of these funds to disclose the BO information stems from such concerns. "You cannot rule out the fact that

ET ANALYSIS

What to Buy, Sell and Hold



Motilal Oswal maintained its buy rating on **LT Foods** with a target price of ₹45 citing strong outlook on back of company's focus on profitability improvement. In order to achieve better profitability, the company is likely to focus on better margin business in India and higher profitable geographies, said the brokerage. They expect company's revenue/EBITDA/PAT CAGR of 8%/12%/26% over FY19-21E. The stock ended flat at ₹29 on Friday.

Edelweiss has maintained its buy rating on **Ratnamani Metals & Tubes** and increased its target price to ₹1,203. RMTL's order book has improved to ₹1,458 crore as on May 1, 2019 from ₹1,321 crore as on January 1, 2019. RMTL continues to witness traction in refineries, petrochemicals, and exports markets for stainless steel segment while new government's focus on water pipelines/city gas distribution in India is expected to create huge opportunity for SAW/ERW pipes of the company, said the brokerage. The stock ended at ₹978 on Friday.

JM Financial maintained its buy rating on **Tech Mahindra** with a target price of ₹784. The company has been collaborating with industry bodies such as TM Forum and promoting consortiums such as VNFx change. It has also set up 5G CoE (center of excellence) in partnership with Intel. While the direct impact on revenue is unknown, these initiatives should help in sales pitches, gain visibility and differentiate against other India-based peers, said the brokerage. They believe the stock's current valuations (11.8x FY21F EPS) provide a good entry point to play the long-term story. The stock ended at ₹750 on Friday.

Kotak Securities has downgraded the shares of **Simplex Infrastructure** to sell with a target price of ₹128 on account of lack of comfort on future growth in execution and working capital cycle improvement. At current price, the stock is trading at 6.5x P/E and 5.7x on P/E and 5.6x and 5.6x EV/EBITDA on FY20 and FY21 estimates respectively. We revise our estimates to factor in slower execution, lower than expected order inflow as well as continued high working capital said the brokerage. The stock ended at ₹140 on Friday.

Yes Securities has maintained its buy rating on **Can Fin Homes** with a target price of ₹450. The brokerage forecast a 20% CAGR in loan book and earnings over FY19-21, implying steady RoA/RoE delivery of 1.8%/18-19%. Based on our FY21 estimates, Can Fin trades at 1.9x P/ABV and 11x P/E. Valuation is reasonably attractive considering high quality of the franchise and consequent ability to withstand adverse funding/liquidity situations and sustain healthy growth and profitability, according to the brokerage. The stock ended at ₹354 on Friday.

INSTITUTIONAL CALLS Foreign funds raised stakes in Eicher, HDFC Life and Castrol on promise of high returns, while MFs chose L&T, BEL and NTPC, among others on growth and order strength

FPIs Buy Quality On the Cheap, Local MFs Capital Goods, Utilities

Rajesh.Naidu@timesgroup.com

ET Intelligence Group: Just what are the biggest funds in the business buying these days?

Foreign portfolio investors (FPIs) and local mutual funds typically make investment decisions that other classes of investors, including HNIs, often follow, albeit with a lag. These bulge-bracket funds have deep pockets, are better trend-spotters across asset classes and geographies, and focus on long-term wealth creation. So, it makes a lot of sense to study their investment bets.

ET Intelligence Group studied the shareholding data of companies in the BSE 100 and BSE Midcap indices to ascertain what FPIs and mutual funds have bought in the past one year. The study showed that FPIs enhanced their exposure to beaten-down quality stocks.

Who's Buying What

FPI stake in % in the past four quarters

Company	Jun-18	Sep-18	Dec-18	Mar-19
DLF	16.6	16.7	16.7	21.2
RBL Bank	14.4	14.1	15.9	18.8
Zee Entertainment	40.7	40.8	41.5	45.0
Colgate-Palmolive (I)	11.5	13.2	13.9	15.4
Castrol India	9.2	8.6	9.0	11.2
HDFC Life Insurance	9.0	8.4	8.2	10.5
Eicher Motors	31.1	31.4	30.8	32.5

Mutual funds' stake in % in the past four quarters

Company	Jun-18	Sep-18	Dec-18	Mar-19
NTPC	10.1	10.2	12.7	15.4
Cummins India	15.9	16.6	17.8	20.3
Bharat Electronics	13.8	14.6	16.2	18.3
Tata Power	6.8	7.3	8.8	10.7
Torrent Power	9.5	9.4	9.4	11.1
Larsen & Toubro	15.1	14.6	14.8	16.3
Eicher Motors	31.1	31.4	30.8	32.5

SOURCE: Capline, ETIG Database

These are Eicher Motors, HDFC Life Insurance, Castrol India and Colgate-Palmolive India. FPIs have enhanced stakes in these companies by 1.2-5% in this period. These companies promise high returns and have stable growth prospects, while valuations seem attractive when

compared with the recent past. In the same period, mutual funds have loaded up on capital goods and utilities. NTPC, Larsen & Toubro, Bharat Electronics, and Cummins India have seen mutual funds increase their stakes in the 1.5-7% range. There are two major reasons mutu-

al funds bought into capital goods and utilities. First, these companies have shown high growth in their short-cycle order books. Two, in the past one year, these companies have also beaten their order inflow guidance despite less fresh business from the government.

PRICE CRASH in both chemicals may impact profitability, but analysts remain positive

Phenol, Acetone Now Villains in Deepak Nitrite's Bull Run

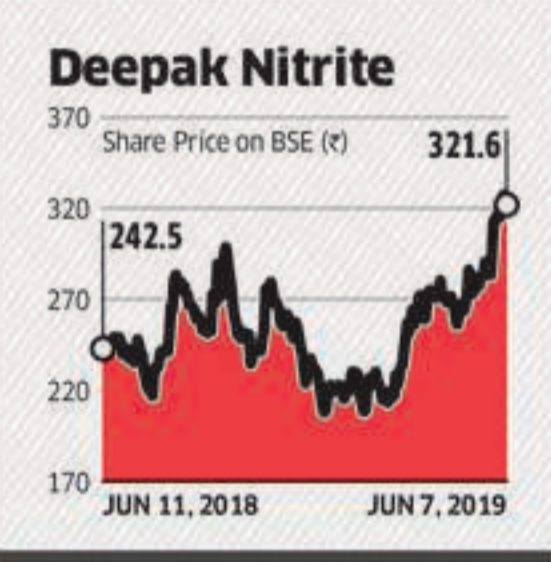
Rajesh.Mascarenhas@timesgroup.com

Mumbai: A sharp fall in phenol-acetone spreads in the international market may snap the bull run in Deepak Nitrite (DNL) shares, analysts said. Phenol-acetone spreads have plummeted 42% in the last six months, from \$950 to \$540, due to weak demand in key markets.

Shares of Deepak Nitrite rallied 14% in the last one month, closing at ₹321.60 on the BSE on Friday. "The decline in phenol-acetone spreads is an extremely negative development for Deepak Nitrite," said Ajay Bodke, CEO-PMS at Prabhudas Liladher.

Setting its sights on the available phenol and acetone opportunity in the country, Deepak Phenolics (DPL), a subsidiary of Deepak Nitrite, commissioned its phenol and acetone plant in November 2018. The plant, which has a capacity to manufacture 200,000 MTPA of phenol and 120,000 MTPA of its co-product acetone, entailed an overall capex of ₹1,400 crore. In the first five months of commercialisation, the plant achieved the highest utilisation level of 100%. Phenol prices in the domestic market fell 25% in the last six months to ₹82 per kg while Acetone prices have plunged 35% to ₹31 per kg. "Phenol and acetone prices have softened in international markets in the recent months and spillover effect in India could be a possibility," said Swarnabha Mukherjee, research analyst at Edelweiss. "We are pricing in a lower spread in our forecasts for Deepak Nitrite to account for lower acetone prices."

DPL achieved a turnover of ₹537 crore in the quarter to March 2019 and ₹927 crore in the first five months of operations. The full blown effect of this segment, according to analysts, will be visible only when the plant has been operational for the full year. "However, profitabil-



ity of the DPL business depends on the crack spreads, which are quite volatile in nature," said Swarnabha Mukherjee of Edelweiss. Phenol-acetone is expected to contribute 51% of the consolidated revenue of DNL by FY22. DNL has planned capital expenditure of ₹100-150 crore for FY20 to develop high margin downstream products in phenol-acetone, a segment that is expected to clock a revenue of ₹2,538 crore on the back of high value phenol derivative products to be introduced.

However, almost all analysts who track DNL, continue to remain positive on the stock over the long term given its track record of high and sustained earnings growth, leadership in its key products and superior return ratios. "DNL's financial performance and return ratios are in line with market peers such as Aarti Industries, Atul, SRF and Vinati Organics," said a recent note by Ventura Capital. "While these players command premium valuations in the range of 17 to 23 times their FY2021 estimated PE, DNL is available at 12 times FY2021 estimates, providing an opportunity for re-rating."

Eros Group Rubbishes US Firm's Allegations Of Financial Irregularities

Promoters enriched themselves at the expense of shareholders: Hindenburg Research

Gaurav.Laghat@timesgroup.com

Mumbai: Film production house Eros International is again under a cloud, this time over alleged financial irregularities and undisclosed related-party transactions raised by US-based forensic research firm Hindenburg Research.

This comes after ratings firm CARE downgraded the company's creditworthiness to 'default' on Wednesday, citing delays in debt servicing and cash flow issues. CARE downgraded the company's long-term bank facilities from 'BBB-' to 'D', which created panic in the market, leading to a 36% fall in its stock price over the next two days.

In its report published on Friday, Hindenburg has stated that the default occurred just as the firm was completing an investigation that sought to explain precisely why Eros has been persistently unable to collect receivables from its debtors.

"After extensive on-the-ground research in India, interviews with multiple former employees, and a detailed review of Indian private company filings, we believe the underlying problem is that a significant portion of Eros' receivables don't actually exist," the report said. Hindenburg said that Eros has directed \$153 million to Next Gen, a production company operated by the brother-in-law of Eros chairman Kishore Lulla. It has also hinted at irregularities in dealings with inter-related companies like Eros Television and alleged round tripping of funds.

The firm said that it is hard to imagine Eros' equity makes it out of this scenario intact. "We expect the price of both the BSE and NYSE stock to end up worthless, barring

some sort of bailout from a friend of Eros' leadership." The firm also stated that the situation has come about as the auditor Grant Thornton failed to "apply even basic scrutiny to Eros' financials."

In response to ET's email query, a Grant Thornton India LLP spokesperson said, "This is a short-seller's report... the contents of which we are examining. At the outset, it appears to be similar to a report from another short seller some years ago, the allegations of which were investigated by an independent agency appointed by the Board and finally concluded to be without substance... We are confident that our audits of Eros were performed in accordance with applicable professional standards and regulations."

When contacted, Lulla told ET that "there is no truth" in the allegations. "The report is appalling. There is not a single item, which was not covered in the 2015-16 short attack on the company. In the last two years, main shareholders have increased their stake in the company and which is why shorts are trying to create panic. We are considering legal action," he said.

On downgrading by CARE, Lulla said there is not a single default notice from any bank and that the issue is being taken up with the firm. Nathan Anderson, founder of Hindenburg Research, called Lulla's explanations as "deflection". "These are new findings based on new documents. We started digging into Eros' financials when we noticed it had consistently booked revenue that it was unable to connect, a telltale sign of potential false revenue... Our report is the culmination of a 6-month investigation that took us to Singapore, Mumbai, and included dozens of conversations with former employees and business associates of Eros," Anderson told ET. "We think the Lulla family has been lining their pockets at the expense of Eros' shareholders and bondholders."

Quantitative Strategies MOTILAL OSWAL SECURITIES

Option Writing

STRATEGY 1

Writing against Cash / Fut Holding
Sell TATASTEEL 510 CE 27-JUNE-19 at ₹4.35
Target Level : 0.10
Stop Loss Level : 6.40
Gross Monthly Yield : 1.40%
ROI : 5.60%
Margin : ₹80,000
Days to Expiry : 18

Writing with Hedging

Leg 1: Sell TATASTEEL 510 CE 27-JUNE-19 at ₹4.35
Leg 2: Buy TATASTEEL 540 CE 27-JUNE-19 at ₹1.20
Target Level : 0.05
Stop Loss (Spread) Level : 4.60
Gross Monthly Yield : 1.00%
ROI : 4.10%
Margin : ₹79,000
Days to Expiry : 18

STRATEGY 2

Writing against Cash / Future Holding
Sell INDIACEM 110 CE 27-JUNE-19 at ₹1.10
Target Level : 0.10
Stop Loss Level : 1.50
Gross Monthly Yield : 1.60%
ROI : 5.90%
Margin : ₹76,000
Days to Expiry : 18

Writing with Hedging

Leg 1: Sell INDIACEM 110 CE 27-JUNE-19 at ₹1.10
Leg 2: Buy INDIACEM 120 CE 27-JUNE-19 at ₹0.35
Target Level : 0.05
Stop Loss (Spread) Level : 1.10
Gross Monthly Yield : 0.70%
ROI : 4.05%
Margin : ₹72,000
Days to Expiry : 18

Pair Trading

STRATEGY 1

Leg 1: BUY BAJFINANCE 1 LOT 27-JUNE-19 at ₹3,528.90 AND 42 SHARES IN CASH at ₹3,509.45
Leg 2: SELL BAJAJ FINSERV 1 LOT 27-JUNE-19 at ₹8,248.70
Tenure : 7-8 Days
Target Profit : 2.75%
Stop Loss : 1.35%
Margin : ₹4,83,000

This pair has 97% correlation over the last one year. Pair has trade lot ratio of 1.20 with price ratio of 0.43. It has been moving towards its average mean levels so may continue to bounce more with stability in Bajaj Finserv and buying interest in Bajaj Finance as per its statistical data of 250 band.

STRATEGY 2

Leg 1: BUY HDFC 1 LOT 27-JUNE at ₹2,218.90
Leg 2: SELL HDFC BANK 2 LOT 27-JUNE-19 at ₹2,440.55
Tenure : 7-8 Days
Target Profit : 2.65%
Stop Loss : 1.25%
Margin : ₹4,11,000

This pair has 98% correlation over the last one year. The pair has trade lot ratio of 0.60 with price ratio of 0.91. It was moving in between price spread difference of 200 to 350 points from last couple of months. It has turned lower and trend shows sign or narrow down of its spread gap as per its statistical 250 band.

NPS Scorecard

National Pension System (NPS) helps you to save tax in several ways. There are only eight NPS fund managers at present and the table below compares their performance. The data has been provided exclusively to ET.

TIER I: Equity Plans

Fund	NAV	3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	12.29	5.67	7.82	5.44	48.78
HDFC Pension Fund	22.58	6.64	10.37	8.35	2181.05
ICICI Prudential Pension	30.37	6.58	11.12	8.23	1402.66
Kotak Pension Fund	27.77	6.78	10.79	8.58	281.33
LIC Pension Fund	19.57	5.60	8.84	6.87	568.06
Reliance Capital Pension	27.63	5.44	8.88	8.06	103.21
SBI Pension Fund	26.04	5.89	9.65	8.42	2482.35
UTI Retirement Solutions	30.14	4.98	8.99	7.13	387.26
Nifty 50 Index	-	7.35	11.01	10.24	-



TIER I: Government Bond Plans

Fund	NAV	3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	11.87	6.09	7.75	16.52	28.40
HDFC Pension Fund	17.71	6.27	7.67	17.02	1768.18
ICICI Prudential Pension	23.90	6.27	7.61	16.62	1086.03
Kotak Pension Fund	23.74	6.25	7.75	17.13	239.75
LIC Pension Fund	19.13	7.14	9.14	19.45	579.38
Reliance Capital Pension	23.15	5.97	7.66	16.32	105.48
SBI Pension Fund	25.75	5.97	7.56	16.55	2901.55
UTI Retirement Solutions	23.09	5.95	7.52	16.07	335.96
CCIL All Sovereign Bond - TRI	-	5.88	7.72	16.03	-

TIER I: Corporate Debt Plans

Fund	NAV	3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	12.03	4.60	7.03	12.62	24.48
HDFC Pension Fund	17.77	4.86	7.34	12.98	1232.35
ICICI Prudential Pension	27.43	4.75	7.12	13.10	834.05
Kotak Pension Fund	26.98	4.60	7.11	12.00	173.24
LIC Pension Fund	17.62	4.96	7.03	13.04	353.15
Reliance Capital Pension	24.36	3.95	6.19	11.72	64.83
SBI Pension Fund	27.35	4.38	6.89	12.89	1572.49
UTI Retirement Solutions	24.58	4.52	6.84	12.15	218.78
CCIL Bond Broad - TRI	-	3.83	5.87	13.41	-

Returns as on Jun 07, 2019. Assets as on Apr 30, 2019 Source: Value Research

Funds Blindly Trusted Rating Agencies while Investing in IFIN, Feels SFIO

Shilpy.Sinha@timesgroup.com

Mumbai: The Serious Fraud Investigation Office, in its charge sheet for IFIN, has questioned the role of credit rating agencies in assigning the highest ratings to various instruments that led to the beleaguered infrastructure finance company till the first default.

Four rating companies had been involved in rating various instruments of IFIN from 2013-2018 — ICRA, CARE Rating, India Rating and Brickwork Rating.

"It was seen that largely all the four agencies had given the highest ratings to long-term and short-term instruments of IFIN on the strength of its parentage and management linkages with IL&FS. The highest rating enabled IFIN to make borrowings from banks, NCDs, commercial papers etc." SFIO has stated its charge sheet.

IL&FS CEO Ramesh Bawa had also assisted a senior director in Fitch Rating, Singapore, who appears to be involved in the rating of IL&FS in buying a duplex villa of Rs 4.25 crore at a discounted price of Rs 3.25 crore, the charge sheet said.

Credit ratings have a significant impact on the company's potential to take loans and attract investments from mutual funds, insurance funds, provident funds and pension funds. In case of IL&FS, over ₹20,000 crore was invested by these funds based on audit reports and credit ratings assigned to different instruments of the company.

The SFIO, in its charges, has stated that the financial statements prepared and filed by IFIN did not give a fair view on the state of affairs of the company as the statements from FY12-FY18 were not in compliance with the applicable accounting standards notified under the Companies Act.

The report said the signatory to the IFIN financial statements had intentionally defaulted in their duty to comply with the provisions of the Act, knowingly avoided provisioning in the books of accounts which led to fraudulent inflation of profits and presented a rosy picture.

INDUSTRY EXPERTS

It's a vicious and infected circle — management greed, audit failure, auditors' connivance, rating agencies providing highest ratings, funds investing, the money being misused and the cycle begins again with another instrument — this is a failure across levels

"These credit rating agencies factored in positively the impact of IL&FS and accordingly notched up the ratings of IFIN," SFIO said. "Since these companies had relied heavily on the strength of IL&FS they will need to be investigated in the ongoing investigation of IL&FS".

Various insurance companies and mutual funds had relied on the ratings and audit reports before finalising their investment strategies in IFIN, the statement said.

New India Assurance had invested Rs 62 crore in NCDs and had stated that "if rating is AA or above, then there should not be any issue on the repayment," explaining why they invested in IFIN.

Similarly, Oriental Insurance Company, which invested Rs 115 crore in NCDs, told SFIO that the basis of selection of debt securities were based on the financials, credit ratings and best yields available in the market. "IFIN had an overall CAR of 21.6%, along with overall rating of AAA from CARE and India Rating."

Canara HSBC OBC Life Insurance, which had Rs 30 crore in CPs, said the fixed income process in Canara HSBC OBC Life Insurance is primarily dependent on the rating of the issuer provided by the rating agencies. Investments in IL&FS/IFIN were done primarily on the basis of the credit rating of the companies provided by CARE and ICRA which are the highest rated in their categories. Investments were made based on consolidated and standalone financials which seemed fine in terms of balance sheet leverage and P&L profitability.

LIC MF, which had over Rs 200 crore in IFIN NCDs, also pointed at the reliance on ratings to make investment decisions. "With respect to investments in unlisted securities like IFIN, more reliance was placed on external ratings provided by CARE and ICRA. A lot of confidence was derived from the same. Further rating agencies have not given any qualifications. Observations were made with respect to the ratings provided by them," LIC said.

THE BITTER TRUTH Smaller banks in specific deals may now have to follow larger lenders who have more at stake in a consortium of creditors

Smaller Banks Hit Most by RBI's Revised Note on NPAs

Joel Rebello & Maulik Vyas

Mumbai: The central bank's revised circular on stressed assets promises to speed up resolutions of bad assets, but smaller banks in specific deals may now have to follow the larger lenders that have more at stake in a consortium of creditors.

The rule that 75% of creditors' vote is enough to pass a resolution plan and that dissenting lenders must sell at liquidation value would lower the bargaining power of smaller banks that have less exposure in specific deals. On the flipside, that would mean quicker resolutions as banks with less exposure can't stall deals any longer.

"Smaller lenders would always try to get the full value of the loan even if their exposure was just a few crores. This was not always possible and would delay the process," said Prashant Kumar, CFO at State Bank of India (SBI), the country's biggest lender. "Now, things will be easier: If 75% of lenders by value of

The New Norms



RBI framed a new set of rules for banks after its previous circular failed to pass legal scrutiny

Now, 75% of creditors' vote is enough to pass a resolution plan

Dissenting lenders must sell at liquidation value and will lower the bargaining power of smaller banks

It gives banks a review period of one month to start restructuring the default

Some experts believe that there is no clarity on liquidation

the loans or 60% by number agree, the plan can be taken forward."

Mint Road framed a new set of rules on Friday for banks after its previous circular failed to pass legal scrutiny. Power sector companies had approached India's highest court against the regulator's 2018 order that had ordered banks to treat a single-day's payment delay as default and required lenders to initiate insolvency proceedings. The new circular does not expect banks to start restructuring within

one day of default but gives them a 'review period' of one month, replacing the earlier guideline that had said lenders 'shall initiate steps to cure the default.'

However, after agreeing to a resolution plan, lenders have to sign a so-called inter creditor agreement (ICA) mandatorily, which could become a deterrent in the process.

"The catch is that banks may not sign the ICA if not satisfied with the proposed resolution professional (RP) by the borrower, or can even

arm-twist the borrowers. Small lenders may not sign the ICA and may lead to all lenders making additional provisioning," said Bob Capital Markets in a note on Saturday. Some others believe that there is no clarity on the realisable, or liquidation, value of an asset, and lack of clarity as a fundamental point as this will lead to delays.

"If the liquidation value becomes negative, how much will the small lenders get? When can such an assessment be done is also a ques-

THE CHALLENGE

Small lenders would always try to get the full value of the loan even if their exposure was just a few crores. This was not always possible and would delay the process

PRASHANT KUMAR
CFO, State Bank of India

"The new circular is a relief for lenders who, under the earlier circular, were compelled to initiate the insolvency process within a stringent timeline even where they believed that resolution of a particular stressed asset was possible without approaching the NCLT," said Ayush Agarwala, partner of law firm K.L.A.

stead, disfavoured customised restructuring plans.

Banks have to make an additional 15% provision within one year of the commencement of the review process. This will be in addition to the 20% provision required at the end of the 180-day period, which means a 35% provision if a plan is not put in motion after a year. "More importantly, RBI has done away with the 50% provision required for IBC cases, which means banks need only a 15% provision if they want to directly take a case to IBC. Or banks risk a higher 35% provision if a plan is not agreed," Kumar said.

Lawyers say the removal of a stringent timeline is welcome.

"The new circular is a relief for lenders who, under the earlier circular, were compelled to initiate the insolvency process within a stringent timeline even where they believed that resolution of a particular stressed asset was possible without approaching the NCLT," said Ayush Agarwala, partner of law firm K.L.A.

NO RESPITE FOR NBFC CRISIS

With more Rating Cuts in Sight, NBFCs' Cost of Funding may Rise

Only specific solutions to rescue the sector can stem the panic and stop a contagion: Expert

Shilpy.Sinha@timesgroup.com

Mumbai: The Reserve Bank of India may have cut interest rates thrice this year, but that's no respite for NBFCs which are facing crisis of confidence. Cost of funding for a majority of them may be set to jump with more rating downgrades in sight amid no bailout from the RBI.

The Monetary Policy Committee of RBI has cut repo rate by 25 basis points last week and changes its stance on liquidity from neutral to accommodative.

"Due to risk aversion by larger market segment of investors class specially institutional side, credit spread for more leveraged ones and non AAA NBFC may widen and miss the advantage of rate cuts," said Ajay Manglunia MD and head institutional fixed income at JM Financial Products Limited.

Post rate cut and change of stand from neutral to accommodative, the rates have rallied and



yields down by 8-10 bps. This kind of rally may continue and gain momentum in down side post budget with improvement in flows from

THE RISK

Due to risk aversion by larger market segment of investors class especially on the institutional side, credit spread for more leveraged ones and non AAA NBFCs may widen and miss the advantage of rate cuts

AJAY MANGLUNIA
MD, JM Financial Products

foreign portfolio investors.

RBI has assured of maintaining adequate system liquidity. With 21 basis points decline in the weighted average lending rate on fresh rupee loans since January, the central bank felt monetary policy transmission has been faster than earlier.

"A more focused approach is needed to address issues in NBFC and Housing Finance, failing which transmission of lower rates to end-borrowers may not happen fast enough," said Mihir Vora, director, Max Life Insurance.

Though no specific measure was announced to provide immediate relief to the troubled NBFC sector, RBI Governor Shaktikanta Das said they will do whatever it takes to ensure financial stability of the system.

"Specific and targeted solutions to rescue these besieged sectors alone can stem the panic and stop a further contagion," said Ajay Bodke, CEO and Chief Portfolio Manager, Prabhudas Lilladher.

Gold Likely to See Profit Booking this Week, Price may Fall ₹400-800/10 gm

Gold on MCX has rallied by 4% to ₹32,936 per 10 gm in the past eight sessions

Ram.Sahgal@timesgroup.com

Mumbai: After logging its best eight-day performance in five months, physical buyers of gold might get to see a ₹400-800 per 10 gm dip in the metal price this week with a risk-on appetite returning on hopes of a rate cut by the US Fed in June or July and US President Donald Trump indefinitely delaying tariffs on Mexican imports. However, analysts add that any dips are likely to be bought into.

Gold on commodity exchange MCX rallied by almost 4% to ₹32,936 per 10 gm (ex GST) in the past eight sessions through June 7, it's best such performance since the last week of December. The rise in gold on MCX reflected the rally on US exchange

Comex, from which the metal on the domestic bourse takes cues. The rally was on concerns of potential trade wars between the US and its trading partners China and Mexico and floundering economic growth.

Now, with US president Trump having signalled that tariffs on Mexico had been delayed indefinitely and with chances of a rate cut by the Federal Reserve over the next few months, gold could face some pressure in the near term.

A fall in interest rates makes stocks and bonds more attractive than gold. However, over a longer term lower interest rates raise inflationary expectations, which in turn, could raise the demand for the metal which acts as a safe haven and a hedge against rising inflation.

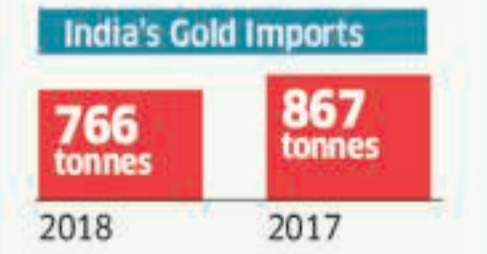
Also, analysts said momentum of gold would continue as the trade spat with China was far from over.

Nitin Kedia, business head of Kedia Commodity, has advised his clients to sell MCX near month contract at ₹32,900-32,950 for a target of ₹32,100-32,150 in the

Golden Note



- Positive Sentiments
- Anticipated rate cuts by the US Fed
- Disappointing non-farm payroll data in May
- No signs of easing in trade tensions between US and China



current week.

A ₹800 dip on a kilo gold contract works out to a fall of ₹80,000. Kedia advises trading with a

compulsory stop loss of ₹33,250. Gnanasekar Thiagarajan, director of precious metals research firm Commtrendz, said any dip in gold would be bought into.

Anticipated rate cuts by the US Fed and disappointing non-farm payroll data in May—with just 75,000 jobs created against expectations of 1,75,000—are actually signs of weak growth in the world's largest economy and along with no signs of easing in trade tensions between US and China are taken to be positive for gold over the medium term.

"That makes any dip a good buying opportunity," said Gnanasekar. On MCX, the near month contract which reflects the spot price, rose by ₹1,293 per 10 gm through ₹32,936 in eight sessions through June 7. The open interest over the period rose to 16.7 tonnes from 11.6 tonnes. Kedia expects profit booking around Friday's level, which will be borne out by long positions being liquidated or creation of fresh short bets for the near term.

Firm eyes to use the funds to expand, buy assets locally and to refinance liabilities

Saikat.Das1@timesgroup.com

Mumbai: Billionaire Gautam Adani-controlled Adani Ports and Special Economic Zone (APSEZ) is seeking to raise about \$750 million by selling overseas bonds in the first major foreign issuance by a local infrastructure company after the ruling combine was voted back to power with a stronger majority.

The proceeds would be used to expand current capacity or buy assets available locally and to refinance existing liabilities, three executives aware of the bond sale plans told ET. The issue would be opened in the next

three to six weeks and the company has already appointed investment bankers. "Due diligence sessions with the management are currently on. Soon, bankers will begin road shows," said one of the executives cited above. The bonds could be of five or 10-year maturities and will be priced after adding a mark-up over and above similar maturity US Treasury yields. Pricing guidance is yet to be fixed.

Standard Chartered Bank, Citi, JP Morgan, MUFG, and DBS are some of the foreign bankers that are helping the company to raise the money overseas.

Adani Group didn't respond to ET's query on the bond sale till the publication of this report. Individual banks could not be contacted immediately for their comments. These bonds are Regulation S instruments that allow buyers outside the US to invest in the dollar-denominated paper.

Plans Ahead

- Adani Ports and Special Economic Zone plans to open overseas bonds issue in next 3-6 weeks
- Bonds could be of five or 10-year maturities
- Pricing guidance is yet to be fixed

FIRM'S DEBT

₹26,071 cr FY19 vs ₹22,204 cr A year ago

15% Rise in leverage coincided with robust expansion at the company

AGRI COMMODITIES INDEX DIPS 0.22% Pulses, Maize Prices Fall

The Agriwatch Agri Commodities Index dipped 0.22% to 114.09 during the week ended June 8, 2019 from 114.35 the previous week led by lower prices of pulses and maize. Pulses eased led by sharply lower urad prices with the Urad Index falling 8.7%, while the Moong and Maize Indices declined by 3.2% and 3.5% respectively. The base for the Index and all sub-Indices is 2014 (= 100). Six of the nine commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices ended the week lower. The group sub-Index values and their weekly changes are: Cereals: 123.14 (-0.21%), Pulses: 129.99 (-1.77%), Potato & Onion: 69.85 (+1.53%), Edible Oils: 109.00 (+0.35%), Oilseeds: 105.72 (-0.28%), Spices: 123.25 (+0.60%), Sweeteners: 106.22 (-0.46%), Fibres: 125.73 (-0.24%) and Other Non-Food Articles: 95.68 (-0.58%). Further details can be viewed on the ET website and on Agriwatch.com.



Agri-commodity Futures Fall on Hopes of Good Kharif Crop

With the monsoon approaching, commodities like soyabean, castor, coriander, turmeric, cotton have fallen in the past one week

Sutanuka Ghosal & Madhvi Sally

Kolkata | New Delhi: Prices of agri commodities like soyabean, castor, coriander, turmeric, jeera and cotton have fallen in the past one week compared to the previous one with the approach of monsoon raising hope for a better crop this kharif.

However, analysts add that if El Nino condition develops during monsoon then there are chances of price volatility in coming months in agri commodities. The June to August months are critical for kharif production, as it accounts for 40% of the country's total farm output.

"With the weather office saying that the monsoon will pick up its progress by end of June and July, we are seeing a correction in chana, soyabean, cotton, jeera, turmeric and guar seed prices. We can expect prices to further fall with timely and equal distribution of the monsoon rains," said Anuj

Fall in Futures

- Soyabean 1.2% in past one week
- Castor 5.6% in past one week
- Cotton 0.9% in last week

Coriander futures on NCDEX has closed lower for the third consecutive week

Reason: Expectation of lowering export demand

NCDEX turmeric closed lower for the third consecutive week

Reason: Profit booking at higher prices

Jeera futures has slipped from ₹18,000 levels in May

Reason: Profit booking at higher levels

ANUJ GUPTA
Angel Broking

With the weather office saying that the monsoon will pick up its progress by end of June and July, we are seeing a correction in chana, soyabean, cotton, jeera, turmeric and guar seed prices

Gupta, deputy VP-research, commodities, Angel Broking. Soyabean futures have dropped by 1.2% in past one week and analysts said that it is heading for second consecutive weekly loss. "While approaching monsoon is one of the major reasons for the price drop, other factors like the increase of crop area of soyabean has led to the drop in prices. Moreover, weak soyameal exports in May has also put pressure on soyabean future prices," said Ritesh Sahoo, an agri-commodity analyst. Castor futures have dropped by 5.6% in past one week and it is

extending losses for the third consecutive week on expectation that the exports of castor derivatives — meal and oil — may slow down in coming months due to higher prices coupled with the expectation of improvement of production in the next season. Cotton futures too have come under pressure and have dropped by 0.9% in last week as sowing is progressing in northern India. Analysts said that increasing imports and lower exports in last couple of months is also keeping the prices under control. "International prices have come down by 15% from 79 to 65 cents in

the past one month due to USA and China trade war. In tandem, prices in the Indian market have also reduced marginally by 2%. However, the delay of 10 to 15 day in monsoon may have an impact on the prices in the long term as sowing will be delayed in central and south India," said Atul Ganatra, president, Cotton Association of India.

Commenting about the monsoon and its impact on the agri-commodity prices, Kishore Narne, head (commodities & currency), Motilal Oswal Commodities, said that this has been a point of discussion over the last month as forecast of Indian Met Department and private weather forecaster Skymet differed over monsoon distribution citing El Nino conditions.

"Many factors would have an impact on the sowing of kharif crops. Thus, we expect prices of agri-commodities, particularly those of kharif commodities to be volatile in coming months. However, in select commodities, the

fundamentals could nullify the effect of monsoons," Narne added. He feels that farmers may switch to commodities that pay them more, affecting prices.

Coriander futures on NCDEX has closed lower for the third consecutive week on expectation of lowering export demand in coming months. Prices have touched two-year high last month due to higher export demand and forecast of lower production this year. Currently, the prices of coriander are higher by about 48% on year, despite corrections in the recent weeks.

NCDEX turmeric closed lower for the third consecutive week due to profit booking at higher prices. The prices have climbed to nine-month high last month on forecast of below normal rains in turmeric growing regions of Maharashtra, Karnataka and Tamil Nadu. Jeera futures has slipped from ₹18,000 levels in May to currently trade at ₹17,400 due to profit booking at higher levels.

RBI's New Bad Loan Norms Incomplete

Bad loans call for more than new RBI norms

The Reserve Bank of India's (RBI) replacement for the February 12 Circular, which the Supreme Court had struck down on technical grounds, does not really offer defaulters the material relief some have spotted in the extra 30 days banks now have to implement a resolution plan, beyond the 180 days provided for earlier. On the first day of default, the loan will be labelled Special Mention Asset 0, rather than non-performing, true. However, the information would be conveyed to a central repository of credit information that RBI maintains and shares with other banks, within a week. In effect, this would slam the door on the defaulter as far as accessing any other source of funds is concerned, exactly as if the default for a single day had produced a non-performing asset. This is tough, but how credit discipline is built.

Will the new framework result in banks tackling bad loans aggressively? The penalty for not implementing a resolution plan within 180 days is additional provisioning of 20%. If 365 days pass after the initial review period without implementation of the bad loan resolution plan, an additional 15% of provisioning is mandated. Is this sufficient to induce a banker to take action? Linking bankers' remuneration to long-term performance of the assets they

originate is a better incentive for responsible conduct. In the absence of such a remuneration structure in the public sector, provisioning mandates alone will not work. While banks do need more leeway to manage their accounts in good faith than the February 12 Circular had allowed, there must be room for regulatory action in case of bad faith. As things stand now, the power to direct a bank to move a bad loan to insolvency resolution lies with the government, as the Supreme Court pointed out. The law must be amended to arm the regulator with this power.

India cannot afford to go back to the culture of inflated project costs, wink-and-nod loan sanctions and default that becomes the banks' and, eventually, the taxpayers' problem. There has to be systemic reform beyond banking, for banking to reform.

The Way Ahead for Digital Payments

The Nandan Nilekani panel gets it broadly right on deepening digital payments. Its suggestions such as a government subsidy for the merchant discount rate and a 15-basis-point cut in the interchange fee for use of banks' ATM networks by customers of other banks make sense. There is scope to lower each of the three elements of the cost — the fee collected by the card-issuing bank, the fee collected by the payment network, and the fee charged by the bank that places the card-swipe machine at the shop and settles the payment. Tax incentives for digital payments is a way of compensating the merchant for the costs of digital transactions. Ultimately, what will lower the cost to the merchant of digital payments is a combination

of competition from the payment networks and sharing with consumers the cost savings from reduced cash handling for the merchant, the banks and RBI.

The panel's recommendation to move away from plastic, and let the merchant use only the phone and a QR code, is a good idea. It makes digital payments seamless and convenient for customers. Merchants can generate their own code that will be interoperable with banks, doing away with card-swipe terminals. India is ahead of Singapore and Hong Kong with its Unified Payments Interface that enables people to transfer money from their accounts instantly and at any time to another bank account linked to a smart phone.

So, the panel's suggestion to expand the platform to foreign-currency remittances by the NRIs and to settle residents' payments when they travel overseas — just as Chinese users can use WeChat — makes eminent sense. With mobile phone becoming the main mode for transitioning to the digital economy, India needs ubiquitous data connectivity and foolproof security to prevent hacking.

A bridge heist, of course, as metal spans are easy pickings for scrap thieves

What is Easier Than a Bridge Loan?

Though think that it was a con job, but the old London Bridge was quite legitimately sold to a quirky American millionaire decades ago and transported to the US to be reassembled over the Colorado River. Unfortunately the same cannot be said about the 56-ton steel railway bridge over a river in Russia that was pilfered sometime last month by scrap metal thieves, with no one getting wind of it. Indeed, stealing bridges seem to be more common than buying old ones. Not only was a metal bridge pilfered in Russia in 2008, but in 2012 a 10-ton railway bridge was similarly carted off by a gang in the Czech Republic and one in Poland too. A year later, the same thing happened to a 22-ton bridge in western Turkey and then in Pennsylvania in the US in 2011. Scrap thieves have been equally active here: half of an iron pontoon bridge over the Yamuna in Delhi was filched in 2013, for instance.

The rising demand for steel scrap and disappearance of bridges needs to be examined as a nexus between owners and swipers cannot be ruled out. After all, bridges cannot simply be slipped into pockets and spirited away. However, the thieves' motivation is obvious: why waste time and effort snaffling relatively small caches of pipes and wires from unguarded homes and offices when tons of metal are ripe for the nicking in the form of bridges?

RED HERRING Hindi is India's de facto mass power and link language. No push needed

We're All Hindi Medium Now



Indrajit Hazra

On April 13, 1963, demonstrators outside Parliament were protesting against the Official Languages Bill that was introduced in the Lok Sabha that day. They were protesting against the Bill that stated that English would continue as an Indian official language beyond the stipulated period of 15 years from the commencement of the Constitution.

A K Majumdar, assistant editor of the Bharatiya Vidya Bhavan series, History and Culture of the Indian People, describes the scene in his 1965 book, *Problem of Hindi: A Study*. "...and [the protesters], as they were being forced back by the Police, began to shout: 'Delhi Police, shame, shame!' One of the demonstrators suddenly remembering their purpose, the slogan was quickly changed into Hindi: 'Delhi Police dhikkaar!' But no one could recall the Hindi equivalent of police."

What's 'Draft' in Hindi?

Fifty-six years later, we have another round of protests against the perception that a language is being imposed on people. Except, this time, it's not English, it's Hindi. Interestingly, there has been no report of any protester straining, or even worrying, about maintaining linguistic equivalence.

Last week, fresh into its second term, Govt put up a new draft national education policy (NEP), in which one clause recommended the compulsory teaching of Hindi — along with English and a non-Hindi 'modern Indian language' — in schools from Class I.

Today, Hindi is accepted, spoken and 'exchanged' not just as a primary link language but also as a mass power language — mainly, by dint of popular culture

The intensity of the protests led the HRD ministry to drop the controversial clause a few hours after it had made it public. It replaced it with the suggestion that in Hindi-speaking states, along with English and Hindi, another 'modern Indian language' be taught, while in non-Hindi-speaking states, the three-language formula (adopted by Parliament in 1968, but for all purposes, left in the freezer) adopt English, the main language of the state and another 'modern Indian language'.

Frankly, all the ruckus being made is political — with Dravida Munnetra Kazhagam (DMK) in Tamil Nadu and Trinamool Congress (TMC) in West Bengal finding an issue they hope will stick around till state elections in 2022 and 2021 respectively. But it's politically serious enough for the PMO to nudge the two Tamil-speaking ministers in the Narendra Modi Cabinet — finance minister Nirmala Sitharaman and foreign minister S Jaishankar — to assure everyone that Hindi won't be imposed on any state.

It's just as well that such an assurance has come from Dilli Durbar. But the truth of the matter is, Hindi is already de facto much more of a link language across India — Tamil Nadu and West Bengal included — than anti-Hindi-walas and perceived Hindi chauvinists would choose to admit and claim.

Giving his evidence to the Official Language Commission, 'Note on Hindi', on February 26, 1956, K M Munshi, a member of the Constitution drafting committee, hit the nail on its head, "Unless Hindi becomes in some measure a powerful instrument of expression in the hands of educated men, it cannot replace English as a language of power. If the country, out of sentimental urge to have Hindi, as the official language, foregoes the use of English, a language of power which has built up standards of scholarship and efficiency, in favour of a weak and under-developed instrument, it will not help anyone, nor serve the cause of Hindi."



Dekh, lungi

It would do well to recall that Munshi was no Nehruvian Fabian Society-Inner Temple Inn socialist. He was the founder of the educational trust Bharatiya Vidya Bhavan and considered a Hindu nationalist ideologue within the Congress. For him — a prolific writer in Gujarati and English — Mohandas Gandhi's notion of a language medium of 'all-India mass contact' alone making Hindi the rightful claimant for being India's official language cut no ice.

Lingua Franca

He was realistic enough to also know that a 'two-language nation' was being fostered even after the British had left India — an elite English-speaking minority, and another comprising the 'rabble of Babel'. "The standards in the universities have fallen mainly because the knowledge of English is becoming restricted and the students find a growing difficulty in understanding the English textbooks or lectures," he had noted with foreboding in his 'Note on Hindi'.

But, today, Hindi is accepted, spoken and 'exchanged' not just as a primary link language but also as a mass power language — mainly, by dint of popular culture. A Tamil or a Bengali in non-metropolitan Tamil Nadu or West Bengal is more likely to get by in Hindi than in English because along with 'Rajini Sir' and Deb, she knows her 'Shah Rukh' and Ranveer. India has,

thanks to cricket commentaries, cinema, film songs and television — in which much 'Hindi-ana' has entered regional TV serials and shows — become largely a bilingual country, with English joining as a trilingual second or third language in the gates of its metropolises. So, imposition of Hindi 'from above' is unnecessary — and counterproductive — when seduction has already worked.

The language of power — which also makes speaking the language 'cool', which 20-odd years ago may not have been the case in non-Hindi-speaking states like bhadrakol, 'we don't care to understand the language of the talawas' West Bengal — is also reflected by the language spoken by people in power, who appear powerful. Romantic notions be damned, but Hindi in circa 2019 now comes retrofitted with notions of industry, prosperity and aspirations, not with Doodardarshan's 'Krishi Darshan'. Call it cultural nationalism or national culture, it doesn't matter.

In 1835, governor-general of British India William Bentinck passed the English Education Act, in which the educational policy of public instruction became limited to English. Almost overnight, East India Company officers who were earlier taught Arabic, Persian, Sanskrit, Hindustani (Urdu) and Bengali at the Fort William College in Calcutta — and at the East India Company College at Hailey north of London — to be skilled at administering a non-English-speaking colony, were replaced by Indians — mostly Bengalis who would later pass on their fondness for the works of Shakespeare, Wordsworth and Keats without knowing any non-Bengali Indian literature to their brown saheb descendants.

As a colonial power, this imposition was par for the course. Even though in hindsight, linguistic market forces would have led ambitious Indians to learn the language of imperial power without a decree.

With India's power, both soft and hard, now naturally located in Hindi, no push or shove is required. Apne aap Hindi bolna — with all its different regional quirks — kaafi time se shuru ho gaya.

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THE SPEAKING TREE

Remember to Say Thanks

SANT RAJINDER SINGH

God once sent two angels to earth to gather the prayers of humanity. The first angel was asked to collect all those prayers that were essentially requests from people asking God for something. The second angel was asked to collect all the prayers of thanksgiving.

The two angels agreed to meet in a month with their collections. They began their task. The first angel collecting prayers that appealed to God for something became extremely busy. Several baskets were needed to hold those prayers — asking for more money, better health, bigger house, car, computer, jewellery and clothing. Some prayed for a spouse, for children, or for better relationships. There were so many such prayers that the angel had to cart them in a van.

Meanwhile, the second angel travelled far and wide looking for prayers of thankfulness. Several days went by with hardly a prayer of gratitude heard. All that this angel heard were prayers asking for things.

A month later the two angels returned to God. The angel collecting prayers for requests was laden with many baskets. The angel collecting prayers of thankfulness had only a few, a small amount compared to the prayers requesting things.

When there is feedback of appreciation, it is heartwarming for the parent or teacher, to receive thanks from their children or students for what they do for them. It is not that they ever cease to sacrifice and serve selflessly, but it's nice to know that the gift of love they give is acknowledged and appreciated.

Chat Room

Now, to Meet the Challenges

Apropos the Edit, 'When Greatness is Thrust Upon India' (Jun 8), there is no doubt that the US is abdicating its global leadership. Donald Trump, who won presidency solely on the rhetoric of making America great again, is continuously feeding domestic constituency for petty gains. Now, with China and Russia coming together for strategic partnerships, India will have to find its leverages with EU, South America and its immediate neighbours. The Narendra Modi government is poised for both domestic and international challenges.

BHOLEY BHARDWAJ
Mumbai

Taking Women for a Free Ride

This refers to 'Taking Gender for a Free Ride' by Himangshu Watts (Jun 8). The AAP government wooing women voters with freebies at the exchequer's cost must not be encouraged. Why do womenfolk need to travel free when many of them can easily afford the rides? If there is merit in allowing women free rides, it

should be a need-based subsidy for working women with a monthly salary of less than Rs 10,000, rather than giving a licence to commute to every woman.

ASHOK GOSWAMI
Mumbai

Modi Hits a Sixer in Maldives

Apropos 'Cricketing Action in Male' (Jun 8), PM Modi May Offer a Stadium to President Solih by Dipanjan Roy Chaudhury (Jun 8), PM Narendra Modi has struck the right chord with the people of Maldives during his visit to Male. His offerings of ferry services, port terminals and a new national cricket stadium will go a long way in breaking the Chinese hegemony in the region and tilt the balance in India's favour. Modi's veiled attack on Pakistan implies that New Delhi will not be keen for talks with Islamabad.

N J RAVI CHANDER
Bengaluru

Letters to the editor may be addressed to editet@timesgroup.com

NEUTRON TO NYLON

Making Schrödinger's Cat Purr



Debkumar Mitra

One of the strangest scenarios of quantum physics, Schrödinger's cat, is a famous thought experiment designed by physicist Edwin Schrödinger in 1935. In it, a cat, a flask of poison, and a radioactive source are placed in a sealed box. The poison starts spreading if an atom of the radioactive substance decays.

According to the 'superposition theory of quantum physics', till an observer opens the box, the cat is both alive and dead, a superposition of the two states. When the box is opened to observe the cat, the action results it to abruptly change its quantum state randomly, and then it can be either dead or alive.

According to a new study, 'To catch and reverse a quantum jump mid-flight' (bit.do/eUzpn), recently published in Nature, researchers may now be able to set up a kind of early warning system for imminent 'jumps', a quantum jump being the non-continuous and random change in the state of artificial atom when it is observed. The results may have big implications for development of quantum computing. It also would contradict Nobel laureate physicist Niels Bohr's views that quantum jumps — theorised by Bohr in the 1920s but not observed until the 1980s — in atoms are abrupt and random.

In terms of the latest study, scientists can now indirectly watch the 'cat' moving from the state of being alive to being simultaneously alive-and-dead, and intervene in time to 'save' it. However, the research shows that everything, such as stopping the radioactive decay, can't be brought back to the initial state as mentioned in Schrödinger's experiment. Also, the researchers had literally a 'mo-



Meanwhile, as Mittens plans revenge...

ment's notice' before the states changed, and aren't in a position to pinpoint the time of the jumps.

As for the results being useful for quantum computing — quantum computers haven't really lived up to their initial promise. The most advanced computers based on the rules of quantum mechanics are rudimentary and prone to random errors. The study may help quantum computing researchers identify errors and correct them when they occur.

At the heart of quantum mechanics lies the assumption that on the smallest of small scales, properties of an atom are quantised — that is, par-

ticles are no longer in a continuous state, but take on discrete states — say, jumping from one step of a ladder to another rather than rolling along a road. According to Bohr, an electron can be at the lowest energy state, but if a little more energy is added, it doesn't gradually move into new higher-energy state. Instead, it randomly snaps into a new state.

When no one is looking, the atom can take on intermediate states, but not midway points between two states. Theory says that the atom would be in both states at the same time. And the moment it is observed, it immediately snaps into one state or the other.

So, now, there is an experiment that can 'observe' when these transitions happen, and 'alert' the system. The beauty of the study lies not in alerting that Schrödinger's cat is about to die, but in 'saving' it. Does this rob physics' most famous cat of its mystique? Given the counter-intuitive nature of quantum physics, we may just have started purring.

BUDGET 2019

FM, Since You Know Your Defence...



Sanjaya Baru

The season of pre-Budget gyan is upon us. I have a very simple word of caution for Finance Minister Nirmala Sitharaman. A reputation lost in the first Budget is difficult to retrieve in subsequent ones. Put your best foot forward. Elections are over. They will come again and government will have to spend again. But for now, the focus has to be on fiscal discipline. An FM's dharma demands commitment to fiscal responsibility.

Fortunately, for Sitharaman, the three other crucial areas awaiting policy attention are subjects she has directly dealt with in her first term in government — industry, commerce and defence. Turning the investment cycle around has to be the first priority of not just this July's Budget, but of the next two, so that midway through second term Prime Minister Narendra Modi can claim that his government has taken the economy back onto the medium-term growth path of 7.5% average annual rate of growth of national income. If the economy can return to 8.0% growth by 2021, that would, of course, be a bonus.

Policies that calm investors' nerves and give them incentives to work for,

and the hope to attain a rate of investment logged in the early 2000s — 35% plus — should be Sitharaman's first priority. Indian business — big, medium and small — has been deeply unhappy and nervous over the past couple of years. Govt owes it to the voter, the job-seeking youth, and to investors to restore faith in the growth potential of the domestic economy. It is no use chanting the mantra of being the world's 'fastest growing economy' if businesses can't feel that growth.

Last February, interim finance minister Piyush Goyal read out a pre-election Budget speech that was understandably self-congratulatory. The time has come for getting to grips with the reality of a slowdown, and finding new avenues of growth. Good policies can do more for growth than public spending.

The priority for Sitharaman is to

make 'Make in India' happen. Once Indians feel happy making in India, foreigners will troop in too. There is no sector more ready for a major boost than defence, and Sitharaman knows what exactly she should do to get more private, domestic and foreign, investment into defence manufacturing. As raksha mantri, she devoted considerable time to developing the policy framework. But most of her ideas await implementation. Defence manufacturing can be a new avenue of growth for Indian business — big, medium and small.

She should devote time in her Budget speech to unveil her 'Make in India' strategy for defence. Most FMs have shied away from a detailed statement on defence finances and manufacturing. It is surely odd that finance ministers have traditionally devoted more time to speak on expenditure in areas that are the purview of state governments, and Parliament would devote half a day to the Railway Budget and yet, defence, a central responsibility of Govt and a key component of its expenditure, has rarely secured more than a minute in most Budget speeches over the past 70 years.

Indian business is ready to invest more in defence manufacturing. Sitharaman has already taken many steps to facilitate import-substituting industrialisation in defence. A proposal she has worked on to leverage the offset policy and induce original equipment manufacturers (OEMs) in defence to support 'Make in India' should be unveiled forthwith.



You need money to build more of these?

The writer is distinguished fellow, Institute for Defence Studies & Analysis, New Delhi

QUICK HITS

Hundreds Arrested as Kazakhs Elect First New Leader in Decades

Almaty: Police in Kazakhstan arrested hundreds of opposition protesters on Sunday at polls to elect the country's first new president in 30 years following the departure of historic leader Nursultan Nazarbayev. His hand-picked successor Kassym-Jomart Tokayev is a show-in to win the vote contested by six other candidates. But the day was marked by the biggest protests the Central Asian country has seen in three years, as demonstrators urged a "boycott" of what they see as fixed polls. The build-up to the vote was marked by an intensifying crackdown on the opposition with courts sentencing protesters to short stays in jail and police raiding activists' homes. AFP

Sudan's Protesters Launch Strike After Crackdown

Khartoum: Shops were closed and streets were empty across Sudan on Sunday, the first day of a general strike called for by protest leaders demanding the resignation of the ruling military council. The Sudanese Professionals Association had called on people to stay home starting on Sunday, the first day of the work week, in protest at the deadly crackdown last week, when security forces violently dispersed the group's main sit-in outside the military headquarters in the capital, Khartoum. The protesters say more than 100 people have been killed since the crackdown began last Monday. AP

Mount Sinabung Erupts in Indonesia, No Casualty

Jakarta: A column of thick ash was spewed 7 km high to the sky from the crater of Mount Sinabung volcano in Sumatra Island of western Indonesia on Sunday, the country's national volcanology agency said. Belching of ash and smoke was shot at 16:28 p.m. Jakarta time, followed by a spread of hot ash to the southeast and south of the crater by up to 3.5 km and 3 km, respectively, the agency said in a statement, reported Xinhua news agency. The agency, however, said there was so far no report of damages or casualty. IANS

Trump Accuses Twitter of Gagging Conservatives

Washington: US President Trump took to Twitter once again on Sunday to accuse the messaging platform of gagging conservative voices — a "Giant Mistake!" that he said runs counter to freedom of expression. "Twitter should let the banned Conservative Voices back onto their platform, without restriction," he wrote. "It's called Freedom of Speech, remember. You are making a Giant Mistake!" AFP

Massive Protest in Hong Kong Against China Extradition Bill

Proposed law would allow suspects to be extradited to mainland China to face charges

Hong Kong: Hong Kong was plunged into a fresh political crisis on Sunday night after hundreds of thousands of people took to the streets to thwart a proposed extradition law that would allow suspects to be sent to mainland China to face trial. After seven hours of marching, organisers estimated 1,030,000 people took part, far outstripping a demonstration in 2003 when half that number hit the streets to successfully challenge government plans for tighter national security laws. A police spokesman said police estimated 240,000 were on the march "at its peak".



Demonstrators march during a protest against a proposed extradition law in Hong Kong on Sunday

Sunday's outpouring was already raising the pressure on the administration of Hong Kong Chief Executive Carrie Lam and her official backers in Beijing. "She has to withdraw the bill and resign," veteran Democratic Party lawmaker James To told crowds gathering outside the city's parliament and government headquarters in the Admiralty business district on Sunday night. "The whole of Hong Kong is against her."

After To spoke, thousands were still arriving, having started the march five hours earlier, filling four lanes of a major thoroughfare. Some sat in a nearby park singing "hallelujah", but on a nearby road tensions were building after hours of peaceful protest. Riot police armed with batons and helmets were gathering while government-funded broadcaster RTHK reported that they used pepper spray on six masked men trying to block the road.

Lam had yet to comment on the rally and the future of the bill, which is due to be debated in the Legislative Council on Wednesday and could be passed into law by the end of June. Lam has tweaked the amendments but refused to pull the bill, saying it is vital to plug a long-standing "loophole". The demonstration capped weeks of growing outrage in the business, diplomatic and legal communities,

which fear corrosion of Hong Kong's legal autonomy and the difficulty of ensuring basic judicial protections in mainland China.

US and European officials have issued formal warnings — concern matched by international business and human rights lobbies that fear the changes would dent Hong Kong's rule of law.

The former British colony was handed back to Chinese rule in 1997 amid guarantees of autonomy and various freedoms including a separate legal system, which many diplomats and business leaders believe is the city's strongest remaining asset.

The unusually broad opposition to the rendition bill displayed on Sunday came amid a series of government moves to deepen links between southern mainland China and Hong Kong.

Chants of "no China extradition, no evil law" echoed through the highrise city streets as marchers snaked through the Causeway Bay and Wanchai shopping districts, while marchers called for Lam and other senior officials to step down.

Some carried yellow umbrellas — a symbol of the pro-democracy Occupy protests that choked key city streets for 79 days in 2014.

The genial crowd included young families pushing babies in prams as well as the elderly braving 32 degree C (90°F) heat, some spraying each other with water misters.

Opposition to the bill has united a broad range of the community, from usually pro-establishment business people and lawyers to students, pro-democracy figures and religious groups. Reuters

Raytheon, United Technologies in Talks to Merge

Washington: United Technologies and US arms giant Raytheon are in talks over a merger deal that could create one of the world's biggest aerospace and defence companies, the Wall Street Journal reported on Saturday. According to the newspaper the two companies — which together have a market value of roughly \$166 billion — could announce an all-stock deal in the next few days.

United Technologies has a market valuation of about \$114 billion, while Raytheon is valued at about \$52 billion

The new entity would be the world's second-largest defence company by sales after Boeing. A person familiar with the matter told the newspaper that United Technologies is likely to own a majority of the combined company. United Technologies chairman and chief executive Greg Hayes is expected to lead the combined company while Thomas Kennedy, the chairman and CEO of Raytheon — the fourth-largest US defence contractor — would be chairman. AFP

Mnuchin: Trump Could Ease Up on Huawei If Trade Talks Advance

New York: US Treasury Secretary Steven Mnuchin said on Sunday that President Donald Trump might ease US restrictions on Huawei if there was progress in the trade row with China — but absent a deal, Washington would maintain tariffs to cut its deficit.



Steven Mnuchin

"I think what the president is saying is, if we move forward on trade, that perhaps he'll be willing to do certain things on Huawei if he gets comfort from China on that and certain guarantees," Mnuchin said. "But these are national security issues." Washington has imposed and then toughened import tariffs on Chinese goods in a bid to reduce the US' trade deficit and combat what it calls unfair trade practices. It has also accused the Chinese telecommunications giant of espionage and stealing intellectual property, allegations that Huawei Technologies, a leading provider of 5G technology, denies. Washington has put Huawei on a blacklist that effectively bans US firms from doing business with it, and has put pressure on its allies also to shut Huawei out, arguing that Huawei could use its technology to carry out espionage for Beijing. Mnuchin said the US was prepared to come to a deal with China, but also to maintain tariffs if necessary. "If China wants to move forward with the deal, we're prepared to move forward on the terms we've done. If China doesn't want to move forward, then President Trump is perfectly happy to move forward with tariffs to rebalance the relationship," Mnuchin said. Reuters

Russia Interfered in US Elections, Obstruction Occurred: Clinton

Wellesley: Hillary Clinton says there are two inescapable conclusions of special counsel Robert Mueller's report. The first is that Russia conducted a sweeping and systemic interference into the 2016 election and the second is that obstruction of justice occurred.

"You cannot read the report, chapter and verse, fact after fact, without reaching those conclusions," Clinton said. She made the comments during an appearance with Madeleine Albright Saturday at their alma mater, Wellesley College. "People just want to quit hearing about it and get back to their normal lives. There is nothing normal about undermining the rule of law. There is nothing normal about attacking the press. There is nothing normal about trying to undermine another branch of government," she said. AP

G20 Agrees to Wrap Up Digital Tax by 2020

Tokyo: Group of 20 finance ministers agreed on Sunday to compile common rules to close loopholes used by global tech giants such as Facebook to reduce their corporate taxes, a final communique issued by the bloc showed on Sunday.



Facebook, Google, Amazon and other large technology companies face criticism for reducing their tax bills by booking profits in low-tax countries regardless of the location of the end customer. Such practices are seen by many as unfair.

The new rules would mean higher tax burdens for large multinational companies but would also make it harder for countries such as Ireland to attract foreign direct investment with the promise of ultra-low corporate tax rates.

"At the moment we have two pillars and I feel we need both pillars at the same time for this to work," Japanese Finance Minister Taro Aso, who chaired the G20 meetings, told reporters. "The proposals are still a little vague, but they are gradually taking shape."

Britain and France have been among the most vocal proponents of proposals to make it more difficult to shift profits to low-tax jurisdictions, with a minimum corpo-

rate tax also in the mix. This has put the two countries at loggerheads with the United States, which has expressed concern that US internet companies are being unfairly targeted in a broad push to update the global corporate tax code.

Big internet companies say they follow tax rules, but they pay little tax in Europe, typically by channelling sales via countries such as Ireland and Luxembourg, which have light-touch tax regimes. "We welcome the recent progress on addressing the tax challenges arising from digitisation and endorse the ambitious program that consists of a two-pillar approach," Sunday's G20 communique said. "We will redouble our efforts for a consensus-based solution with a final report by 2020." Reuters

France Ready to Cut Renault Stake to Support Nissan Ties: Minister

Paris: France is prepared to consider cutting its 15% stake in Renault SA to help shore up the carmaker's alliance with Nissan Motor, Agence France-Press reported on Saturday, citing an interview with Finance Minister Bruno Le Maire. France is ready to consider reducing its holding if it leads to a "more solid" alliance between the Japanese and French automakers, Le Maire told AFP at the G20 meeting in Fukuoka, Japan. Nissan would prefer a full exit because the state's activism has

generated tension within the alliance and it's not clear that a reduction of the French stake in the automaker would change that, according to a person familiar with the matter.

France isn't planning an imminent stake sale in Renault, according to a government official asked about Le Maire's comments. Le Maire also said that Renault should concentrate on forging closer links with Nissan before seeking other alliances. Renault declined to comment and a Nissan spokesman said the company is committed to the alliance. Bloomberg

Johnson Threatens to Hold Back \$50B Brexit Payment

London: Boris Johnson, the leading candidate to succeed Theresa May as Britain's prime minister, said on Sunday he would withhold an already agreed £39-billion (\$49.6 billion) Brexit payment until the European Union gives Britain better withdrawal terms.



Boris Johnson

Johnson is one of 11 lawmakers vying to run the world's fifth largest economy after May resigned as leader of the governing Conservatives on Friday, having failed to unite parliament or the country behind her Brexit plan.

Britain is mired in its deepest political crisis in decades over how, when and whether it should leave the EU.

As the contest to replace May gathered pace on Sunday, Johnson made his first major intervention, targeting the large pro-Brexit wing of his Conservative Party with a promise to take a hard line with Brussels over the terms of Britain's exit. "I think our friends and partners

need to understand that the money is going to be retained until such time as we have greater clarity about the way forward," Johnson told the Sunday Times. "In getting a good deal, money is a great solvent and a great lubricant."

Main rivals foreign minister Jeremy Hunt, agriculture minister Michael Gove and interior minister Sajid Javid, also want to renegotiate or modify the deal, but none have threatened not to pay the exit bill May agreed with the EU in 2018. Reuters

TIPS, TRIVIA & TRENDS YOUR DAILY DIET OF FUN AND FACTS

Nasa to Let Tourists into ISS

US space agency Nasa plans to open up its floating lab on the International Space Station (ISS) to private astronauts as well as commercial companies, it said. That could include film crews, for instance, who could be allowed to make ads or whole films in space. The first space tourists could head up to



the ISS in 2020, Nasa said. The plans allow private companies to lease out time on Nasa's part of the ISS. They will also be able to borrow its own astronauts for their commercial work, and take their technologies to the floating lab — though they are expected to pay heavy prices for the opportunity. The missions will be part of Nasa's broader plan to allow commercial companies into space. The Independent

Naked Cyclists on a Roll in Mexico City



Dozens of naked bikers took to Mexico City's streets on Saturday to raise awareness of cycling as a healthy transportation option. Participants in the World Naked Bike Ride turned out with Mexican flair, some in underwear and others just as they came into the world — plus maybe a bike helmet or colourful wrestler's mask. Biking has gradually become more popular in traffic-choked Mexico City, which has more than four million cars on its roads daily. The event in Mexico City is part of a global movement promoting greater use of bicycles in large cities and more sustainable transportation solutions. AFP

PIA Passenger Opens Exit Door Thinking it's a Toilet

A woman passenger aboard a Pakistan International Airlines (PIA) flight sparked panic after she mistakenly opened the emergency exit door of the aircraft thinking it was the toilet. The national carrier said the plane was on the runway of the Manchester airport early Saturday when the woman pressed the button, opening the emergency exit door. "The PIA flight, PK 702, from Manchester to Islamabad was delayed seven hours. The departure was delayed on Friday night when a passenger erroneously opened the emergency exit causing the emergency chute to activate," said a PIA spokesperson. After the incident, about 40 passengers were offloaded along with their luggage as per standard operating procedure. The PIA said that passengers were provided transportation and hotel accommodation, and later adjusted on other flights. PTI

Early Tintin Cover Sells at Auction for \$1.1 Million

An original drawing used for the first published Tintin cover was sold at auction on Saturday in Dallas for \$1.12 million, the Heritage Auctions house told AFP. The illustration, by Tintin creator Hergé shows the plucky young reporter sitting on a tree stump carving a makeshift propeller for his plane after the original was damaged in a rough landing somewhere in the Soviet Union. His dog Snowy sits and watches, bandaged from tail to nose. Tintin books have been translated into more than 70 languages, but in 1929, 22-year-old Hergé was still telling the young journalist's story in the pages of Le Petit Vingtième (The Little Twentieth), a kids' supplement to the Belgian daily Le Vingtième Siecle (The Twentieth Century). The serialised Tintin stories proved so popular that soon Le Petit Vingtième published them in 16-page installments instead of the original eight, and on February 13, 1930, Tintin made the cover. It was only a few months later that the first book in what was to be a series of two dozen — Tintin in the Land of the Soviets — was published. AFP

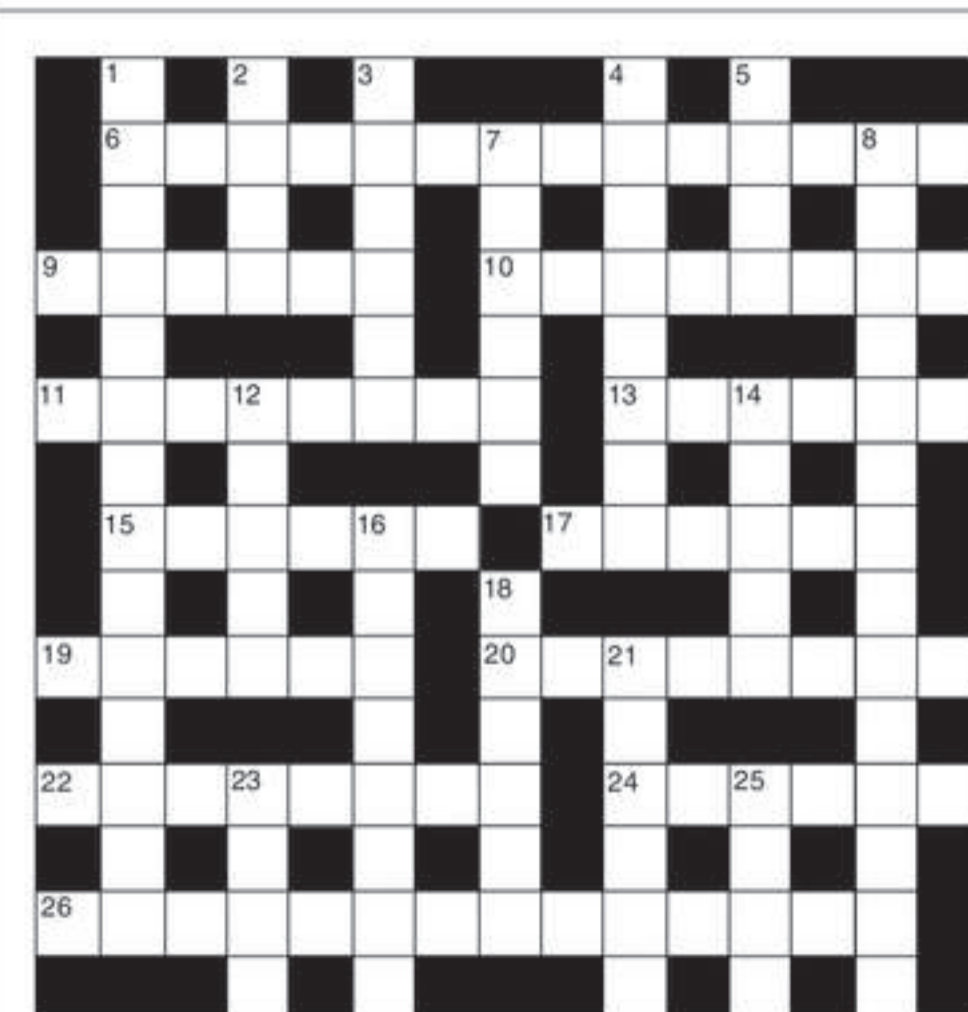
Just-Rebuilt Historic German Ship Sinks

A collision between a vintage sailing ship and a container vessel in Germany injured five people and sunk the wooden ship which had just been restored at a cost of €1.5 million (\$1.7 million), police said. The 43 passengers and crew aboard the "No 5 Elbe" were rescued after it was in collision with the Cyprus-flagged container ship Astrosprinter on the Elbe on Saturday. The 37 metre-long pilot schooner, built in 1883, was Hamburg's last remaining seagoing ship from the era of wooden ships. The ship had just been renovated over eight months in a Danish shipyard where it received new outer wooden planks and a new stern, DPA said. AFP



Crossword

7429

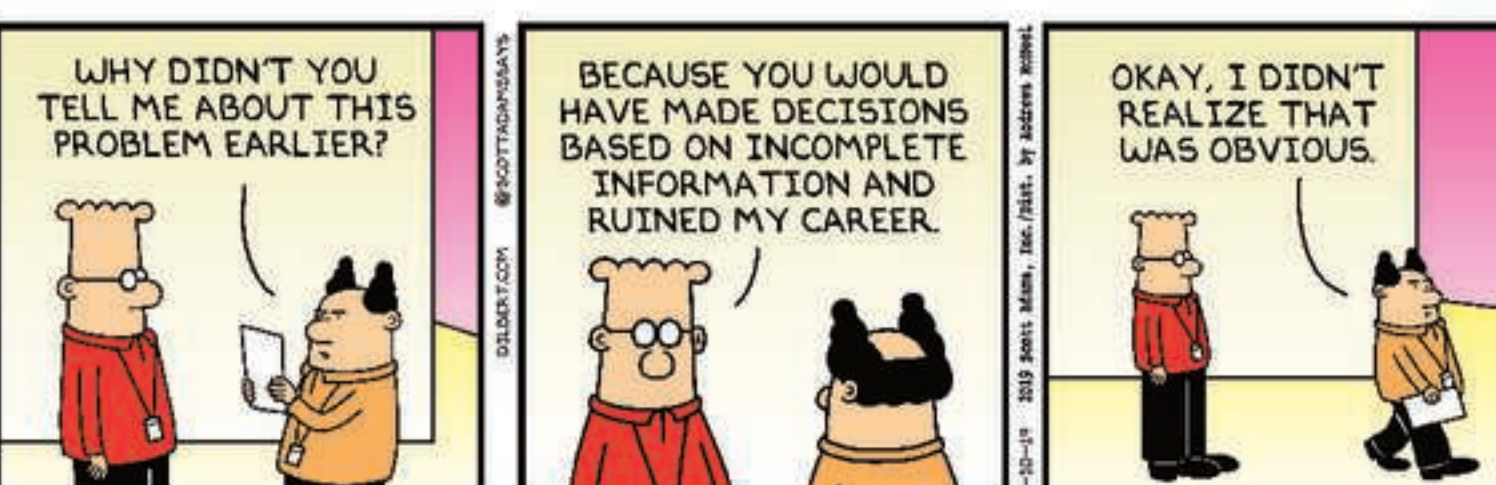


- DOWN**
- 1 People swimming with rudd and tuna like some islands (14)
 - 2 Scrap half the alphabet (4)
 - 3 Collect curious person touring area (6)
 - 4 There's rotten cheese in it, and it's crumbling (3,5)
 - 5 People start university courses (4)
 - 7 Molten rock with unpleasant smell in basin (6)
 - 8 D did he incinerate a larch cone and burr somehow? (8-6)
 - 12 Repeat broadcast under ran and has been sidelined (5)
 - 14 Dash just over lake (5)
 - 16 Make hopeless trips I'd arranged across island (8)
 - 18 Lot of children gathered, taking day out (6)
 - 21 Badly maued without tea, fancy ice cream (6)
 - 23 Bird is hiding its front half (4)
 - 25 Upcoming memoir talks about musical group (4)

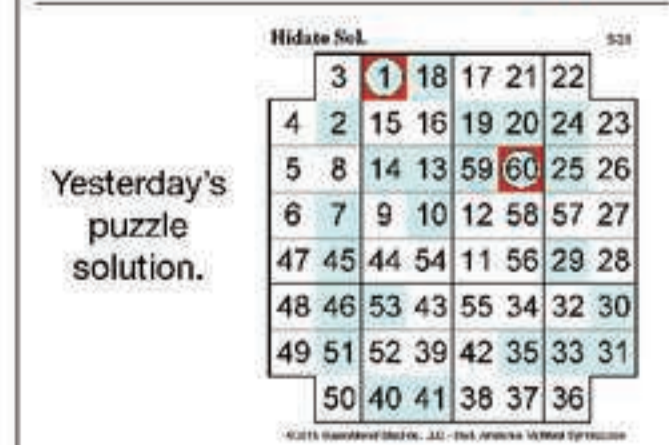
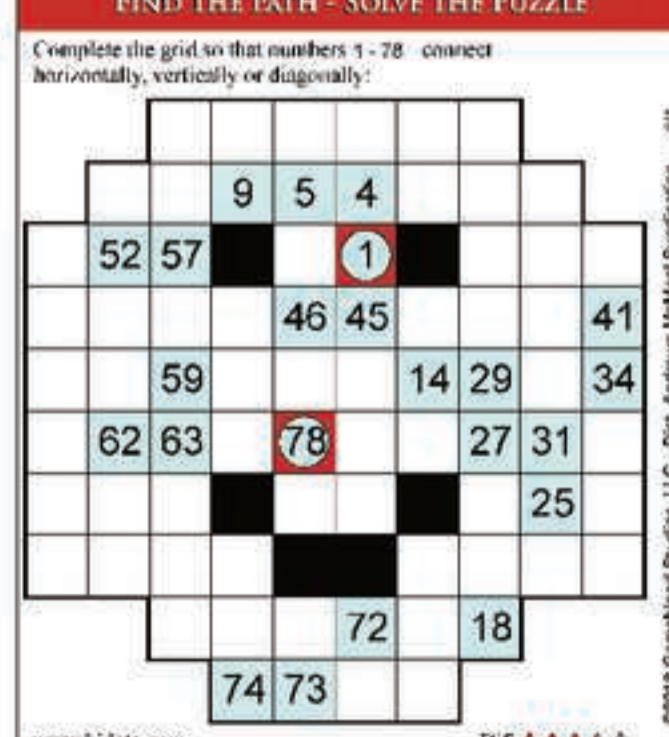
- ACROSS**
- 6 Nile crustacean dissected in biology, say (7,7)
 - 9 Becoming married in Home Counties cathedral city (6)
 - 10 Queen Victoria hosted casual assortment of vessels (8)
 - 11 Redundant member's meagre item on barbecue (8)
 - 13 Carry out English fellows etc., drunk (6)
 - 15 Take off staff, stopping their wag-
 - 17 Start changing accommodation's first beds (6)
 - 19 They support arms in casts (6)
 - 20 Carve one small copy in Tyneside perhaps (8)
 - 22 New sitcom's about individual displaying patience (8)
 - 24 Those studying 6 like this character (6)
 - 26 Managerial cleric wastes energy blocking a case (14)

Dilbert

by S Adams



HIDATO FIND THE PATH - SOLVE THE PUZZLE



7 LITTLE WORDS

Find the 7 words to match the 7 clues. The numbers in parentheses represent the number of letters in each solution. Each letter combination can be used only once, but all letter combinations will be necessary to complete the puzzle.

CLUES

- 1 incorrect (8)
- 2 X-Men, for example (7)
- 3 bead-based calculators (8)
- 4 herbal skin cream ingredient (9)
- 5 firm cash advance (9)
- 6 like a flat tire (10)
- 7 mending one's body (7)

SOLUTIONS

MIST CRO ACUS MUT CAL
 AB UNI NG LO HE
 AN TED ULA ES ANTS
 END ALI AKEN NFLA MI

Yesterday's Answers: 1. STEAMED 2. APPETIZING 3. ARGUES 4. FOLKSONG 5. UNIFIED 6. NUTHATCH 7. CUSHION

WORLD OF CRICKET ET WATCH OUT! TODAY SA vs WI 3:00PM Star Sports

'West Indies Need to Rein In Extras'



CLIVE LLOYD
FORMER WEST INDIES CAPTAIN

He is arguably the most successful captain in World Cup history. With two titles and one runner-up trophy under his belt, Clive Lloyd's record is unmatched. Closely following the progress of all the teams in the ongoing World Cup, Lloyd, speaking to **BORIA MAJUMDAR**, opens up on what he thinks of the current West Indies team and what's so special about Virat Kohli. Excerpts:

Current West Indies are starting to resemble the West Indies of the 1980s. The use of short pitched bowling by the pacers is great to watch. Your thoughts.

Yes, they are bowling well and are looking good. Having said that you need to win games and if you concede a huge number of extras in a one-day game you will not win. You are bowling too many extra balls and allowing teams like Australia that many more deliveries. I thought that's what cost them the match against Australia. They need to go back to the nets and rectify this problem. This isn't something that is impossible to do. All you need is practice and focus that you don't bowl no balls or wide balls in any situation. If they rectify this issue, they have the firepower to shake up any team in the competition.

A lot is being said and written about Jason Holder and his captaincy. You have been the best-ever captain in West Indies cricket history. How do you see Holder and his leadership?

I like Jason and have enjoyed seeing him lead the side. He has a composed manner about him and leads from the front. It is always very important for the captain to set an example with his own performances and that's what he has done in recent times. That helps you to gain the respect of your teammates and that's when youngsters start looking up to you. He will only get better with time but at the moment I quite like what I see.

Having seen the West Indies thus far in the tournament do you think they have it in them to make the last four?

They certainly have the team to do so. In batting, Shai Hope and Chris Gayle are superb players and can hit the ball a mile. Young Shimron Hetmyer is one of the most talented batsmen we have had in a long time and then the bowling unit which I have already spoken about. It is a team that has serious potential and if all-rounders like (Andre) Russell and (Carlos) Brathwaite can chip in with important contributions and not throw it away like they did against Australia, there is no reason why the West Indies can't beat some of the big teams.

Changing track a little, you have always spoken very highly of Kohli. What according to you makes him so special?

He is without doubt a very special player. And this is because he scores runs in all forms of the game. While he is brilliant in one-day cricket, anyone



They are bowling well... (but) you need to win games and if you concede a huge number of extras in a one-day game you will not win. You are bowling too many extra balls and allowing teams like Australia that many more deliveries

ON WEST INDIES-AUSTRALIA MATCH

It's very close to call. There is no one team that is significantly better than the others. Five or six of the teams can make the semi-finals and it will be a very close race to the finish

ON TEAMS REACHING SEMI-FINALS

who has seen him bat in England in the 2018 Test series will know how good he is against the moving red ball. He is very determined and focussed and I love his aggression on the field. You can't be a pussy cat as captain and that's exactly what spurs Virat on as leader. He will improve more as captain but he is one player who I will pay for to watch in any part of the world.

Having seen the first 10 days of the tournament how do you see things unfolding from here on. Who are your semi-finalists?

It's very close to call. There is no one team that is significantly better than the others. Five or six of the teams can make the semi-finals and it will be a very close race to the finish. Even South Africa, who have lost three out of three, can make a comeback and win some matches which might end up impacting the points table. Having said that I will say Australia look the best so far with England, India, New Zealand up there very close. I have quite enjoyed seeing the New Zealand team play and while not many are speaking about them I have this feeling they can go the distance in this World Cup. They have a nice balance and are playing to potential.

Warner Using Bat 'Sensor' to Counter Opposition Threat

Australian opener David Warner is meticulously preparing for the tougher battles ahead in the World Cup by using a new device on his bat — a sensor that stores important data like backlift angle and maximum bat speed.

ICC had approved the usage of bat sensor back in 2017 but none of the international batsmen have used it in matches.

A Bengaluru based company has introduced its version of sensor cap named 'Bat Sense' which Warner has been using in practice to collate data to counter the likes of Bumrah.

The sensor chip is fixed on the top of bat handle. Till the time batsman is batting, the data generated on the chip gets stored in a mobile app through 'cloud storage'.

The technical data consists of aspects such as power index, maximum bat speed, rotational angle of the wrists, backlift angle, bat start angle (whether the bat is coming straight or from first slip angle).

Warner's bat sensor has revealed some interesting insights about how he is doing. His bat speed is believed to be 79 kmph.

"I am not sure whether Warner would use the bat with sensor in a match situation but he has been using it in practice sessions," Atul Srivastava, whose company has a tie up with the ICC, said.

The data collected could prove to be useful for professional players as they will have a reference point, said former Test wicketkeeper and cricket analyst Deep Dasgupta.

"Earlier, the coaches would depend on their natural instinct about angle of backlift or bat speed or the distance between the bat and body impact. I believe if accurate data can help coaches in guiding their players, then why not," said Dasgupta, who himself is associated with the project, said.

At the moment, the bat sensor usage is at a nascent stage where collating data is the primary objective.

The Neymar Show: A 24-hour Reality TV With Only One Star

Jonathan Liew

A few months ago, Neymar gave a rare interview to the Brazilian TV programme Globo Esporte, where he flatly refuted any link between his football career and his activities off the pitch. "I do not think that my social life hinders my performance on the pitch," he said. "In fact, I even find it funny that what I do off the pitch gets compared with what I do on it. On the pitch, I can be questioned. You can talk about that. Away from the pitch, I will take care of myself. If I want to do it, I will do it. My life is mine."

Often, Neymar interviews are about as enlightening as pig Latin. But here, this was a revealing insight into the Neymar worldview. What he appears to be saying here, in essence, is that the Neymar you see occasionally playing for Paris Saint-Germain in between ankle injuries is the only Neymar we are allowed to talk about. Everything else is his and his alone.

It's worth bearing all this in mind as we navigate what has been — even by the standards of the Neymar-verse — a turbulent week. Last Friday, a woman called Najila Trindade accused him of raping her in a Paris hotel on May 15.

On Sunday, Neymar issued a video strongly denying the accusations against him, and describing the entire encounter as "a trap".

When Neymar arrived at Barcelona in 2013, he brought five of his friends over with him from Brazil. By the time he moved to Paris in 2017, that had swelled to more than 30, each with a specific function: official photographer, social media curator, hairdresser. The inner circle live with Neymar in a mansion in Bougival, a western suburb of Paris, and are paid a healthy monthly stipend. According to NBA star Draymond Green, who met the player in Ibiza, the Neymar circus is "like a huge cult".

In a way, his job isn't even to be a footballer, at least in the traditionally-understood sense. The vision of football in which you bury your-



self for the team, run around putting in slide tackles, earn the grudging respect of Graeme Souness, write your name in the history books via trophies and medals, isn't one that Neymar even necessarily subscribes to any more. A second Champions League would be nice. A World Cup or Ballon d'Or would burnish the brand beautifully. But for the most part, his job is simply to be 'Neymar': the omnipotent star of a carefully curated telenovela, complete with supporting cast, an endless series of attractive women and all the trappings of affluent youth.

It's tempting to see Neymar as a sort of sporting Justin Bieber: the teen star suspended in the perpetual childhood that they were never quite allowed to finish, trapped in the excess their fame built around them. And on one level, there's surely an argument to be made that Neymar plays his football, earns his money, and once he goes home can surely spend it on as many Victoria's Secret supermodels as he sees fit. But there's another side to all this, one that impinges on the wider world.

Because to focus on the hedonism of Neymar's existence is to miss the point.

In many ways, his career is like a sort of absurdist scientific experiment into the calculus of fame: the way it radiates in ever stronger waves, the way it turns everything around it into artifice, the way it converts the most fundamental building blocks of life itself — longing, aspiration, sex, sport, wealth, friendship — into stackable, made-for-television commodities. Of course your Mastercards and your Nikes are interested in Neymar the athlete. But what attracts them, above all, is the Neymar lifestyle: the aspirational worldview being sold to millions of young men around the world.

On Friday, when he visited a police station in Rio de Janeiro to make a statement, he also chose to address his fans as if he had just won a Grammy. "I want to say thank you for the well wishes," Neymar said to his adoring public, "and say that I have felt very love."

Who, exactly, are these well-wishers? Well, among them has been Jair Bolsonaro, the president of Brazil, who lent his backing to Neymar, declaring: "I believe in him." There has also been strong support for Neymar in some of the more fifth-coated recesses of the internet, where Trindade's reputation is already being merrily besmirched and traduced.

Perhaps this is the logical culmination of player power: the abolition of the maximum wage in the 1960s, the Bosman ruling in the 1990s, Neymar skipping games for his sister's birthday party in the 2010s. But of course there are wider trends at work here, too: the cult of celebrity worship, the rapacity of the mass media, the rise of the footballer not just as sporting hero but as devotional icon. And so, here we are, at a point where one of the most gifted footballers in the world is essentially a 24-hour reality television spectacular: doing stepovers for the benefit of the Qatari royal family, injuring himself in meaningless friendlies, defending himself against accusations of rape. It might not be your cup of tea. But by gosh, you can't argue with the ratings.

The Independent

Hockey: India Take on Uzbekistan

India will start overwhelming favourites against Uzbekistan when they take on their lower-ranked rival to seal a semi-final spot in the FIH Series Finals hockey tournament today.

After thrashing Russia 10-0, India scrapped past 21st ranked Poland 3-1 in the second match. India are now sitting atop Pool A and are virtually assured of a direct berth in the semi-finals because. But they can't afford to be complacent against Uzbekistan in their final pool match as two places are up for grabs from this event for the FIH Olympic Qualifiers, to be held in October-November this year.

Russia Accused of 'Backsliding' on Doping Reforms

Russia's ban from international track and field has been extended over concerns it's "backsliding" on doping reforms. Sunday's decision by track's world governing body, the IAAF, means Russia has three months to convince the IAAF it's made enough progress for its athletes not to have to compete under a neutral flag at the world championships in Qatar. The head of the IAAF's Russia task force, Rune Andersen, welcomed Russia making a long-awaited payment of \$3.2 million to cover costs of monitoring its compliance with anti-doping rules. He also said progress was being made on making old doping samples available for checks that could reveal more past offenses. However, Andersen said the IAAF would wait for the outcome of an investigation into whether Russian officials supplied fake medical documents to give high jumper Danil Lysenko an alibi for failing to notify drug testers of his whereabouts.

Mladenovic, Babos Win Women's Doubles Title

FRENCH OPEN Hungary's Tímea Babos and France's Kristina Mladenovic won the French Open women's doubles title when they thrashed China's Duan Yingying and Zheng Saisai 6-2 6-3 in the final on Sunday. The second seeds claimed their second Grand Slam title together after last year's Australian Open, where they finished runners-up this year. It is Mladenovic's third major doubles title after she also paired up with fellow Frenchwoman Caroline Garcia to win the French Open in 2016. Sunday's triumph means that Mladenovic will take over from Czech Katerina Siniakova as doubles' world number one in the WTA rankings on Monday.

ICC Rejected Gayle's Request Before Dhoni's

Gayle wanted to use 'Universe Boss' logo on his bat

The International Cricket Council has not only rejected Mahendra Singh Dhoni's request for wearing keeping gloves which had a dagger insignia but also refused West Indies opener Chris Gayle permission to use 'Universe Boss' logo on his bat. In both cases the ICC cited equipment regulation violation.

Gayle, a self-proclaimed 'Universe Boss', had requested the ICC to allow him use it for his bat branding but he was informed that he can't use any clothing or sporting equipment for personal messages.

"ICC couldn't have made an exception for Dhoni as no personal messages are allowed on equipment. Gayle wanted it but when he was refused permission, he accepted it and moved on," a source privy to the development said.

Talking about Dhoni, the official said, "It is not about military symbolism. It is about a simple rule that no personal messages are allowed. If ICC did not make an exception for Gayle, then how come they would make it for Dhoni?"

It has also been learnt that even innocuous messages or emojis are not allowed on equipment. "Tomorrow, Moeen Ali will again in request for wearing a 'Free Palestine' wristband which is a direct political message. We did not allow it then and we won't allow it now. You won't be even allowed to have a word like 'love' embossed on the equipment," the source added.

The ICC allowed the Indian team to wear camouflage caps recently during an international match against Australia because it was a bilateral series. "A formal request was made by the BCCI as they wanted to use the match as a fund-raiser for the victims of the Pulwama terror attack. In bilateral series, ICC allows



teams to do charity. Just like the 'Pink Test' in Australia for the Jane McGrath foundation that works on breast cancer awareness," the source further added.

It has been learnt that Dhoni is yet to get any official reprimand from the ICC for the South Africa game, during which his green gloves had dagger insignia.

As per rules, if he sports the insignia again in any of the matches, he would first be warned and then face financial penalties of 25, 50 and 75 percent of match fees for every transgression.

PTI

Rashid Should be Fit for South Africa Clash: Afghan Captain

Afghanistan captain Gulbadin Naib is expecting his main strike bowler Rashid Khan to be fit for the side's next World Cup game against South Africa on June 15, following a blow to his head while batting against New Zealand. Rashid didn't come out to bowl after being hit on the head by a bouncer in the first innings. Rashid underwent a concussion test and thereafter it was decided that he would not take the field for the remainder of the game. However, Naib is not too worried over Rashid's fitness as Afghanistan's next game is a week away, giving him plenty of time to recover. "He's feeling now better. The doctor said don't go to the field but now he's feeling well. So he needed rest. So obviously we have a couple of days. He's fine now," Naib said.

Dhoni Removes Controversial Logo from Keeping Gloves

India's MS Dhoni took the field without a controversial dagger logo on his wicketkeeping gloves in Sunday's World Cup game against Australia after being ordered to remove the symbol by cricket's governing body. Dhoni's gloves in the opening game against South Africa bore an apparent military insignia that breached rules laid down by the ICC. But a different pair of gloves appeared to conform with ICC regulations when India fielded after making 352 for five batting first against Australia at the Oval. The ICC turned down a request by the Board of Control for Cricket in India (BCCI) to allow Dhoni to sport the symbol.

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UPI Platform may have Clocked 120m Merchant Transactions in May

DISRUPTION: STARTUPS & TECH ►► 6

ATTEMPT TO REVIVE DEMAND

More Items likely to Go Off Highest GST Slab

Some states fear slowdown may get entrenched, reach out to Centre; GST Council may meet on June 20

Deepshikha.Sikarwar @timesgroup.com

New Delhi: India could review the goods and services tax (GST) structure to further prune the number of items in the highest slab of 28% as it attempts to stave off a slump in demand.

Some states have favoured a reduction in tax rates, worried that the slowdown may get entrenched, and have communicated their concern to the Centre.

The GST Council may meet on June 20, ahead of the budget presentation on July 5, and these issues could figure in the discussions. This will be the first meeting of the council to be chaired by Nirjala Sit-

A Booster Dose

GOVT COULD REVIEW GST TAX RATES...

Top slab of 28% in focus
Some states want rate cut

GST council to take final call on the issue
Decision to depend on revenues

...AS WORRIES MOUNT ON GROWTH FRONT

Manufacturing sector faces slowdown
Passenger vehicle sales have plummeted

Fast-moving consumer goods sales contract
Construction sector also sluggish

GROWTH PROBLEM

GDP (constant prices)



haraman after she took over as union finance minister in the new government.

"Something needs to be done urgently—demand slowdown is quite visible," said a senior government official with a state government that's likely to press for a reduction in tax rates. "It could get further entrenched... Jobs are getting impacted."

Automobiles, for instance, are placed in the 28% GST bracket. They also face a compensation cess, depending on size and segment.

Eatery Body Seeks 12% GST with Input Tax Credit

The national restaurant industry body, which represents over 5 lakh restaurant chains in India, has suggested 12% GST for seeking input tax credit (ITC), reports **Ratna Bhushan**. Under the current 5% GST, no ITC is allowed.

Monsoon Advances into Kerala, TN

Likely to remain weak during June-July and pick up pace in next 2 months, says Met department

Rituraj.Tiwari@timesgroup.com



June 1. After a delayed start, the monsoon is likely to remain weak during June-July. It will, however, pick up pace during August-September," said a senior Met department official.

A late monsoon with 45% deficient rainfall threatens agricultural activity in India, which has more than 70% of farm area fed by rains. Pre-monsoon showers in the March-May period have been 25% deficient, delaying cultivation on arable land.

The live storage of water in 91 reservoirs as of June 6 was 114% of the same period last year, which is not very encouraging. "The live storage is 30.461 BCM (billion cubic metres), which is 20% of the total live storage capacity of these reservoirs, putting pressure on drinking water and irrigation needs," said an official of the Central Water Commission, which keeps tabs on storage levels.

said, underscoring worries about rural weakness amid sluggish overall growth.

The India Meteorological Department (IMD) said conditions are turning favourable for rain in parts of the northeast including Assam, Meghalaya and Tripura over the next 48 hours.

"The normal onset date of monsoon is

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INDUSTRY WANTS GOVT BEHIND WHEELS FOR A SMOOTHER RIDE

Auto Cos Slam Brakes on Production

Car and two-wheeler cos to shut plants for several days this quarter to reduce unsold inventory

Ketan Thakkar & Ashutosh R Shyam

Mumbai: India's top manufacturers of passenger vehicles and two-wheelers have announced factory shutdowns stretching over several days in the ongoing quarter, which could help them reduce unsold inventory in a weak market but make it tough for the automobile industry to achieve its production and growth targets.

More than half a million passenger vehicles worth \$5 billion (nearly Rs 35,000 crore) are lying unsold in dealerships at the beginning of June. In the two-wheeler segment, the number is as high as 3 million, valued at about \$2.5 billion.

Seven of the top 10 passenger vehicle makers, including Maruti Suzuki, Tata Motors and Mahindra & Mahindra, have announced plant shutdowns between May and June. While some have completed the process, it is either ongoing or scheduled to happen in the coming days for the others.

"What's the point in producing and pushing stock when the offtake is weak. We have calibrated our production based on demand in May and we will do so in June too," said Mayank Pareek, president of the passenger vehicle division

Deep Dive

AUTO SALES FALL OFF THE CLIFF

% growth	Passenger vehicles	Two wheelers
Jan	-1.9	-5.2
Feb	-1.1	-4.2
Mar	-3	-17.3
Apr	-17.1	-16.4
May*	-20.3	-
Total	-8.9	-11.3

PLANT SHUTDOWNS

Maruti Suzuki	June 23-June 30
Honda Cars India	June 5-June 8
Tata Motors	May 27-June 3 for Sanand
Renault Nissan	March 26-June 6
Honda Motorcycle & Scooter India	June 6-June 11

Passenger vehicles worth \$5 b and two-wheelers worth \$2.5 b were lying unsold in dealerships at the beginning of June

at Tata Motors. According to an analysis by ET, the shutdowns are likely to reduce the industry output by 20-25% in the May-June period, which in turn will ease the pressure on the cramped stockyards at factories as well as dealerships. In fact, the dealers are the worse hit by the inventory that is as much as 50% more than normal, as they have to pay GST on even the unsold vehicles.

Maruti, Mahindra and Tata Motors suspended production for several days in May. These automakers, along with Honda Cars India, Renault-Nissan Alliance and Skoda Auto, are planning

another round of shutdowns for four to 10 days this month for scheduled maintenance.

Spokespeople for Maruti Suzuki, Honda Cars India, Renault-Nissan and Skoda said their shutdowns were planned. Mahindra in a statement to stock exchanges said its manufacturing unit, Mahindra Vehicle Manufacturers, would observe "no-production days" of between five and 13 days in the first quarter of 2019-2020. It said there were adequate stocks to serve market requirements.

Sales in the passenger vehicle market have dropped in each of the seven months through May, as slowing job growth along with rising fuel prices and a liquidity crisis in the non-banking financial companies affected consumer sentiment.

UP First State to Invite EoIs to Set up EV Charging Stations

Wants facilities in 8 cities, on Agra-Lucknow, Delhi-Agra, Eastern Peripheral and Purvanchal expressways

Aman.Sharma@timesgroup.com

New Delhi: Uttar Pradesh has invited expressions of interest (EoIs) from companies to set up charging stations for electric vehicles, the first state to do so after the Union power ministry issued guidelines for such facilities last December to create the infrastructure that will enable widespread use of the less-polluting autos.

Delhi is perhaps the only city where such charging stations are available currently. The Centre's guidelines are directed at faster adoption of electric vehicles in states such as Uttar Pradesh by ensuring safe, reliable, accessible and

affordable electric charging infrastructure.

Uttar Pradesh has identified eight cities, according to the EoI document that was issued on June 6 and seen by ET. These are Lucknow, Kanpur, Varanasi, Agra, Noida, Prayagraj, Ghaziabad and Meerut. It also wants them on the Agra-Lucknow Expressway, the Delhi-Agra Expressway and the Eastern Peripheral Expressway, as well as the proposed Purvanchal Expressway from Lucknow to Ballia that's under construction. Three major national

highways passing through the state—NH-1, 24 and 27—have also been earmarked for this. Charging at homes or offices will be permitted through electricity distribution companies, the EoI said.

"The vast infrastructure and utilities needed to charge electric vehicles (EVs) hold the keys to accelerating their deployment," the EoI said. "The setting up of electricity charging infrastructure can accelerate the growth of electric vehicles and thus address the menacing problem of air and noise pollution."

The idea is to promote affordable tariffs besides generating employment and income opportunities for small entrepreneurs, the EoI said. It will support the creation of charging infrastructure in the initial phase and eventually create a market for the EV charging business, besides encouraging preparedness of the electrical distribution system to adopt charging infrastructure, the EoI said.

Uttar Pradesh is proposing that setting up public charging stations (PCS) be a delicensed activity and any individual or entity allowed to establish them, provided that they meet technical and performance standards and protocols laid down by the power ministry.



Talk to All Stakeholders Before Readying EV Plan: CII to Govt

The government must consult stakeholders before firming up electric mobility plan, Confederation of Indian Industry said. >> 7

Ness Gets Legal Green Signal to Stay on Board of Wadia Group's Cos

Independent directors had sought an external legal view on the issue amid Ness' conviction in Japan for possessing drugs

Kala Vijayraghavan & Maulik Vyas

Mumbai: Ness Wadia, convicted in Japan for possession of cannabis, will continue as director on the board of the Wadia Group's companies following a legal opinion by a former Supreme Court judge that supports this, said people aware of the matter. Group companies have also replied to queries by the Securities and Exchange Board of India (Sebi) on the matter, they said.

The group's independent directors are said to have accepted the legal view.

"We voiced our opinion on the issue and now that it has been legally given a green signal, the subject is closed," a group director said.

The son of group chairman Nusli Wadia is the managing director of Bombay Burmah and a director of Britannia and other group companies, including National Peroxide and Bombay Dyeing. Independent directors had sought an external legal opinion after the elder Wadia had initially obtained one from top jurist Fali S Nariman, ET reported on May 3.

"Nusli himself suggested that the board could seek an external view to ensure impartiality on the subject," said a director seeking anonymity. "This was agreed to by board members. Ness is now extremely repentant about the issue and has promised to be more responsible about his official duties and roles."

Ness Wadia's sentence was suspended by the



Legally Backed

NESS WADIA to continue on board of group companies

Decision after independent legal opinion from Fali S Nariman

BOARD SEAT

Ness Wadia currently on boards of 4 listed firms.

Britannia Industries, Bombay Dyeing, National Peroxide, Bombay Burmah Trading Corp

CASE FILE

Cannabis possession case in Japan

A local court pronounced two years in jail

Sentence suspended for five years

Japanese court for five years.

The group had approached retired Supreme Court chief Justice TS Thakur, who recused himself, it is learnt.

It then sought out the retired Supreme Court justice cited above, Nusli Wadia was not available for comment.

FPIs Face Sebi Action Over New KYC Rules

Over 150 offshore investors have lost their foreign portfolio investor licences for not complying with the market regulator Sebi's new KYC rules, reports Pavan Burugula. >> 9

Funder's Forum Set Up to Take on Global Funds

A number of India's top home-grown investment firms, which cumulatively manage close to \$800 m in assets, have tied up to form a collective to take on foreign investors, reports Biswarup Gooptu. >> 6

Stressed Power Plants Likely to Get a Breather

The power ministry is considering issuing an advisory to regulators asking them to abstain from lowering tariffs of stressed plants under resolution mechanism, reports Sarita Singh. >> 7