

Govt to Push CPSEs to Merge or List Units
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Massive Protests Draw Apology from Hong Kong Leadership
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Rohit Slams his Second Ton of the Tournament
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ROADS UNIT ITNL ALSO UNDER SCANNER

MCA Looks to Freeze IL&FS Ex-Directors' Properties

Likely to seek court order; probe to focus on group's infra projects

More Trouble

A tough week ahead for IL&FS as govt plans more action

MULTIPLE FRONTS

I-T dept will move NCLT to widen the IL&FS probe

After IFIN, another IL&FS co ITNL to face probe

SFIO is currently working on ITNL's chargesheet

Taxman may look into allegations of inflated project cost



AUDITORS REGROUP

IL&FS Group auditors under regulatory glare

Auditors have been named in the first chargesheet

Form group to approach MCA

The group includes partners of big four



Sugata Ghosh & Rashmi Rajput

Mumbai: The Ministry of Corporate Affairs (MCA) is expected to move the court for freezing the bank accounts and properties of some of the past directors of IL&FS group.

The ministry would soon apply before the National Company Law Tribunal to widen the net in the IL&FS probe, said persons familiar with the matter.

Till now, assets of executive directors of IL&FS group have been attached by the court. "Now, the MCA is likely to request the court to extend the earlier orders to cover past directors, probably including some of the non-executive board members. We don't know whether former auditors would also be included," said a senior lawyer.

The ministry had pursued a similar course of action against directors of Gitan-

AION to be Single-Largest Shareholder in DHFL

AION Capital – a joint venture between Apollo Global Management and ICICI Venture – is set to become the single-largest shareholder in DHFL, reports **Shilpy Sinha**. >>> 7

jali group which was charged with diverting funds from state-owned banks using unauthorised letters of undertaking or guarantees.

The MCA had originally moved NCLT on October 1, 2018 seeking the replacement of IL&FS board of directors on the ground that an investigation by the Registrar of Companies had prima facie concluded that mismanagement and compromise in

corporate governance norms were perpetrated by indiscriminately raising short-and long-term borrowings. Once the court passes an interim order freezing the assets, a limited withdrawal of fund is allowed for the sustenance of accountholders.

Meanwhile, it's learnt that the income tax department had a meeting last week with its investigation division in weighing a possible probe into suspicions that cost of multiple IL&FS infrastructure projects was inflated.

The I-T department had probed IL&FS Rail, an arm of ITNL. A probe now would focus on allegations of shell companies floated to award contracts and divert fund for a commission of 0.5% of the amount routed. According to an ED report, "... transaction made with private firms – Silverpoint Infrastructure, Suryamukhi projects, NKG infrastructure, Ethical constructions, Pratyusha resources & infrastructure were bogus..."

Today on

ETPrime.com

Nissan India is fast running out of fuel

The real reason behind L&T's big bet on services and Mindtree

When will India stop beating up doctors, its most critical human resource?

Can digital-lending startups survive the liquidity squeeze?

BRANDS: CREATING DESIRE >>> 5

Inside story

Debit Card Ownership Falls 11% in April from October Last Year

Debit card ownership has been falling consistently over the past six months, at a time when the government has been pushing banks for faster adoption of digital payments. The number of debit cards fell to 884.7 million in April, down 11% from October last year, as per RBI data.

Disruption: Startups & Tech >>> 6

Unhappy With Equipment Makers, Wind Power Developers Do O&M

Wind equipment makers may be gearing up for a tussle with project developers, as the latter abandon operations and maintenance contracts with manufacturers to maintain wind farms themselves, saying they are dissatisfied with the performance of certain equipment makers.

Companies & Economy >>> 9

ET INSTA POLL

Is paralysing a vital system like healthcare the right way for docs to protest violence?



TODAY'S QUESTION
The GDP row is more of a credibility crisis than an economic one. Agree?
www.economicstimes.com

LIST OF 151 PRODUCTS READY

India may Trade Places with US to Ship Items to China

Plans to export antibiotics, diesel engines and granite amid ongoing tariff spat between the two countries

Kirtika.Suneja@timesgroup.com

New Delhi: India has identified 151 products that it can export to China instead of the US and benefit from the price advantage thrown up by the retaliatory higher duties slapped by the Xi Jinping government on US products amid the intensifying trade war between the two countries.

These include diesel engines, X-ray tubes, antibiotics, copper ores, granite, xylene, inverter and ketones, said people with knowledge of the matter.

This comes in the wake of the US terminating preferential benefits to \$6.35 billion of Indian exports and India deciding to raise import tariffs on 29 goods originating in the US.

"There are more than a hundred lines in which India has the potential to replace the US exports to China as it has market access and is a competitor of the US," said an official aware of an internal study by the Department of Commerce to

identify such products.

The government has also identified 531 product lines in which US imports from China and India's exports to the world are significant. Out of these, India has the potential to replace Chinese exports to the US as it has market access and is a competitor of China in 203 lines.

China has slapped a higher duty of 5-25% on most chemicals coming from the US compared with the tariff of 2-7% levied on Indian chemicals.

Copper concentrates, granite, xylene and inverters are the key American products on which China has levied 25% duty while products of reclaimed rubber and parts of taps are in the 20% tariff category since June 1.

India and China, two of the fastest-growing markets in the world, are members of the Asia Pacific Trade Agreement and are negotiating the Regional Comprehensive Economic Partnership trade pact with 14 others. "The ongoing retaliatory tariffs provide a window of opportunity for enhancing India's exports to China," the official said.

The 151 products identified by India are part of a list of 774 such items where the country sees scope for higher exports. These 774 product lines are those in which China's imports from the US are substantial and so are India's exports to the world.

NEXT STEP IN TARIFF WAR

US may Pressure India to Ink Trade Pact

India expects the US to put pressure on it to sign a bilateral trade pact following New Delhi's move to impose retaliatory tariffs on some American products, reports **Kirtika Suneja**. India-US trade relations have moved rapidly after Washington ended GSP benefits to India, and New Delhi retaliating on Friday. >>> 9

Power Hitter Dhoni Chooses Coke's Powerade

3-year endorsement deal for sports drink pegged at about ₹15 cr

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New Delhi: India cricketer Mahendra Singh Dhoni has returned to the soft beverage turf, this time to endorse Powerade, the just-launched global sports drink from Coca-Cola. The three-year deal is estimated at close to Rs 15 crore, said two executives with knowledge of the matter.

Sports marketing and talent management firm Rhiti Group chairman Arun Pandey who represents one of India's most successful captains, confirmed the deal but declined to comment on financials. "MS Dhoni has signed a multi-year endorsement deal with Coca-Cola's Powerade. He has over 30 brand associations presently," Pandey said.

A Coca-Cola spokesperson could not be reached for comment.

In 2016, Coca-Cola's rival PepsiCo and Dhoni had ended their 11-year high-profile association, which had seen the cricketer endorse both Pepsi Cola and Lay's chips, including being the face of big campaigns such as 'Oh Yes Abhi' and

'Change The Game'.

The relatively smaller functional sports drinks market is gaining popularity and according to one of the officials mentioned above, Coca-Cola has planned a multimedia campaign featuring Dhoni and Powerade, which competes directly with PepsiCo's Gatorade.

The 37-year-old India wicket keeper batsman's brand value and endorsements have seen a resurgence over the past two years, after a decline soon after he quit Test cricket in 2014. Industry experts are of the opinion that Dhoni, widely believed to be playing his last World Cup, is a brand that has revived with a differentiated niche that contrasts with that of his successor.

"MSD is now the sedate, suave persona of Indian cricket—to that extent he is the antithesis of Virat Kohli," said brand specialist and consultant Harish Bijoor.

Brandwagon

MSD BRAND VALUE \$26.9m, 12th in power celebrity list *Duff & Phelps

ENDORSEMENTS 2019

redBus, Colgate, Powerade, SRMB Steel

ENDORSEMENTS 2018

BharatMatrimony, Mastercard, Sumadhura real estate, Mars Snickers, Netmeds, Sound Logic, WardWiz, Dream11 fantasy sports, Indigo Paints, GoDaddy, LivFast



Illustration: ANIRBAN BORA

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ALL-PARTY MEETING AHEAD OF PARLIAMENT SESSION

Invites to Chiefs of All Parties, MPs as Modi Reaches Out to Opposition

PM assures all parties govt will be receptive to all suggestions raised in Parliament

RakeshMohan.Chaturvedi @timesgroup.com

New Delhi: With an overwhelming majority in the Lok Sabha, Prime Minister Narendra Modi tried to take all sections along when he reached out to the opposition ahead of the Parliament session at an all-party meeting here on Sunday.

In a new initiative, he invited chiefs of all political parties having representation in Parliament for a meeting next week to discuss key issues like the feasibility of holding simultaneous general and Assembly elections and ways in which the celebrations of the 150th anniversary of Mahatma Gandhi can be held. The government has also invited all MPs from both Houses to freely interact with the PM and ministers on June 20 to discuss their issues and concerns.



At the all-party meeting called by the NDA government to discuss the smooth functioning of Parliament from June 17 to July 26, Modi sought the cooperation of all parties for "sabka saath, Sabka vikas, sabka vishwas", the slogan of inclusive growth given by him after the general election victory.

Modi expressed hope that all political parties will work cohesively for smooth functioning of Parliament. "We are for the people, we cannot

win hearts by disrupting the functioning of the Parliament. All parties must keep political differences aside and commit themselves to tirelessly work in the direction of nation's progress," the Prime Minister said at the all-party meeting. He assured the opposition that the government is receptive to all issues they wish to raise in Parliament.

Parliamentary affairs minister Pralhad Joshi said the PM has taken two new initiatives. "The Prime

Minister has invited party presidents of all political parties having representation in Parliament to meet him on June 19, and all MPs of both Houses on June 20 to freely interact and exchange views with the government," Joshi said.

Among the issues the Prime Minister wants to discuss with the presidents of political parties are holding of simultaneous general and Assembly elections and the celebration of the 150th anniversary of

Mahatma Gandhi. Joshi has written letters to chiefs of various political parties inviting them to attend the June 19 meeting with the PM.

Government has important issues on its agenda for this session which will begin with oath taking by the newly elected members of the Lok Sabha. On June 19, the new Lok Sabha Speaker will be elected while President Ram Nath Kovind will deliver his customary address on June 20 in Central Hall, Rajya Sabha will be convened from June 20 when its members will attend the President's Address.

Lok Sabha will have 30 sittings, three more than the Upper House.

Other than the Economic Survey on July 4 and the union budget the following day government intends to bring Bills on ten Ordinances that were promulgated after the end of the last Parliament session. The Muslim Women (Protection of Rights on Marriage) Bill, commonly known as the instant triple talaq ban Bill, as well as the Jammu and Kashmir Reservation Bill for the economically backward sections are likely to come up in this session.

Extension of President's Rule in Jammu and Kashmir will also be taken up by both Houses.

Hurriyat a Divided House As Geelani Sidelines Others: NIA



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New Delhi: There is a rift among the top leadership of All Party Hurriyat Conference (APHC-G) with its chief Syed Ahmed Shah Geelani "against accommodating moderate secessionist leaders" resulting into his "isolation," said NIA sources. The 90-year-old leader of Tehreek-e-Hurriyat (TeH) wants to name his elder son Dr Nayeem Geelani as his successor of TeH which is not acceptable to Pakistan's ISI, as per the investigations conducted by the agency into terror funding activities of separatist leaders in the valley.

NIA, as reported by ET on June 3, took the custody of three top rung separatists' leaders—Shabbir Shah, Asiya Andrabi, and Masrat Alam, who during questioning admitted entering into a larger conspiracy for causing disruption in Kashmir valley and for waging war against India, says NIA. Yasin Malik was arrested and questioned by the agency in April this year. While Malik is the leader of proscribed organisation JKLF, Andrabi heads proscribed organisation Dukhtar-e-Milat, separatist leader Shah is the chief of JKDFP and Masrat Alam is part of J&K based Muslim League.

Alam, who is also referred as the poster boy of stone pelters and violent agitations in Kashmir valley, during his questioning by the NIA revealed that Pakistan based agents route the funds through hawala operators which were transferred to the separatist leaders including Geelani. "Alam also said that there are rifts in the Hurriyat conference regarding collection and use of funds," says the NIA. At the time of 2016 agitation, Alam was behind bars however the agency said probe against separatists' leaders is from the beginning of pe-

riod including 2010 protests where Alam was allegedly involved.

Malik, according to NIA's statement, during his questioning stated that he was instrumental in bringing together the "disparate factions of Hurriyat Conference and formed the Joint Resistance Leadership (JRL) which spear headed the violent agitations in 2016 in Kashmir Valley by issuing "Protest Calendars" leading to economic shut down for over four months and also caused death and injuries to civilians and security forces during the violent protests."

"Malik admitted that the JRL and Hurriyat Conference Geelani Group collected funds from business community as well as certain other sources and ensured that economic shut down and violent protests continue to disrupt the daily life of common citizens in the valley," the agency said adding that it had collected significant evidence relating to funding of separatist elements through Pakistan and UAE based businessman, ISI, High Commission of Pakistan in Delhi.

In January 2018, the NIA has charge sheeted 13 accused including Jammal ut Dawah chief Hafiz Saeed, head of proscribed organisation Hizb-ul-Mujahideen, Syed Salahuddin and seven separatist leaders, two hawala conduits and few stone pelters under unlawful activities. "The leader of Dukhtar-e-Milat (DeM), Andrabi admitted that she had been collecting funds and donations from foreign sources and DeM had been organising protests by Muslim women in the valley. She was confronted with evidence regarding funding of educational expenses of her son in Malaysia from 2011 onwards through foreign remittances made by Kashmiri businessman Zahoor Watali, currently in judicial custody," NIA said.

OTHER NEWS OF THE DAY

Pak Airspace to Stay closed for Till June 28



NEW DELHI: Pakistan on Sunday extended the ban on its airspace for all Indian flights till June 28, authorities have said. Towards the end of May, Pakistan had extended for a fortnight the airspace closure for a fortnight which expired on June 14. Pakistan had fully shut its airspace on the eastern border with India after an Indian Air Force carried out aerial strikes on a Jaish-e-Mohammed (JeM) terror camp in Balakot on February 26.

Child Death toll rises to 83 in Muzaffarpur

MUZAFFARPUR | PATNA: With one more child dying of suspected AES in Muzaffarpur on Sunday morning, the death toll of children in the district rose to 83 this month, even as Bihar Chief Minister Nitish Kumar announced an ex-gratia of ₹4 lakh each. Union health minister Harsh Vardhan on Sunday said the Centre would set up a state-of-the-art research centre here within a year to deal with the menace of acute encephalitis syndrome (AES).—Agencies

Poliloquy R PRASAD



Encephalitis toll reaches 83 in Muzaffarpur

Here the relatives blame the gods and leave quietly.

Three Months Ahead of Elections, Fadnavis Drops 6, Inducts 13 Ministers



Mumbai BJP chief Ashish Shelar has also got a cabinet berth; housing min dropped

Krishna.Kumar@timesgroup.com

Mumbai: With just three months to go for the assembly polls in Maharashtra, the Devendra Fadnavis government on Sunday went in for a Cabinet reshuffle, dropping six ministers and inducting 13 others, which included former Congress and NCP leaders. Fadnavis said the portfolios of the ministers would be announced later.

The long-awaited move (in the works for more than a year now) saw ten from the BJP getting ministerial berths, two from the Shiv Sena and one from the RPI (Athavale faction).

Radhakrishna Vikhe Patil who, till a few months back, was the Congress legislative party leader and leader of the opposition in the Maharashtra assembly, was sworn in as Cabinet minister. His son, Sujay Vikhe Patil, is already a BJP MP from Ahmednagar constituency. Jaydutt Kshirsagar, who was with the NCP, was also given Cabinet berth as a Sena minister. Tanaji Sawant from the Sena was also sworn in as Cabinet minister. Mumbai BJP chief Ashish Shelar, Sanjay Kute, Suresh Khade, Anil Bonde and Ashok Uike from the BJP also took oath as

Cabinet ministers. BJP leaders Yogesh Sagar, Sanjay Bhegade, Parinay FUKI and Atul Save were sworn in as ministers of state along with Avinash Mahatekar (RPI-A).

BALANCING THE MATRIX

Mumbai BJP MLA Prakash Mehta had a very controversial tenure as housing minister and was an embar-

has also got a Cabinet berth due to his close proximity to Shah. Parinay Fuke, who was sworn in as minister of state, is known to be close to the chief minister.

Dilip Kamble, the other person to be ousted, is considered close to disgruntled BJP leader Eknath Khadse. The latter has run foul with the BJP leadership due to his controversial statements against the party and the government.

Nationalist Congress Party leader Ajit Pawar accused the BJP government of trying to weaken opposition parties by inducting the 'defected' members into the party and making them ministers. "MLAs from the Opposition are being called and asked to switch over. How good is this in a democracy? For the democracy to be alive, there has to be a strong opposition," Pawar said.

Alluding to the role of Fadnavis's close aide and Water Resources and Medical Education Minister Girish Mahajan in luring the opposition members, Pawar said, "The government should set up a ministry to break up political parties and make Mahajan in charge of it."

"To this, Fadnavis retorted, "They (opposition) should be asked as to why their own people are not willing to stay with them. Their own party workers and leaders don't trust their leadership."

He said the Congress and NCP need to introspect as it has lost contact with the people on the ground. "They should clear their misconceptions and find out why they have suffered such embarrassing defeats," the CM said.

PORTFOLIOS TODAY

Fadnavis said that the portfolios of the 13 ministers would be announced later in the day.

NCP'S OBJECTS

Ajit Pawar accuses BJP of trying to weaken opposition by inducting turncoats in ministry

assment to the BJP. Mehta was considered close to BJP chief Amit Shah. Since Mehta is from the Gujarati community that backed the BJP, the party roped in Yogesh Sagar, a hard-working MLA from Mumbai's Western suburbs, to balance Mehta's ouster.

Mumbai BJP chief Ashish Shelar

'Angry' Khadse Hits Out at Govt for Berths to Turncoats

Our Political Bureau

Mumbai: Maharashtra's Senior but disgruntled BJP leader Eknath Khadse once again fired potshots at his party leadership over Sunday's cabinet reshuffle.

Khadse in a television interview given to a news channel he poured scorn on new entrants that were joining the party after quitting the Congress and NCP as well as the BJP.

"The party has given opportunities to newcomers. However those who have worked for many years and have been elected three to four times but have not gotten opportunities. This is why the cadres are hurt and their pain is natural," said Khadse to the channel.

The BJP leader also took aim at former Congress leader Radhakrishna Vikhe Patil and former NCP leader Jaydutta Kshirsagar who joined the BJP and Sena respectively and were sworn in as Ministers. Khadse said that he is unlike other leaders who quit the party for ministerial posts and in spite of offers from other party's he would remain in the BJP.

Khadse's anger comes as he was once again ignored in the cabinet reshuffle on Sunday. Once a senior BJP leader in the state unit, Khadse has faced isolation ever since he had to resign as a Minister after his name cropped up in land purchase scam in 2016.

THACKERAYS AT AYODHYA



Shiv Sena chief Uddhav Thackeray, Aaditya Thackeray, party leader Sanjay Raut along with the 18 newly-elected party MPs on their way to offer prayers at the makeshift Ram Lalla temple, in Ayodhya, on Sunday. The Sena chief said, "The government should bring an ordinance to construct Ram temple in Ayodhya."

Saddled with Old and Unsafe Planes, Nath Govt Struggles to Fly Its VIPs

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New Delhi: The Madhya Pradesh government is facing a pressing problem in flying its VIPs. Its existing fleet is so obsolete that the state government is forced to hire a plane or a chopper to fly its VIPs, including the chief minister.

The Kamal Nath government has now decided to sell the sole aircraft and two choppers that the state government owns and to buy a new seven-seater aircraft, said people aware

of the matter.

The existing twin-engine aircraft is nearly 18 years old and has clocked over 6,600 landings. The two Bell choppers, one a twin-engine one and the other a single-engine one, are vintage variety too — one was manufactured way back in 1998 and the other in 2002, and have completed more than 5,000 and 4,100 landings, respectively. The offset value of the aircraft has been fixed at ₹11.45 crore while that of the two choppers has been fixed at ₹2.6 crore and ₹5.15 crore, respectively.



Nath, who invariably uses his personal aircraft and chopper for travel, wants the costs of hiring reduced and ensure air travel by VIPs is both safe and cost-effective.

This is, however, easier said than done. The previous Shivraj Singh Chauhan-led BJP government had also tried to sell this air fleet, as it also wished to buy a new

plane, but it found no takers. The price that the state government wanted was apparently too high for any bidder. The Congress was in the opposition then and it had criticised the plan, calling it a wastage of the state's resources.

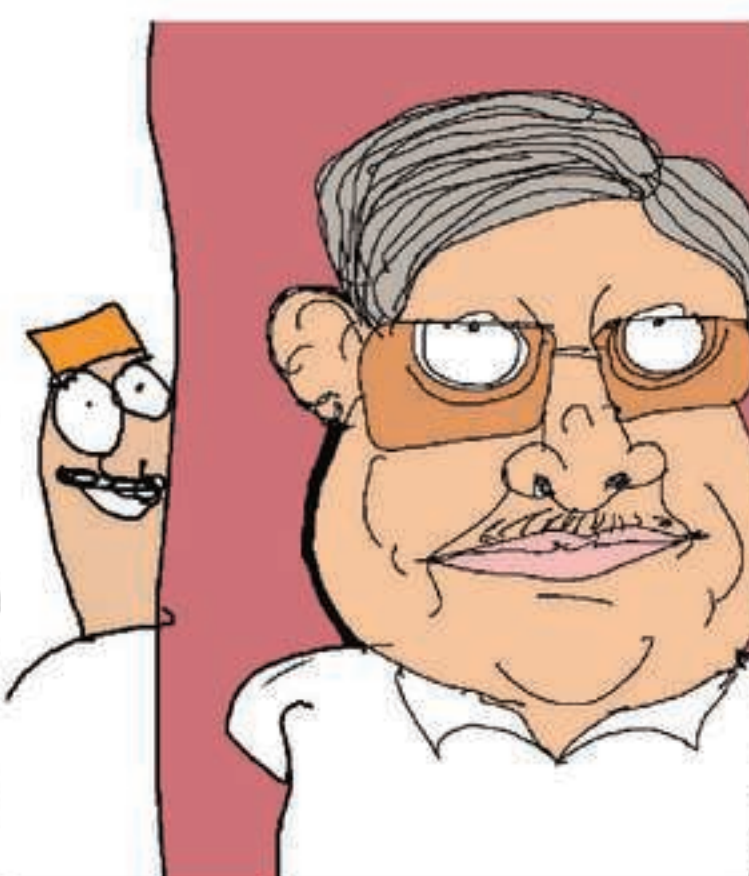
However, now that the existing fleet has become obsolete and a new plane may take time to buy, the Nath government has followed Chauhan's idea of asking for bids from private operators to give it an aeroplane or a chopper on hire-on-need basis in 2019-20.

THIRD EYE



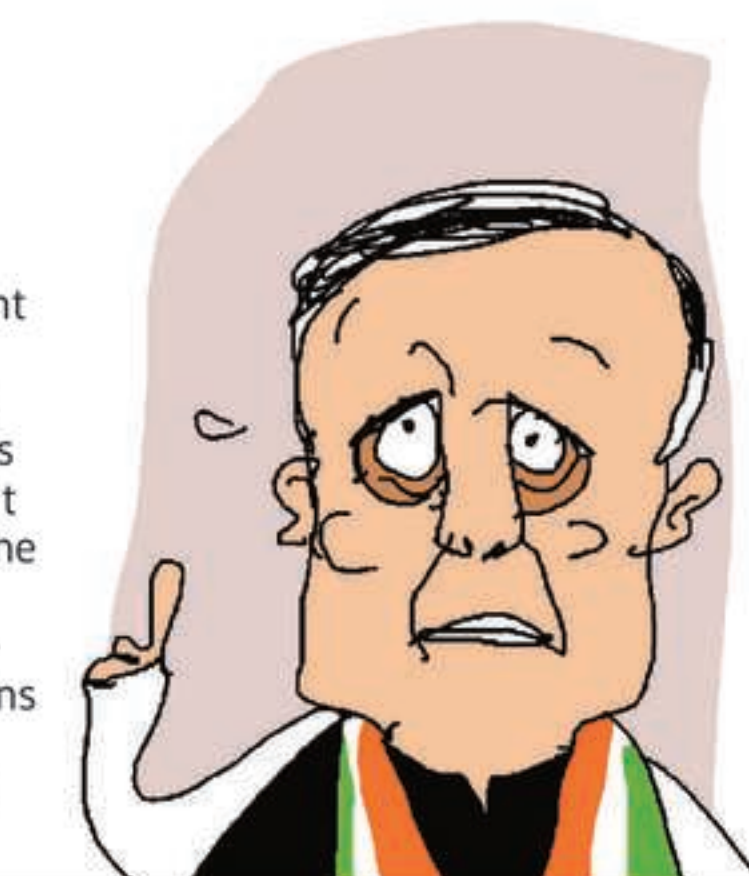
Babus In a Fix as HRD Min Orders Work in Hindi

New HRD minister Ramesh Pokhriyal Nishank appears to be passionate about promoting Hindi. After assuming charge, Nishank's office has been insisting that departments prepare presentations for him in Hindi — which is not music to the ears of the babus. The former Uttarakhand CM has always believed that Hindi has not found its due place due to the lack of political will.



Patil, the Next Maharashtra BJP Chief?

There are talks that Chandrakant Patil, Maharashtra's Revenue Minister, may be the next state BJP chief. However, Patil, who is a confidant of BJP president Amit Shah, is not keen on taking up the post as he doesn't want to get saddled with administrative responsibilities. Patil, an MLC, plans to contest the forthcoming assembly elections to elevate his profile in the state.



K'taka Congress Chief Quells Talks of Him Quitting

After the Congress suffered its worst-ever defeat in the Lok Sabha polls in Karnataka, its state president Dinesh Gundu Rao announced he will take moral responsibility. His detractors wanted him to quit, and they quickly spread such rumours as soon as he exited some social media groups. The man is now busy clarifying he is still very much the president.

Senior Cong Ministers Should Quit: K'taka Party MLA

Says meritorious young MLAs should get a chance in the Cabinet

KR. Balasubramanyam
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Bengaluru: Two-time Congress MLA Dr K Sudhakar said on Sunday that senior ministers from his party, who enjoyed power under the previous Siddaramaiah regime, should pave the way for meritorious young MLAs in the Cabinet to help resolve the political crisis in Karnataka.

hours after chief minister HD Kumaraswamy expanded the 13-month-old JD(S)-Congress ministry. "A few leaders, who were ministers before, remain ministers even now. They should voluntarily give up their positions, and make way for worthy youngsters. That will bring about some sort of political stability to the government," the 44-year-old MBBS graduate, who has had a corporate stint before, said in an interview with ET.

The political instability in Karnataka, he added, is because of displeasure among the MLAs from both Congress and JD(S).

According to him, the JD(S) and the Congress performed poorly in the recent Lok Sabha polls despite policies such as loan waiv-



Congress MLA Dr K Sudhakar

ers, mainly because the political events of the day had taken a toll on the CM's focus on governance. "Governance and development will suffer as long as political in-

stability haunts the CM," he said.

"Investors will not come to a state that is fighting political instability. Without investment, there is no economic activity or job creation, or fresh funds for development? Secondly, bureaucracy will not be proactive in such a climate. Leaders of both Congress and JD(S) should put their heads together and do serious corrections. Just cosmetic changes won't help," Dr. Sudhakar said.

Asked if he would quit the Congress and join the BJP, the MLA replied: "I am optimistic things should improve in the Congress. I, however, will need to take sensible and rational decisions about my political future. I will of course consult people in my constituency

and my party leaders before taking the final call."

UPPER HOUSE A WHITE ELEPHANT: The Congress MLA was also critical of moves to consider members of the Legislative Council (MLCs) - the upper house in Karnataka - for Cabinet positions. He called the upper house a 'white elephant', and wondered if the House benefited the State at all. "They (MLCs) can play an advisory role and provide inputs to the Assembly but why representation in the Cabinet?"

He added: "Each MLC gets as much funds as an MLA for area development. They (MLCs) don't have a constituency. Let the government evaluate what they have done with the funds allocated to them. It is worthy of research."

SOUTH SCAN

Kerala Cong (M) Splits; Jose K Mani is Chairman

KOTTAYAM The Kerala Congress (M), a key partner of the Congress-led UDF, suffered a split on Sunday with a faction in the party electing Rajya Sabha MP Jose K Mani, son of its founder late KM Mani, as the chairman. The development capped weeks-long infighting in the party between supporters of Jose Mani and working chairman PJ Joseph following the demise of KM Mani in April this year. Jose K Mani was elected as the chairman of the party by the leaders supporting him at a meeting convened by him.

Kaleswaram Project in T'gana to Help 70% Districts

HYDERABAD The Kaleswaram Lift Irrigation project, which would be inaugurated on June 21, is expected to supply water to 70% of districts in Telangana to meet agriculture, drinking water and the industrial needs. The Telangana government has decided to start pumping water from the next month, official sources said. "Water from river Godavari at Medigadda, which is about 100 metres above sea-level, is lifted at six stages and supplied to Kondapochamma Sagar, which is at 618 metres height," an official release said.

K'taka CM Offers to Hold Talks with Oppn on JSW

BENGALURU Karnataka chief minister HD Kumaraswamy on Sunday offered to hold talks with opposition BJP on issues raised by it even as the saffron party workers courted arrest while attempting to proceed towards his official residence despite police barricades. As the state BJP, led by its chief BS Yeddyurappa, intensified its two-day sit-in over issues, including sale of land in Ballari to JSW Steel at a "throwaway" price, drought and farm loan waiver, Kumaraswamy, in a letter to the opposition leader, said he was prepared to discuss all matters.

Heatwave Forecast in Parts of Northern TN

CHENNAI Parts of north Tamil Nadu continued to experience sizzling temperatures and the Met office on Sunday said severe heat wave conditions were likely to prevail in isolated pockets in three districts for another two days. "Severe heat wave" condition was likely to prevail over pockets in Tiruvallur, Vellore and Tiruvannamalai districts while parts of nine other districts would witness heat wave, the regional met centre said.

VIA AMENDMENT Move to change relevant sections on foreign military sales in National Defence Authorization Act 2020

Bill Moved in US Senate to Bring India on a Par with Nato Allies



Defence Cooperation

THERE ARE TWO technology control lists in the US system - one is under the Export Administration Regulations and the other is International Traffic in Arms Regulations list

THE AMENDMENT IS expected to gain traction also because India and US have also signed the Communications, Compatibility and Security Agreement and are in detailed discussions over Basic Exchange Cooperation Agreement

THE MAJOR DEFENCE Partner status allowed the Pentagon to move on sales of highly sensitive military items with India. However, the licensing and approval process was quite elaborate

THE ONLY COUNTRIES where the President enjoys considerable executive freedom for such sales are the NATO allies-Australia, Israel, New Zealand and Korea

Under the COMCASA, the US has already set up a secure link between Indian Navy headquarters and the US Pacific Command to share real-time information

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New Delhi: Two top US Senators have moved an amendment to change the US Armed Controls Export Act to bring India on a par with Nato allies, Israel, Australia, New Zealand and Korea for purposes of selling military items under the ITAR (International Traffic in Arms Regulations) list. The bipartisan amendment moved by Democrat Senator Mark Warner and Republican Senator John Cornyn on Thursday seeks to bring the change through an amendment to the relevant sections on foreign military sales in National Defence Authorization Act 2020.

Those aware of the details told ET that this will now kickstart the process of deliberations for the conference process in which the Senate and House versions of the NDAA will be reconciled. If the amendment makes it through this process, then it will signal a big shift in Indo-US relations.

There are two technology control lists in the US system - one is under the Export Administration Regulations, which places controls on sale of dual use items that have both civil and military uses and the second is the ITAR list. The civil nuclear deal paved the way for India to access items on the first set of lists.

The Major Defence Partner status allowed the Pentagon to move on sales of highly sensitive military items with India. However, the licensing and approval process was quite elaborate. Also, the Department of State, which goes by the Arms Export Control (AEC) Act would raise questions.

IMPACT ON SUPPLY

The amendment, if it goes through, will make it possible for the US to fulfil India's operational requirements in quick time

The AEC Act governs the ITAR list. The only countries where the President enjoys considerable executive freedom for such sales are the NATO allies, Australia, Israel, New Zealand and Korea. This is how inventories also remain well-stocked in these countries for the real-time operations.

The amendment, if it goes through, will make it possible for the US to fulfil India's operational requirements in quick time, thus improving its reliability on supplies.

This text of the amendment states: "The Arms Export Control Act is amended— (1) in sections 3(d)(2)(B), 3(d)(3)(A)(i), 3(d)(5), 21(e)(2)(A), 36(b)(1), 36(b)(2), 36(b)(6), 36(c)(2)(A), 36(c)(5), 36(d)(2)(A), 62(c)(1), and 63(a)(2), by inserting "India," before "or New Zealand" each place it appears; (2) in section 3(b)(2), by inserting "the Government of India," before "or the Government of New Zealand"; and (3) in sections 21(h)(1)(A) and 21(h)(2), by inserting "India," before "or Israel" each place it appears.

The amendment is expected to gain traction also because India and US have also signed the COMCASA (Communications, Compatibility and Security Agreement) and are in detailed discussions over BECA (Basic Exchange Cooperation Agreement). Both are foundational agreements for defence cooperation with the US.

Under the COMCASA, the US has already set up a secure link between Indian Navy headquarters and the US Pacific Command to share real-time information. Also, the Selective Availability Anti-Spoofing Module GPS was also cleared for the C-17s and C-130s. Both sides are in discussions to set up a COMCASA register. These are developments, sources said, which will strengthen the case for the amendment to go through. The supporting the Bill are also counting on the fact that both Warner and Cornyn are senior senators taken very seriously by all stakeholders.

Security Forces in Assam Seek Extension of AFSPA

Present extension of AFSPA set to lapse in August this year

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Guwahati: Security forces engaged in counter-insurgency operations in Assam want the Armed Forces (Special Powers) Act or AFSPA to remain in force in the entire state for at least one more year.

AFSPA, which gives armed forces special powers to enter a premises or arrest a person without warrant, among others, was imposed in Assam at the height of insurgency in 1990 and it has been repeatedly extended, most re-

cently till August this year. There is demand from various quarters to withdraw the Act since insurgency is at its lowest ebb in the state.

"Recent incidents, however, indicate that the police needs the army to fight insurgents, and the army will need AFSPA to deal with militants, especially in interstate border areas," said a senior army officer, who did not wish to be identified.

"Last month, National People's Party (NPP) MLA Tirong Aboh, from Khonsa West constituency, along with 10 others, was killed by suspected militants in Arunachal Pradesh. Anti-talks United Liberation Front of Assam (ULFA) militants, from the group also known as ULFA (Independent), triggered an explosion in Guwahati on May 15. Police has



Officials carry the coffin of CRPF jawan Sunil Kalita who succumbed to his injuries sustained during a Maoist attack in Jharkhand, in Guwahati on Friday, PTI

found a large network of over-ground activists of ULFA in Assam," he said.

The Indian Army is part of the unified command, the country's prime counter-insurgency strategy making body which includes civil administration, police personnel and other security agencies.

The state police too has favoured continuation of AFSPA, especially since the sensitive process of updation of the National Register of Citizens (NRC) is on and the final NRC is expected to be published on July 31.

"Though we are not anticipating trouble in the run-up to NRC publication, anti-talks ULFA is still active in Upper Assam," said the army officer. "Recent incidents show that the group is using mercenaries."

The army officer said that despite an operation by the Myanmar Army on the camps of in-

surgenes in Myanmar, anti-talks ULFA's illusive commander-in-chief Paresh Baruah is still in command. "Baruah is in his base in Ruili, located on Myanmar-China border," he said.

A senior state police officer said, "In Upper Assam, especially the districts of Tinsukia and Dibrugarh, which border Arunachal Pradesh, remain the stronghold of anti-talks ULFA militants. The group has managed to attract fresh recruits in recent times."

In April, he said, following the offensive in Myanmar around 20 cadres of anti-talks ULFA and Songbijit factions of the National Democratic Front of Boroland (NDFB) had surrendered. Around 15 of those who surrendered were from the anti-talks ULFA group, he said.

Rafale With Indian Colours to be Delivered in Sept

Talks on digital tech & environment likely during Modi's visit to G-7 summit, French envoy A Ziegler tells Dipanjan Roy Chaudhury

ET Q&A

ALEXANDRE ZIEGLER
FRENCH AMBASSADOR



When will France deliver the first set of Rafale? How hopeful are you of garnering the order for the remaining 110 fighters?

In accordance with the contractual schedule, the first Rafale with Indian colours will be delivered to the Indian Air Force this September, exactly three years after the signing of the intergovernmental agreement by the French and Indian defence ministers on September 23, 2016. It will be followed till the delivery of the 36th aircraft, at the pace stipulated in the contract. Regarding the future orders for combat aircraft desired by India, Dassault Aviation is participating in two calls for tender, with the full support of the French government. The Rafale has thus been proposed to meet the requirement of 110 multi-role fighter jets for the Indian Air Force, and the Rafale's naval version, Rafale M (M stands for Marine, Navy in French), has been proposed to meet the requirement of 57 multirole aircraft on-board for the Navy.

What would be key elements of PM Modi's visit to France in August for G-7 summit?

India will be particularly associated to the discussions on digital technology and environment. We know India is an indispensable stakeholder for those key governance issues. India participated in the G7 "Tech for Humanity" meeting of Digital Ministers in May in Paris and announced its support to the Christchurch Call. On digital issues, our approaches converge on major regulatory issues, such as the fight against hate content, the responsibility of private platforms and much more.

How will Paris Air Show be beneficial for Indo-French strategic partnership?

The 53rd International Paris Air Show has been a key event for the aerospace industry worldwide since 1909. As much as the Indo-French partnership has been on an extremely positive trend over the last years, so is India's presence at the Paris Air Show. be it in terms of the official delegation or numerous Indian companies which come to part partnerships, promote their products

and further their know-how. I am delighted that many CEOs from large and small scale Indian companies, public sector undertakings such as HAL as well as private sector companies, have already announced their participation in the Airshow this year. A major Indo-French industrial event has also been planned during the Airshow to be held between the French Aerospace Industries Association (GIFAS) and its equivalent Indian association, Society of Indian Defence Manufacturers (SIDM).

France is the key pillar of India's outreach to Europe. What are the main elements of this strategic partnership?

I will use three words to describe the foundation of our strategic partnership. Trust: France has been beside India from the beginning and at all times, even during the most challenging moments. I will give you two examples. We have been among India's leading space partners. We have also always been beside India in the fight against terrorism, from the terrorist attack in Mumbai to that in Pulwama.

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70k to Give Feedback on Ayushman Bharat

Taking Stock
The feedback follows PM's interactions with beneficiaries, where he had sought feedback during visits to various states over the last few months

Nearly 3.75 crore e-cards have been issued across the country aiming to cover 10 cr poor families

Teams will physically go to the addresses of the 70,000-odd beneficiaries

Efforts will be made to limit the beneficiaries' personal data to the minimum required

Aman.Sharma@timesgroup.com

New Delhi: The government will take feedback from at least 70,000 beneficiaries of the Ayushman Bharat scheme, after nearly 29 lakh people got free medical treatment under the ambitious national health programme over the last nine months.

The feedback, on their experiences in making use of the cashless medical insurance facility in hospitals, follows Prime Minister Narendra Modi's interactions with beneficiaries, where he had sought feedback during visits to various states over the last few months.

The survey is aimed at improving the scheme's systems and processes for better delivery, a senior government official told ET.

How did you go about getting an e-card? What was your experience of registration and treatment at the hospital? How did your interactions with various stakeholders, during the process of availing the benefits, go? These are some of questions for which the survey could seek responses from beneficiaries.

Teams will physically go to the addresses of the 70,000-odd beneficiaries, carrying a mobile device to record audio and video feedback on an IT application that is being developed by the government. Consent will be taken in the beneficiary's local language before the survey. Efforts will be made to limit the beneficiaries' personal data to the minimum required. The responses will be in the form of answers to questions in text, video, audio and images, and geo-tagging the location of each beneficiary.

The Prime Minister had stressed on preventing fraud and ensuring that beneficiaries do not face red-tape or harassment while availing its benefits.

The maximum beneficiaries - about 6000 each - could be interviewed apiece in Uttar Pradesh, Gujarat, Chhattisgarh, Jharkhand, Maharashtra, Tamil Nadu, Karnataka and Kerala, which have reported the maximum number of patients under the scheme.

About 3,000 beneficiaries each could be asked in Bihar and Madhya Pradesh.

HI-TECH METHOD
The feedback - recorded on mobile phones - will also involve filling up a questionnaire with beneficiary's consent

des. To ensure that the beneficiaries are not misled, the National Health Authority (NHA), which administers the scheme, has identified nearly 264 fake websites and dubious mobile apps offering such services for a fee. Most of them have been closed down after the NHA took up the issue with search giant Google.

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ET Q&A **AJAY SINGH**
CHAIRMAN, SPICEJET

With the right rules, Indian aviation will perform because, inherently, we have a massive domestic market

A Part of the Blame for Jet's Fall Lies with Tax Structure

SpiceJet chairman Ajay Singh has replaced Jet Airways' Nareish Goyal on the board of governors at IATA – an achievement, considering his carrier joined the airline group only three months ago. On the sidelines of IATA AGM in Seoul, Singh told **Mihir Mishra** that Jet's demise should be a wake-up call for the Indian aviation industry reeling under high costs, which make business unsustainable in the long run. He expects the new government to address those concerns. Edited excerpts:

India has returned the same government at the Centre, which is aware of the problems with the sector. What are your expectations from the government?

I think it is wonderful for the country that it's a full majority government that will provide stability for the next five years. Steps need to be taken to make India an aviation superpower in the future. To make that happen, we need to build global aviation hubs in our country and global airlines in our country that can rival the Emirates and the Singapore Airlines of the world.

We need to connect our country within and also to the outer world and connect smaller cities of the country to the globe. We need to have a policy that encourages Indian carriers to fly long-haul.

How do you think that can be achieved?

We need to look at the cost structure of Indian aviation, which is probably the biggest piece. There are issues on double taxation, certain duty on import of spares. No country charges import duty on spares. We need to benchmark that to the rest of the world. We need to correct that. If all the leading aviation markets do not pay tax on aviation fuel then we have to find a structure, where we are not paying tax as well. If airport charges are low in various global hubs, then we need to keep our charges low to make global hubs. When you want to create global aviation hubs, you have to give a visa-free stimulus to bring people. With the right rules, Indian aviation will perform because, inherently, we have a massive domestic market.

But we also have a situation where



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the oldest private airline is going bust. How do you explain that paradox?

Yes! It's a great pity. I think an iconic brand like Jet Airways shutting down should be an eye opener for all of us. We need to see what happened and a part of this has to do with the structure of tax that we have imposed on the sector. Of course, a part of it is also that they had a higher cost structure than others.

As a consequence, they lost out when they could not raise the yields to meet their cost. But at least, a part of the blame does lie with the tax structure and regulatory process we have in place. We need to understand that flying is not only for the rich – and schemes like UDAN and others have proved that – and should not be taxed heavily.

I think this government is aware of these issues and they made some attempts in the previous term and with a strong majority now, we should see some positive steps.

While it is unfortunate, does Jet's demise help its competitor in the Indian market, which was struggling with high capacity?

Look, temporarily, it helps other players. It helps increase yields, bring more balance in terms of demand and supply. For an airline like us, it helps expand in a short period of time.

But ultimately, these are short-term positives and we need to look at a longer term picture and for the whole sector to

be healthy and no accidents like Kingfisher and Jet.

Jet's demise created a void in medium and long-haul international flying. Do you see an opportunity here for your low-cost long haul plans?

I think it is bigger than Jet demise. Indian carriers will ultimately have to look at

ISSUES AT HAND

We need to look at the cost structure of Indian aviation, which is the biggest piece. There are issues of double taxation, and certain duty on import of spares

that space (low-cost long-haul market) because if we need to create hubs in India, Indian carriers will have to fly Indian passengers to destinations in Western Europe, the Americas, far-East and Australia and so on and so forth. It has to happen. It cannot only be Air India doing it; others will have to join the party. It will happen, but there will be a different approach to it. Some people will fly long-haul, while others would look at longer range narrow-body planes and fly one stop. But it will happen.

The first stint of the Modi

government saw no new foreign flights to West Asian and South East Asian destinations, as airlines like yours objected. Will you continue to object to any new flying rights?

As you know, traffic rights have been given indiscriminately to countries, which have used those rights to build their own hubs at India's expense. And that certainly is not in India's interest. You know, to export the traffic to the Middle-Eastern or far Eastern hubs and distributing it rather than India distributing it cannot be in India's interest. We would certainly urge the government to adopt the policy of 'India first' and help build Indian hubs and Indian carriers. I think it will be a great shame if a country of 1.3 billion does not use its strength and build its own hubs and international airlines.

We recently saw Nareish Goyal not being allowed to leave the country due to inquiries into Jet Airways. Do you look at such cases as hounding and anti-industry?

Look, I can not comment on that because I do not know the facts. In general, I think the government needs to create an enabling environment for businesses to flourish. And it is important for the private sector to invest and banks to lend. A lot of capital has, however, dried up in the recent times. And I think the government needs to create an environment, where that capital starts to flow again.

If you need to create employment and grow at 8-10% for the next several years, then you have to create a more conducive environment. Amongst the things that need to be done is also reduction of regulation. Part of the American growth story in recent times has been not only tax cuts but that they have deregulated. We need to simplify our processes and our system.

You are offering business class on the aircraft that were earlier used by Jet Airways? Would you like to go ahead with the same arrangement?

We do not know, as of now. We took two-class (business and economy) aircraft from Jet Airways and did not have time to reconfigure them. Since we had two-class aircraft we decided to experiment with it and will take a call after 3-4 months.

Niti Calls Meet to Discuss EV Timeline Issue

IN RESPONSE Move follows reaction to its plan to speed up the date for 2-3 wheelers

Sharmistha Mukherjee & Satish John

New Delhi | Mumbai: Reacting to the discontent within the industry caused by the proposed plan to accelerate the timeline for 2-and-3 wheeler vehicles to run on batteries, Niti Aayog, the government policy-making thinktank has called an urgent meeting later this week with CEOs of companies in the sector to discuss its contentious proposal.

The meeting is slated to be held on Friday. SIAM has communicated to its senior members to attend the meeting chaired by Amitabh Kant, CEO, Niti Aayog, two people close to the development said. This meeting is important as it will "define the basis of future policy to be driven by the government on EV 2/3 wheelers," one of the two people aware of the development told ET. The importance of the meeting is not missed by the industry lobby group. SIAM has asked the CEOs, who were signatories of various press statements criticising the proposal to be personally present at the meeting.

The industry captains, Venu Srinivasan, chairman TVS Motor, Bajaj Auto MD Rajiv Bajaj and Pawan Munjal, Hero Moto-Corp chairman reacted to reports that alluded to a government plan of setting a 2023 deadline for three-wheelers and 2025 for all two-wheelers up to 150cc engine capacity to run on batteries. Manufacturers argued that they've already been forced to accept an accelerated timeline for tighter emission norms (BS-VI) which will go into force next year which has entailed expensive redevelopment. The domestic market for three-wheelers in FY19 was 700,000 units, while that for two-wheelers up to 150cc was more than 19 million units, adding up to a gross value of over ₹1 lakh crore.

A senior industry executive who did not wish to be identified confirmed government think-tank Niti Aayog is scheduled to meet industry representatives on Friday. "We have not received any official communication but have been told verbally that a

meeting has been scheduled with industry stakeholders Friday", he said.

He added that the industry is supportive of the government's move towards e-mobility but would not want a "surgical strike" on internal combustion engine vehicles at the same time. "We want to hear what the government is proposing to forward the vehicle electrification drive... Whatever we know of the timelines, for electrifying three-wheeler and two-wheelers (be-

FUTURE POLICY

This meeting is important as it will define the basis of future policy to be driven by govt on EV 2/3 wheelers

low 150 cc) is on the basis of media reports. And while the industry is appreciative of the government's drive towards e-mobility, we feel it should not come at the cost of any other technology", he added. SIAM asked its members to come prepared for the meeting and articulate their misgivings on the proposed government plan to ban internal combustion engines powering 2-and-3 wheelers with effect from 2023 and 2025, respectively.

Industry lobby groups SIAM, CII and many of the business promoters controlling 2/3 wheeler manufacturing companies came out strongly against the proposal, in what is seen as a rare display of camaraderie. Among the industrialists to voice their protests were Venu Srinivasan, chairman, TVS Motor, Bajaj Auto managing director Rajiv Bajaj and Pawan Munjal, Hero MotoCorp chairman.

Rivals Rajiv Bajaj and Venu Srinivasan have both opposed a proposal that's reportedly under consideration by the government to mandate that all two-and three-wheelers switch to battery power in the next few years.

Nissan's Troubles
As new products flop and dealers down shutters, Nissan struggles to stay relevant in India. The recent exit of Thomas Kuehl, head of its operations in India, will add to its woes.

L&T's Shield
L&T is incubating the IT and financial-services businesses and shielding itself from the underperformance of its core business verticals.

Need Doctors
The country has a pitiful 0.7 doctors/1,000 people. Ayushman Bharat will add to the stress.

Debt Squeeze
After the IL&FS implosion, small-ticket online lenders are facing a squeeze on debt financing.

PITCH REPORT

Honda May Hike Prices by up to 1.2%



NEW DELHI Honda Cars India is considering to increase vehicle prices by up to 1.2% from next month to offset rise in cost of raw materials and introduction of new safety features, as per a company official. The company sells a range of models from Brio to premium sedan Accord Hybrid, priced between ₹4.73 lakh and ₹43.21 lakh (ex-showroom Delhi). "We are working on a price increase on our models from July," HCL director sales and marketing Rajesh Goel said. —PTI

Big-screen TV Sales Soar 100% as World Cup Hots up
PTI

New Delhi: Rains may have washed out some keenly awaited contests in the ongoing cricket World Cup, but that has not deterred Indian fans from upgrading to high-end TVs to enjoy the matches. Consumer electronics makers such as Sony, Samsung, LG and Panasonic have reported up to 100% jump in sales of large-screen TVs (55-inch and above) compared to the same period last year.

Interestingly, the sales spurt has not been restricted to just the metros, as smaller cities such as Hubballi, Jabalpur, Raipur, Ranchi, Kochi and Nagpur, too, have posted robust numbers. Moreover, companies expect sales to pick up further as the tournament progresses towards the knock-out rounds, and have lined up attractive offers, including easy financing and cashbacks, to woo the fans.

"The World Cup started around 10 days ago and we can see the largest screen sizes, particularly 55-inch and above 4K TVs, a sales jump of almost 100%. This is twice what used to be in the same time last year," Sony India BRAVIA Business head Sachin Rai said.

Samsung India senior VP, Consumer Electronics Business, Rajeev Bhutani said as India progresses ahead in the competition, sales would rise. "Cricket fans across India are upgrading to bigger TV screens to enjoy the World Cup," he said. According to Panasonic India Business head (consumer electronics) Sharan Nair, after festive sales, the sporting season is the major opportunity for companies to connect with customers and create engagement touchpoints. "This is particularly relevant during the sporting season as the demand for a superior viewing experience is triggered and customers look for advanced features such as a large screen and enhanced sound quality," he said.

KIDS IN 9-15 AGE GROUP WANT TO BE SEEN SPORTING MATURE STYLES

Fashion Brands Keen to Dress Up Tween Shoppers in Adult Clothes

Wardrobe Change

WHAT BRANDS ARE DOING NOW...

Tweaking merchandise mix
Introducing fashion that imitate adult clothing & accessories
Having a smaller size within adult range

WHAT BRANDS ARE WOOLING THIS DEMOGRAPHIC?

- US Polo • Flying Machine • Titan • Lifestyle

17.9%
Projected CAGR growth of children's wear market for ages 0-14 from 2018 to 2023

Unorganised Kidswear segment becoming branded because of...

- Rising aspiration
- Frequent socialising
- International travel
- Children's fashion on social media

Smita.Balram@timesgroup.com

Bengaluru: For 13-year-old Raina Pradhan, shopping is an ordeal as she listlessly scans the racks hoping to find something aligned with global youth fashion. What she mostly gets are routine childlike collections, often with cartoon prints. Unable to find hip styles, the tween shops at Forever21, the American fast fashion brand for slightly older people.

"Clothes with Disney characters are kiddish. It is hard to find trendy clothes as sizing is either too small or big. So I shop for the smallest size or whatever fits in the adult sections of brands," Pradhan said.

T-shirts featuring Disney characters or bubble-gum coloured eye frames don't cut it for India's tweens and high-schoolers; neither kids nor adults. Aged between 9-15 years and practically born with smartphones and social media accounts, they are the new target segment for brands geared towards these young consumers who are beginning to make their own style choices.

"Increasing access, double-income households, brand consciousness and independent mindset shift in kids have contributed to the growth of this category. This age bracket has also nudged out

hand-me-downs and cheaper export-reject options," said Vineet Gautam, CEO of Bestseller India, referring to high-schoolers as fashion influencers and opinion-makers of the future.

Jack and Jones, a menswear brand by Danish company Bestseller, extended its product portfolio to kidswear division by launching a junior range aimed at boys from 8-15 years. The apparel line comprises scaled-down sized garments of adult designs like slim-fit distressed jeans, mandarin collar and corduroy shirts to sweat pants that mirror mature colour and print stories.

Tweaking merchandise mix, introducing fashion that imitate adult clothing and accessories and having a smaller size within adult range is what several brands like US Polo, Flying Machine, Titan and Lifestyle are doing to woo this demographic segment.

"It is an important segment for us and a bridge between children and adults. It is also a starting point in exploring kids as an opportunity," said J Suresh, chief executive officer of Arvind Fashions that started 'dress like father' campaign for US Polo.

"For Flying Machine, we introduced an S size that fits young teens," he added.

Foreign, Indian Global Cos in a Fix over Probable Ban of Two Audit Firms in India

MNCs audited by Deloitte and KPMG networks in India will have to change auditors in all countries outside India as well

Vinod Mahanta & Sachin Dave

Mumbai: As the spectre of ban looms over KPMG and Deloitte, both multinationals and Indian companies with global operations are in a fix over their audits. Some of the top multinationals and global Indian companies are trying to figure out the course of action in case of a domestic ban on their auditors — as that would impact their choice of auditor in other countries across the globe.

Global MNCs prefer working with one auditor across geographies for consistent quality and quicker consolidation of audits, while the Indian multinationals like to rely on the global network of the Big Four firms in other geographies they do business in for the same reason.

For instance, KPMG audits both Tata Steel and Tata Steel UK, while Deloitte audits IT majors like Infosys and Wipro. If the court enforces a ban on two auditors, this may complicate things for both sets of companies. The MNCs operating in India usually exercise an option to dissect the audit into two, the global reporting and the Indian audit, which was traditionally conducted by the same statutory auditor.

However, during the Companies Law mandated audit rotation in 2017, some listed companies were forced to change the Indian auditor while they continued to work with incumbent firm for the global audit. Now, the MNC clients of KPMG and Deloitte networks might have to walk through another, if the firms are banned.

According to the people close to the development, many multinationals have reached out to their auditors and are doing a scenario planning in case there is a domestic ban.

The government has moved National Company Law Tribunal (NCLT) to seek a five-year ban on Deloitte and BSR & Co. The government is see-

In Wait & Watch Mode

Many foreign audit networks beyond big four may benefit from the situation

CFOs have reached out to firms seeking clarity on the probable ban

Many multinationals prefer big four as they can be held liable even outside India

Multinationals may face limited choice due to conflicts and audit rotation norms in India and in some countries

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Expert Speak

I would encourage the investor community to think if banning audit firms would serve their interest of enhancing audit quality or high quality financial reporting? The international community is keenly watching this space as capital follows an environment of stability

Vishesh C Chandlok, CEO, Grant Thornton India LLP

RMZ Aims to Double Commercial Portfolio over the Next 5 Years

Firm has acquired 30 acres in Gurugram to add to its growing office portfolio

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GROWTH PLANS

Firm now plans to fuel growth by developing properties on its own as well as through acquisition

Bengaluru: Bengaluru-based RMZ Corp is looking to double its commercial portfolio to 75 million square feet over the next five years, said a senior executive who did not wish to be named.

The company, which recently entered into an agreement with DB Realty to transform the six-decade-old Kamalistan Studio in Mumbai, has acquired 30 acres in Gurugram to add to its growing office portfolio. "The company hasn't raised any foreign capital to develop projects. We bought

back all foreign partners in 2018," the executive said. In one of the largest buybacks by a private company, RMZ Corp recently purchased 45% shares held by QIA and Baring Private Equity Partners for around \$1 billion.

In 2018, QIA had invested ₹600 crore in RMZ Corp for a 23% stake, while Baring Private Equity Partners had invested ₹450 crore in 2012 for a 21% stake

in the holding company, RMZ Infotech. The home-grown firm currently has over 35 million sq ft of project operational assets across major cities in the country. RMZ Corp also plans to acquire assets in key markets such as Bengaluru, Mumbai, Chennai and Hyderabad.

It has already consolidated its operations. Fresh investment at the SPV level will come in the form of debt that can either be

bought back or sold to third-party investors, the senior executive said.

In 2018, the builder had put off plans to float a real estate investment trust following the buyback of shares from QIA and Baring Private Equity Partners.

However, after the success of the first REIT, the firm may take that route again.

"It now plans to fuel the growth by developing properties on its own, as well as through acquisition of commercial properties," the executive added.

RMZ is a privately-owned real estate investment, development and management firm.

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You have the most to learn from unhappy customers. Unlike happy customers, they give you a chance to get better.

Tech Buzz
Google Adds to the Pixel 4 Conundrum



San Francisco Once the rumors surrounding upcoming Pixel 4 smartphone started emerging, Google itself wanted to join in on the fun and tweeted a teaser. With this, there are a couple things about Pixel 4 that we can confirm: It will come with a dual-lens rear camera system, and it won't have a rear fingerprint sensor. But that raises more questions. What will the second camera lens do? And how will users unlock their phones? Watch this space. —BI

Quick Byte ANIRBAN BORA



Facebook will pay you so it can track your phone activity

148 million
Paying customers that Netflix had worldwide in the first quarter of 2019

AI to Predict Psychosis from Speech



Washington Scientists using AI have discovered a hidden clue in people's language that can accurately predict whether they are likely to develop psychosis in future. The method more precisely quantifies the semantic richness of people's conversational language, a known indicator for psychosis. The research, published in the journal 'npj Schizophrenia', shows that automated analysis can predict whether an at-risk person will later develop psychosis with 93% accuracy. —PTI

Jargon Buster

Kludge
A poorly set up system with mismatched parts or elements that might work, but does not work particularly well

SOFTWARE CO TO HIRE SALES HANDS IN THE US

Panaya is Back in Business at Infosys with Fresh Push

With Infosys failing to find a buyer, it's looking to make Panaya fit into its automation strategy

Jochelle Mendonca
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Bengaluru: More than a year after Infosys put automation software company Panaya up for sale and failed to find a buyer, the Bengaluru-based software services exporter has begun to invest in the Israel-based company again as it looks to make the Vishal Sikka-era acquisition successful.

Over the past three months, Infosys has appointed a new CEO at Panaya, brought in executives from outside and is looking to hire a slew of salespeople in the US.

The Panaya buyout was the main flashpoint for the corporate governance battle between former CEO Sikka and Infosys founder NR Narayana Murthy. Questions were asked over whether there were conflicts of

interest in the buyout and whether the company had overpaid. Infosys paid \$200 million (present rate of exchange of ₹13,966 crore) to buy Panaya in February 2015.

One of the first moves by Infosys CEO Salil Parekh in April 2018 was to put Panaya and another acquisition, Kallidus, up for sale. The company also took a slew of write-downs on their value. In January, Infosys said it had failed to find buyers and would refocus on Panaya's products.

Last month, David Binny, the former chief product officer of Panaya's software-as-a-service platform, took over as CEO of the company, replacing Jake Klein.

The company has also appointed a global sales enablement director, who joined from HP, and a business development and regional sales manager, a person familiar with the development said.

"When Infosys couldn't find a buyer, it had to

make use of the asset and Panaya can fit into the automation strategy. But there needed to be new salespeople, the company has started hiring for the business and appointed a new CEO," a source with knowledge of Infosys' plans said.

Infosys did not respond to an email seeking comment, sent last Wednesday.

A search of professional networking website LinkedIn shows a number of job openings for business development managers, strategic account managers in the US and Europe.

The aim is to integrate Panaya and cross-sell those services. Currently, the revenue is small because there was a hangover about who would buy it. But now the goal is to grow the business," the person said.

IT experts say the price buyers had offered for Panaya undercut the strategic value of the business, even though Panaya lost sales momentum when it was on the block.

Buyers also tried to beat the price

down because they felt Infosys simply wanted to be rid of the business. Infosys had already written down Panaya's value to under ₹589 crore, a 60% discount to what it paid in 2015.

"In the end, the long-term strategic value exceeded the price they were offered. By doubling down, they are attempting to repair an asset which does, in fact, fit well into their digital direction. They still have the significant learning curve to come down on how to run a product company next to a services company," said Peter Bendor-Samuel, CEO of IT consultancy Everest Research. "However, with the stability Salil (Parekh) has established they now have the time as well as the investor backing."

Analysts also said that Panaya had always been a good acquisition and would fit into Infosys' current strategy. "Panaya was a smart acquisition. They use math and science AI to find patterns to help with upgrades and migrations which revolutionised the ability to save money and improve efficiency. This improved testing," Ray Wang, CEO, Constellation Research, said. "Panaya is a good fit as robotic process automation ramps up and cloud migrations take shape."

RAY WANG, CEO, Constellation Research

Panaya was a smart acquisition. They use math and science AI to find patterns to help with upgrades and migrations... Its a good fit as robotic process automation ramps up and cloud migrations take shape



Amazon in Talks with NinjaCart to Put Funds in Fresh Produce Space

Investment may give Amazon an entry into one of the biggest untapped segments

Biswarup Goopu & Venkat Ananth

New Delhi | Bengaluru: Online retail behemoth Amazon has held discussions with Bengaluru-based B2B fresh produce supply chain company NinjaCart for a potential investment, as the US-based technology leader looks to get a foothold in the sector.

The talks, which are still at an exploratory stage, have been ongoing since NinjaCart was in the midst of closing its \$100 million equity financing round led by New York-based investment firm Tiger Global Management, according to three

ON THE TABLE

- Amazon has been closely evaluating its entry into the fresh produce segment
- It already sells select grocery items through Amazon Now and Amazon Pantry
- Amazon had said it expects groceries and consumables to contribute more than half of its business in the next five years

₹240 crore Firm pumped into its Indian food-only retail business

\$500 million Firm has committed into the food retail sector

PAUL GAUGUIN, Still Life with Teapot and Fruit

sources aware of the development who spoke on the condition of anonymity.

The startup's latest financing round, which closed in April, also saw hedge fund Steadview Capital invest an undisclosed sum.

Sources also indicated that NinjaCart received significant interest from other retail conglomerates. ET, however, could not ascertain the names of the other parties.

When contacted, an Amazon India spokesperson declined to comment.

Separately, NinjaCart did not respond to an email till the time of going to press. Sources in the know said the deal talks may not eventually materialise in an investment from Amazon.

The latest developments come at a time when Amazon has been closely evaluating its entry into the fresh produce segment, widely perceived as one of the biggest, yet underserved and complex categories.

While it already sells select grocery items through Amazon Now and Amazon Pantry, it has yet to formally enter the fresh produce space. The company pumped ₹240 crore into its Indian food-only retail business, which acts as a seller of groceries and other packaged food products to the company's local e-commerce marketplace, signalling its intent to stamp its presence in the space.

Amazon has committed \$500 million into the food retail sector, which opened up to foreign investment in 2016.

Paytm Rebrands Gaming Platform as FirstGames

Our Bureau

Bengaluru: Paytm is rebranding its gaming platform Gamepind as FirstGames, which claims to have garnered over 30 million registered users since launch in February 2018.

With over 300 games and quizzes for gaming enthusiasts, the company is clocking a run rate Gross Merchandise Volume (GMV) of ₹20 crore monthly, it said. The fintech firm is also looking to raise \$30 million to expand its gaming platform and scale it with more games, as per people familiar with the matter. Players can win Paytm cash, movie tickets, flight tickets, and physical goods such as two-wheelers, according to the firm's blog post.

The platform has also launched a fantasy cricket game, Paytm First Captains, in May, which aims to attract more than a million gamers during the ongoing Cricket World Cup. It has grown 5 times this month on the back of the global cricket event, the company claimed. Further, the company aims to clock a GMV of \$4-\$5 million during the world cup.

Earlier this year, Flipkart-owned PhonePe also forayed into gaming by partnering digital gaming startup Mobile Premier League, to increase user time on the app and also to increase the number of transactions made on the platform.

Maxar to Sell its Space Robotics Unit

WASHINGTON US satellite imagery company Maxar Technologies is exploring a sale of its space robotics business, which could fetch more than \$1 billion and allow it to pay down some of its debt, said people familiar with the matter. The sale of the business, dubbed MacDonald, Dettwiler and Associates, would help address concerns about Maxar's \$3.2 billion debt pile. —Reuters

Wipro Leans on its IP for Service Delivery, New Deals

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Bengaluru: Wipro is pushing technology solutions based on its intellectual property (IP) to efficiently deliver software services to its customers and tap growth opportunities in newer digital services with IP as the differentiator.

The \$8.5 billion company, which has started integrating IPs and digital technology platforms in its entire existing software service delivery, has Wipro Holmes IPs built in for 30% of the scope of work for the Aight Solutions contract, which it won in September 2018.

"For Wipro, the revenues generated by IPs are significant and going forward, we plan to grow the current base at a significant rate," Ajay Bhaskar, vice president, strategy and IP, Wipro, said.

The Bengaluru-headquartered software services exporter



continues to get a major portion of its revenue from traditional software maintenance work. During the past two years, however, Wipro has been pushing delivery managers to use its IPs and platforms to improve profitability from these services.

For instance, an IP-based platform for software application testing can automate mundane

work and add value to overall service delivery.

Wipro has also integrated IPs to drive greater impact across domains and technology.

"Examples of our domain and industry IPs are Netoxygen in our Banking, Financial Services and Insurance (BFSI) business unit and Medicare Advantage in our Health Business Unit, and examples of our technology-based IP include Cyber Defense Platform and Virtualdesk," Wipro said in its 20F filing to the US Securities and Exchange Commission.

At the same time, the company has set internal targets for revenue from these IPs independently. ET reported earlier that Wipro had set a target to achieve \$150 million in IP revenue in FY19. As more IT services companies transform their delivery models, using IPs and platforms to improve efficiency of clients' businesses is becoming a key differentiator.

HAS AGGREGATOR BITTEN OFF MORE THAN IT CAN CHEW?

Oyo's Giant Footprint Opens Door to User Complaints

ETPrime.com
Manu P Toms and Nirmal John

Want to see what crazy growth looks like? How about growing from zero to 8,15,000 rooms across two dozen countries, all in six years? Actually, in the past six-odd months, the number of rooms has gone up 250%. The number of countries has seen a five-fold jump, and the company has seen a nearly 500% higher valuation.

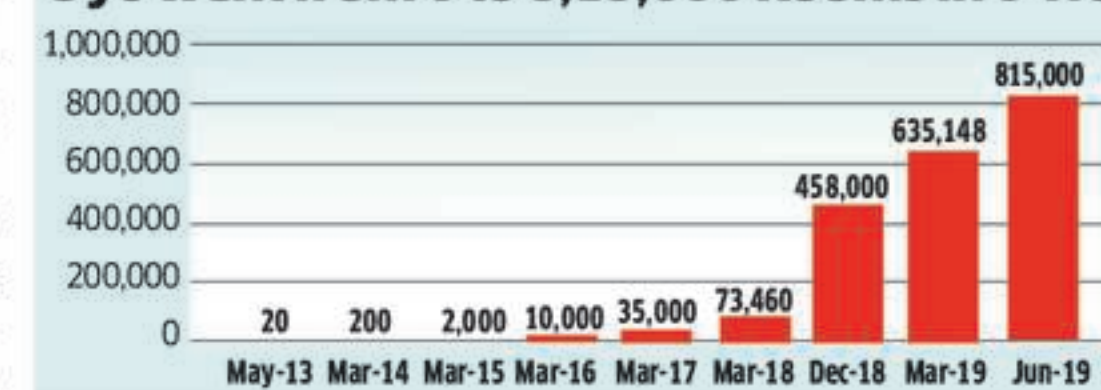
Founder Ritesh Agarwal is building a much larger operation in China than he has in India. Meanwhile, he has also opened up a new battlefield, in Europe. "We are the fastest-growing company on the planet right now," Agarwal says, adding Oyo's network

of small hotels is on course to becoming a global hospitality disruptor — "the big guy for the small guys".

As the company settles into high growth, cracks have begun to appear, leading to bizarre experiences for cus-

tomers. Instances of guests being denied rooms by Oyo's hotel partners are aplenty on Twitter. In most cases, the reason is a mismatch in the price offered by Oyo and the hotel owner's expectations. Bugs, glitches, and broken

Oyo went from 0 to 8,15,000 Rooms in 6 Yrs



*STARTS OPERATIONS WITH A 20-ROOM HOTEL IN GURUGRAM NOTE: THE NUMBER OF ROOMS IS THE TOTAL OF ALL OYO PROPERTIES ACROSS MARKETS. SOURCE: COMPANY

Debit Card Nos Down 11% to 885m in April

Bankers blame fall on shift from magnetic strip cards to those with chips and pins

Pratik Bhakta@timesgroup.com

Bengaluru: Debit card ownership has been falling consistently over the past six months, at a time when the government has been pushing banks to deploy more points of sale or card terminals for faster adoption of digital payments.

The number of debit cards in the country fell to 884.7 million in April this year, down 11% from 998 million as of October last year, according to data sourced from the Reserve Bank of India. This could be because magnetic stripe cards have been phased out and replaced with chip and pin ones as per the central bank's instructions, said bankers in the know of the matter.

"A large chunk of the debit cards could be magnetic stripes, which are to be replaced by chip and pin cards. While many have been replaced, a substantial chunk has not reached customers for a variety of reasons, which could be causing the fall," said a senior banker who did not wish to be named.

The biggest challenge is being faced by public sector banks that deal with rural customers where awareness about debit cards is low. Since these customers may be irregular users, it is

Adding it Up

884.7 million Debit cards in April this year
998 million Debit cards as of October last year

Rural customers may not know that magnetic stripe cards have been replaced with chip and pin ones

A chunk of Jan Dhan accounts may have become dormant and some debit cards linked to these accounts could have expired

808 million Debit card swipes at ATMs in April
758 million Debit card swipes last year

407 million Swipes made on PoS terminals
333.7 million Swipes during the same time last year

48 million Total credit cards now
41 million Credit cards in August
37 million Credit cards last April

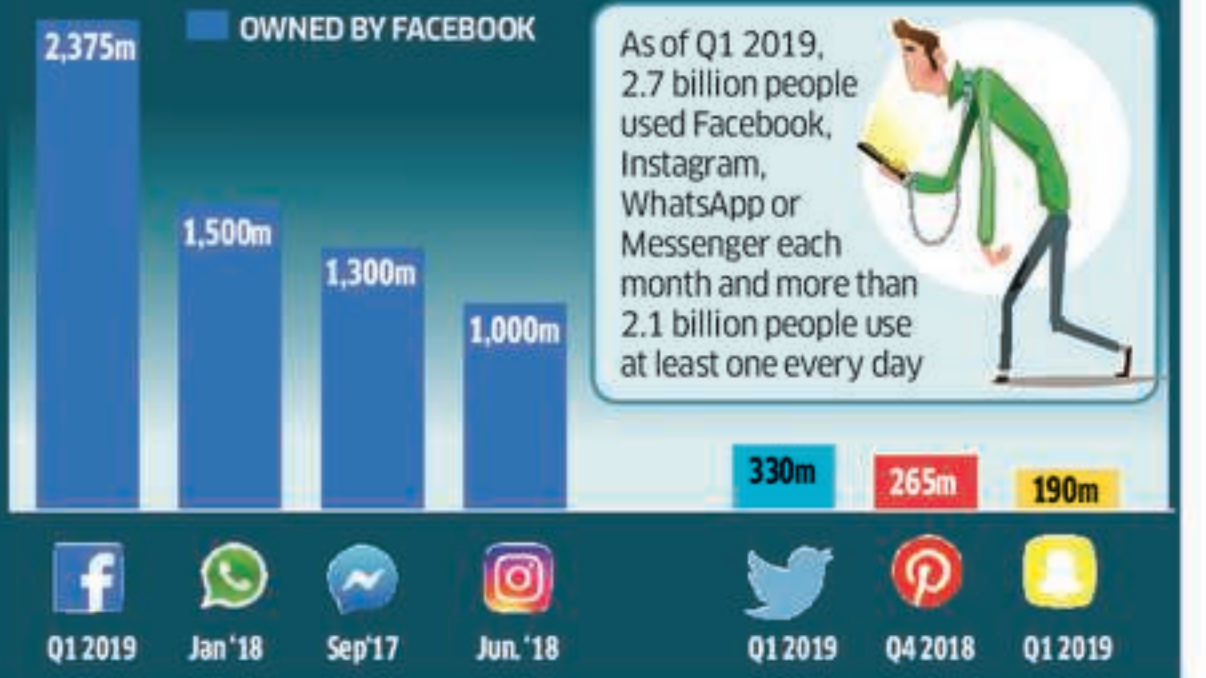
possible they have not realised that their debit cards have been deactivated. Hence, they may have not approached banks to collect their new cards. This could be one reason why debit cards have come down, one of the bankers explained.

The issue could also be that a chunk of Jan Dhan accounts might have become dormant and a few debit cards linked to these accounts could have expired, because of which the number is falling, another banker said.

For India, a primarily debit card market, it has been one of the first and most common digital payments instruments. Even for Unified Payments Interface-based transactions, customer onboarding is done through debit cards only, since it has the maximum reach.

How Facebook Rules Social Media

Worldwide monthly active users of selected social media/messaging services*



Tech Trotter

Meanwhile in tech...

Amazon Game Studios Lays off Developers



SAN FRANCISCO Amazon has laid off dozens of developers at Amazon Game Studios, which develops online games. It has allowed the employees 60 days to look for new positions within Amazon, said one person who was laid off. If they fail, they would receive severance packages, the Kotaku said. "Amazon Game Studios is reorganising some teams to prioritise development," a spokesperson said. —IANS

New Code to Help Bots Make Sense of You

NEW YORK A team of researchers at Massachusetts Institute of Technology (MIT) has developed an algorithm that accurately tells robots where nearby humans are headed — a discovery that may help humans and robots work together in close proximity. Researchers at MIT and the auto manufacturer BMW have been testing ways since last year in which humans and robots might work in close proximity to assemble car parts. Members of that same MIT team applied the new algorithm to the BMW factory floor experiments and found that instead of freezing in place, the robot simply rolled on and was safely out of the way by the time the person walked by again. —IANS



DHFL looking to sell a large part of wholesale loan business to Oaktree Cap and retail operations to PE firms

PE firm AION Capital Set to Become Single-largest Shareholder in DHFL

Shilpy.Sinha@timesgroup.com

Mumbai: Private equity firm AION Capital—a joint venture between Apollo Global Management and ICICI Venture—is poised to become the single-largest shareholder in troubled mortgage lender Dewan Housing Finance Corp. Ltd (DHFL) in a transaction that involves a possible rights issue after an initial investment by the firm founded by Leon Black.

Negotiators are also debating whether the profitable portion of DHFL's business could be carved out for better value, said people aware of the development. DHFL may have signed a non-binding agreement, they said. The regulator has also been approached, they said. "DHFL is in advanced talks to sell a stake to AION Capital, a JV bet-

ween Apollo Global Management and ICICI Venture," said one of the persons. "The promoter has approached the regulator seeking a nod for the same." DHFL is looking to sell a large part of the wholesale loan business to Oaktree Capital while the retail business is likely to be sold to private equity firms. Apollo Global Management and DHFL did not respond to queries. DHFL has been facing a cash crunch since September, when Infrastructure Leasing & Financial Services (IL&FS) defaulted on payment obligations and triggered a liquidity squeeze on nonbanking finance companies (NBFCs). The home financier is looking at various options to raise money apart from selling stakes to private equity funds, it's also selling loan portfolios. It has already sold assets through securitisation. It recently raised ₹900 crore by

Home Run

DEAL DYNAMICS

AION Capital has bid for DHFL. AION is a JV between Apollo Global & ICICI Venture. Wadhawan Global Capital owns 37.2% in DHFL.

LIQUIDITY SEARCH

DHFL is stretched for liquidity, failed to meet ₹1,000 cr obligation early June. Affordable housing loan business offloaded to Blackstone. On the block DHFL Pramerica Life Insurance & DSA business. Sold education loan business to Warburg Pincus.

selling loan portfolios to pay investors in commercial papers and short-term debt instruments. Over the past few weeks, Crisil, Ica and CARE have downgraded DHFL's debt securities to D, or default category, citing the delay in interest payments to bond holders. "The company has engaged with large potential entities to identify

and onboard the right strategic partner and is in advanced stages of discussions to achieve the same over the next 90 days," DHFL chairman and managing director Kapil Wadhawan had said on May 7. Other PE funds including Lone Star and Aion Capital are reported to be in the race to buy stakes in DHFL, which is also looking to of-

fload equity in DHFL Pramerica Life Insurance Co., of which it owns 51%. The company has sold its affordable housing arm Aadhar Housing Finance to Blackstone for about Rs 2,700 crore. It's also looking to sell its direct selling agents business to raise capital.

Between September 24 last year and May 10, the company has made over ₹30,000 crore in principal and interest payments to creditors, including fixed deposit holders. After allegations of wrongdoing in its loan segment surfaced, DHFL has been looking to rope in a strong strategic investor to ease concerns. Wadhawan has agreed to step down from active management once such an investor enters. DHFL shares slumped on concerns about solvency on Friday, dropping 4.51% to ₹80.45 on the Bombay Stock Exchange.

Schemes Offer Better Tax-Adjusted Returns and Liquidity Than Bank Fixed Deposits

Experts Advise Against Moving Out of Debt MFs

Mutual Funds' Exposure

Company/Group	Mutual fund house exposures	Total Amount (₹ crore)
Essel Group	6 AMCs	7,600
IL&FS	13 AMCs	2,900
DHFL	22 AMCs	5,200
ADAG group (Rel Comm and Rel Home Fin)	3 AMCs	2,405
Sintex	3 AMCs	115

Total MF industry exposure (₹ crore)	18,220
% of default	1.30%
Total debt assets of the Mutual Fund Industry (₹ cr)	13,38,726
Debt assets managed by Top 10 AMCs	11,39,112
Debt assets of top 10 AMCs as % of debt AUM	85%



Troubled papers are just 1.3% of MFs' total fixed income assets of ₹13.38 lakh crore

Prashant.Mahesh @timesgroup.com

Mumbai: Despite the scare, total exposure of the entire mutual fund industry to papers of troubled IL&FS, Essel Group, DHFL and ADAG Group is ₹18,000 crore, which is 1.3% of the total fixed income assets of ₹13.38 lakh crore managed by fund houses as of May 31. The top two AMCs—HDFC Mutual Funds and ICICI Prudential Mutual Fund—have only 0.57% and 0.4% exposure, respectively, to the Essel Group of their total debt AUM.

Wealth managers caution against investors shunning debt mutual fund schemes as the latter have more potential to give higher returns, liquidity and better tax-adjusted returns against traditional deposits.

There have been a series of events in the debt space due to which mutual funds have marked down their assets in IL&FS, DHFL, some companies of the ADAG group and are waiting for a stake sale at the Essel Group.

As inflation comes down, bank deposit rates are likely to follow suit. State Bank of India which offered 9.25% on a fixed deposit in 2011, now offers only 6.75%. Investors on the lookout for higher returns have been considering debt funds. Over a one-year period liquid funds that carry the lowest risk have returned 6.97%, 6.79% for three years and 7.41% for five years. In comparison, the one-year fixed deposit rate of State Bank

of India is 7% and the three-year rate is 6.7%.

"On an average, schemes affected by the DHFL mark-down have seen a cut of 2-4%. A couple of DHFL schemes that have seen a cut of 50% have very low assets (less than ₹100 crore) and few investors," said S Shankar, founder, Credo Capital.

Shankar believes investors should stay away from noise, assess their own portfolios and be worried only if they are invested in a scheme that holds such paper. Analysts point out that the top 10 fund houses manage as much as ₹11.39 lakh crore of fixed income assets, or 85% of the industry assets. Many of the top fund houses have negligible or zero exposure to such companies.

Distributors advise investors should choose debt funds based on their risk appetite and investment time frame. If you are saving to build an emergency fund with your long-term portfolio, you could allocate a small portion to high-rated funds like banking & PSU debt fund and credit risk categories.

"Investors can choose debt funds with large assets that have higher number of paper to reduce concentration risk," says Rupesh Bhandari, head (distribution), GEPL Capital.

Some of the schemes that saw high erosion in NAVs were on account of exposure to a single paper that rose as assets shrank. Like a scheme with assets of Rs 10,000 crore and above having more than 100 papers, not exceeding 4% as a hit on one security, could mean a lower loss to investors.

"Randomly built portfolios with an aim to just earn higher returns from lower credit should be restructured in line with an investor's risk profile," says Ashish Shankar, investment advisory head, Motilal Oswal Private Wealth.

10-year yields hover near multi-year lows as Fed looms; Easing bets are at risk, say Charles Schwab, TD and UBS

Some Wall St Bond Strategists Caution the Rates Bulls

Bloomberg

If one subset of Wall Street bond strategists is right, Federal Reserve officials this week may avoid giving a clear nod to the possibility of rate cuts ahead, a worrisome prospect for Treasuries bulls.

As the central bank's June 18-19 meeting approaches, the bond market and many economists are banking on easing in 2019 as trade tensions cloud the global growth outlook and inflation expectations sink to record lows. Ten-year Treasury yields are still near the lowest since 2017, even after solid U.S. retail sales and factory data Friday. Meanwhile, futures traders have priced in about a quarter point of easing in July, and more by year-end.

But strategists at Charles Schwab, TD Securities and UBS are among those saying traders may be wrong to only factor in negative trade outcomes that would warrant an imminent reduction in borrowing costs. Many Fed watchers say the economic headwinds are enough for the central bank to retire its mantra of being patient on policy. Yet for the three firms above, committing to cuts would be premature before this month's Group-of-20 summit, where a resolution of the tariff standoff remains a possibility.

"The Fed has to thread a pretty fine needle," said Priya Misra, global head of rates strategy at TD Securities. "They won't want to box themselves into a cut before the G-20 meeting, and given they do have more time to keep monitoring the data. The Treasury market has overdone pricing in the pessimism for this year."



Benchmark 10-year yields enter the week at 2.08%, about 3 basis points above their 2019 reached June 7. In another sign of the market's increased confidence in Fed easing, the gap between 2- and 10-year yields has widened to about 24 basis points, from below 10 in March.

TD advised going short the 10-year note earlier this month with a yield target on the trade of 2.2%. While weak jobs data this month helped guide some economists to change their forecasts to indicate the Fed will cut rates as soon as July, several firms don't see any rate reductions this year. Goldman Sachs Group Inc., RBC Capital Markets, TD and UBS are among those predicting a stable Fed policy rate for the rest of this year.

"The market has gotten pretty far out there with the prospect of building in several Fed rate cuts," said Kathy Jones, chief fixed-income strategist at Charles Schwab, which manages about \$3 trillion. "So there's some vulnerability there. A lot will depend on the Fed's messaging."

Strategists at TD and UBS both forecast the 10-year yield will end 2019 at 2.6%. They also warn that the risk to their call is to the downside. Among the most bullish of forecasters is Steven Major at HSBC, who predicts 2.1% by year-end.

TECH VIEWS

Nifty has Strong Support at 11,300-11,400

Markets can correct and fill the gap created on the Exit Poll outcome day, according technical analysts who advise traders to go long on Nifty puts for June expiry. Power Grid, Reliance and Cummins India are likely to trade with a positive bias and could rally to the tune of over 5%, they said.

SANDEEP PORWAL

TECHNICAL ANALYST-INSTITUTIONAL DESK, ASHIKA STOCK BROKING



Where are We? Despite a strong start at the beginning of the month, the index failed to add further gains. Market breadth didn't mirror the strength as the Nifty has shown in last few of the trading session while it continues to trade sideways with minor loss. The whole lot of news flow kept market participants baffled despite a consensus for a price correction. Among the sectoral indices, strong underperformance is being witnessed in Nifty pharma, realty and media indices, which have fallen more than 4%. The mid- & small-cap indices also failed to sustain at the intermediate highs and traded lower.

What is in Store? After a prolonged phase of

indecision, the Nifty is now trading above the overhead resistance of 11,760 mark. Since the breakout, it's trading sideways and well above the 50-DMA. However, a sharp reversal on June 6 and successive close below the 12,040 mark indicate short-term underperformance is likely. A breakaway gap with low pivot of 11,590 shall limit the downside. The broader range in the short-term remains within the 11,590-12,040 band.

What could Investors Do? Open interest concentration of both weekly and monthly expiries are at the strike of 12,000 CE. This in turn indicates that market participants expect a limited upside and 12,000 remain a key hurdle in the short term. **We expect follow-up correction in the Bajaj Auto, Dr. Reddy's Laboratories and UltraTech Cement. While Power Grid, RIL and Cummins India are likely to trade with positive bias and may rally 5%.**

RAHUL SHARMA

TECHNICAL & DERIVATIVES STRATEGY, CENTRUM BROKING



Where are We? Markets have gone into a "Traders' Remorse" after giving the breakout post the Election outcome. Last week remained muted for our markets as the benchmark indices moved within the territory of penultimate week's trading range. As a result, we witnessed formation of an 'Inside Bar' pattern on weekly chart of both the Nifty and the Sensex. The Nifty remained in a 200 point range throughout the week and posted marginal loss for second consecutive week. For the last three weeks, the index is consolidating in a broader range of 11,770-12,100; but the market breadth remained in favour of declining counters from last 12 sessions, which is a sign of concern for the market. The highest open interest for the Nifty monthly series also shifted lower from 12,500 to 12,000 call options, indicating strong hurdle in the zone of 12,100 - 12,000. On the flipside, 11,500 put options have highest open interest on monthly series.

What is in Store? The Nifty is currently hovering around the lower end of the consolidation phase, which also coincides with '20 EMA' on daily time scale. However, we are witnessing formation of a 'Head and Shoulder' pattern on daily line chart, which is a reversal bearish pattern. Momentum oscillator 'RSI' is confirming a negative divergence on daily chart, indicating possibility of a fall in coming days. **If the Nifty sustains below 11,770, then we may see a corrective move towards 11,500 mark. The banking index breached its strong support of 30,620 on Friday and managed to close below the same, which doesn't bode well for the bulls.**

What could Investors Do? We have advised traders to go long on Nifty puts for the June expiry and wait for a proper reversal before committing to fresh long positions. Markets can correct and fill the gap that was created on the exit poll outcome day. Markets have a strong support around 11,300/11,400 and those levels can be a good buying opportunity for long traders who missed the previous rally. **We are bullish on PSU banks like State Bank of India and Bank of Baroda (3 month perspective) and advise to accumulate in the current fall.**



ANAND JAMES

CHIEF MARKET STRATEGIST, GEOJIT FINANCIAL SERVICES



Where are We? Caution has been the watch word in June so far. Index's outperformance in May is tough to beat for now, as the NBFC turmoil and muted earnings performance have kept the risk appetite under check. After peaking to a three-and-a-half year high in late May, the volatility index, a measure of Nifty's volatility, has declined by more than half to sub-14 levels indicating traders have not placed as much surprise potential on to the Budget in July as much it did to the Election outcomes. Intraday volatility has also eased and the trading range of the Nifty has shrunk to a little under 350, when compared to a range of 933 in the previous month.

What is in Store? Index option volatility picture has begun to change from "smirk" and is now approaching a perfect "smile". This suggests that the overall bearish overhang is about to dissipate, and a directional move is

on the cards, hopefully upwards, given the soft retracements from the recent top.

What could Investors Do? Premiums are lower, so option strategies with short legs may not yield much. At the same time, reduced volatility expectation will mean that buying strangles or straddles may not taste much success either for June expiry. In other words, the onus is less on spotting the direction and traders would do well to pick the levels as carefully as possible. To make a trade this expiry, our preferred strategy would be a bull spread, which involves buying ITM calls and selling equal number of OTM calls if Nifty were to slip towards 11,650-610, which we expect to be a point of turn. Else, the preferred strategy would be a calendar spread, which involves selling June expiry call option, and buying a July expiry call of the same strike. Among sectors, the pharma index, which has been among the worst performers this year, is near 1-year low. Some of the sectoral stocks have begun to show bearish exhaustion and may see upswings in the coming days.

Saudi Arabia Tests Appetite for Potential Euro Bond Sale

Saudi Arabia may sell euro-denominated bonds for the first time after testing investor appetite for a possible deal, according to two people familiar with the matter. The government hired Goldman Sachs Group Inc. and Societe Generale SA to meet potential investors in a non-deal roadshow from Monday, the people said, asking not to be identified because they're not authorized to speak publicly about it. The kingdom hasn't decided whether it will proceed with a bond sale after the roadshow, the people said. Government officials, Societe Generale and Goldman Sachs didn't immediately respond to requests for comment. Saudi Arabia has been tapping the global bond market to help finance its budget deficit after a drop in oil prices, the government's main source of income. The country last sold bonds internationally in January when it raised \$7.5 billion. - Bloomberg

IN MAY, Foreign investors increased their stake in 20 sectors and cut exposure in 15

FII's Turn Bullish on NBFCs, Capital Goods; Exit Pharma and IT Counters

Where The Bets Are

Sector	Net Investment (₹ Cr)		Total in May (₹ Cr)	AUC# as on May 31 '19
	May 1-15	May 16-31		
BUYING IN				
NBFCs	-442	4,448	4,006	468992
Insurance	900	993	1,893	40805
Capital Goods	-482	1,853	1,371	104685
Oil & Gas	157	456	613	267888
Coal	211	319	530	13703
Media	128	395	523	24048
Banks	-1211	1,686	475	649049
Chemicals	-108	454	346	46201
Utilities	-205	460	255	89640
Retail	149	83	232	28692



Foreign institutional investors (FIIs) bought shares of non-banking financial companies worth ₹4,000 crore in May despite liquidity concerns in the sector. According to an analysis of sectoral investment of FIIs in May, FIIs have raised stakes in 20 sectors while reducing their exposure in 15.

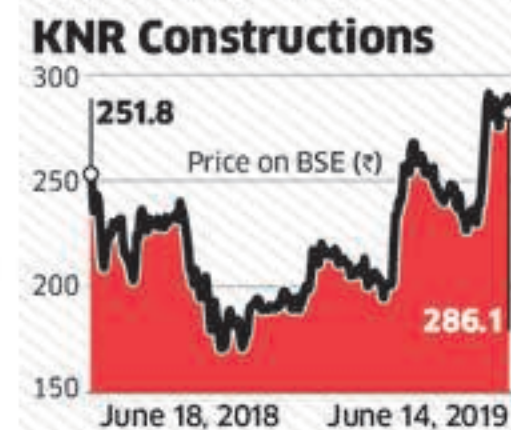
Apart from NBFCs, FIIs have invested heavily in the insurance and capital goods sector. Performance and financial situations of insurance firms have improved steadily, which suggests why FIIs are convinced about their long-

term potentials. The reason for buying capital goods stocks, according to analysts, includes the expectations of revival in capital expenditure that could benefit sectors such as construction, power transmission, roads and railways with the stable government. Their valuations are also below historical averages. The other sectors where FIIs have increased their stake includes banks, oil & gas, coal, media and chemicals. FIIs have reduced their exposure in IT and Pharmaceutical sectors by ₹3,226 crore and ₹2,372 crore, respectively. Analysts expect sustained pres-

sure in margins of IT companies on account of rupee's appreciation, lower utilisation, higher

attrition, investments in business, transition costs in large deals and higher subcontracting costs. Pharma companies have underperformed significantly over the past few years because of USFDA regulatory issues, increasing competition, entry of new players and pricing pressures in the US markets. Pricing pressures have started to weaken of late, as evident from the increased US sales of some of the biggest Indian pharma majors. The other two sectors where FIIs have reduced their exposure in May include construction materials and auto. Both are under pressure due to a slowdown in demand.

What to Buy, Sell and Hold



Emkay Global has maintained buy rating on **KNR Constructions** with a target price of ₹330. KNR Constructions is looking to monetize its Walyer BOT project, which is self-sustaining and has an average toll collection of ₹8 million/day, said Emkay. Successful divestment of the Walyer project should aid in strengthening its order book further, said Emkay. The brokerage has maintained FY20/FY21 earnings estimates, due to its sound execution credentials, comfortable balance sheet and comfortable order book. The stock ended down 1.24% at ₹286.10 on Friday.

Elara Capital has retained accumulate rating on **Persistent Systems** and revised target price to ₹710 from ₹670. The brokerage has retained estimates and awaits early signs of success from the recent sales reorganization and new go-to-market strategy. The brokerage has retained rating given the execution risk of a strategic pivot to potentially lower margin services and near-term revenue hiccups from sales reorganization. The stock ended up 1.24% at ₹630.55 on Friday.

Phillip Capital has maintained buy rating on **Kalpataru Power Transmission** with a target price of ₹670. KPP is a unique play on key infrastructure sector segments, backed by a management that has consistently demonstrated its ability to incubate new businesses, expand margins, and manage working capital, said Phillip Capital. A major drag on KPP so far has been its capital deployment into asset ownership and non-core diversification, which should peak and reverse in FY21, leading to a substantial release of cash, said Phillip Capital. The stock ended up 2.3% at ₹502.60 on Friday.

ICICI Direct has a hold rating on **Linc Pen & Plastics** with a target price of ₹220. Domestic growth is supported by rising literacy rates and higher share of school going population, said ICICI Direct. Going forward, the brokerage expects the trend to continue with the domestic industry growing at around 10% CAGR in the next five years, said ICICI Direct. This bodes well for Linc, which has a strong brand presence in the east as well as rising penetration elsewhere, said ICICI Direct. The stock ended up 1.06% at ₹224.95 on Friday.

Motilal Oswal has a neutral rating on **Godrej Consumer Products** with a target price of ₹700. The worst seems to be over on the domestic volume growth front, but strong revival will take time, the brokerage said. Valuations of 34.7 times based on FY21 estimates, while cheaper than peer average, offers limited upside on considering weaker than best of breed peer earnings visibility and less than peer ROCE (return on capital employed) levels, at least currently, said Motilal Oswal. The stock ended down 2.56% at ₹663.40 on Friday.

AS-116 MANDATE to split lease costs between depreciation and interest may boost Ebitda, but will hit returns and net profit for retail firms, multiplex chains and hotels, says brokerage

New Accounting Rules may Hurt Cos with Long-term Leases: CLSA

Our Bureau

Mumbai: The new accounting standard AS-116, which came into effect from April, is expected to significantly impact financial reporting for companies with long leases such as retail firms, multiplexes and hotels, according to foreign brokerage CLSA.

The brokerage said retailers and multiplexes typically sign rental deals for nine or 15 years with 15% cost escalation every three years, leading to long-term commitments on these leases. Hotels also lease properties on long terms.

Hotels operate third-party assets on long operating leases known as 'business conducting arrangements' and these arrangements are for an initial period of 3-25 years with a minimum lock-in period of 3-13 years with escalation clauses, the brokerage said. CLSA said these are non-cancellable operating lease commitments.

Rental costs which form 5-17% of revenues of these companies are currently accounted above the operating profit before tax (also called Ebitda or earnings before interest, tax, depreciation and amortisation) line and there is no ancillary impact on the balance sheet.

However, the new accounting standard, which has been applicable with effect from April 2019, mandates recognition of a 'lease liability' and a corresponding 'right to use asset' on the balance sheet, said CLSA.

Reporting the Numbers

Impact of new lease accounting policy on various financial metrics and ratios

Metric	Impact of the new standard
EBITDA	Leasing expenses under the current accounting standard were disclosed under the head 'rental expenses' or were included in 'other expenses'. These expenses were disclosed above the Ebitda line. With the new accounting standard, they will now be split between finance costs and depreciation. Hence, Ebitda will increase.
EBITDA margins	With the absolute Ebitda increasing and no change in net revenues, Ebitda margins are naturally going to increase.
Depreciation	Part of the lease expenses will now be split under 'depreciation' as per the new accounting standard. Hence depreciation expenses will witness an increase.
Interest expenses	Part of the lease expenses will be split as interest expenses under the new standard. Hence interest expenses will also see an increase.
Total assets	The new accounting standard requires the need to create a 'lease liability' and corresponding 'right-to-use asset' to account for future lease liability. This will lead to bloated balance sheets and increased assets.
Earlier years' PAT	Under the new standard, lease expenses will be front loaded - hence, net profit for the earlier years will be lower. However, there will be no impact on net profit over the term of the lease.
Cash flows	The shift to the new standard will not lead to overall cashflow impact, though operating cash flow will improve at the expense of financing activities cash flows. With the change in accounting standard, companies will not be required to change their lease agreements.

CLSA has a buy rating on all these stocks

Mid-cap Picks	Target Price (₹)
Aditya Birla Fashion	244
Arvind Fashions	1,126
Future Lifestyle	589
Inox Leisure	394
Lemon Tree	91

SOURCE: CLSA report

The lease expense will be split between depreciation and interest expenses, the brokerage said.

CLSA said that the escalation built into the agreement would mean there would be a front-loaded pattern of expense for most leases even when they pay constant annual rentals.

"This is expected to result in ballooning balance sheets, considerable reductions in reported PAT (profit after tax), yet increases in Ebitda, an impact on ROCEs (return on capital employed), and increases in reported gearing," said CLSA.

The brokerage said that the new accounting standard will lead to a sharp increase in Ebitda and Ebitda margins, while net profit of the initial years of the lease will be lower. Companies which have longer lease periods will be impacted more, said CLSA.

PEAK REVENUE over 3-4 years could be thrice FY18 sales, which could attract investors to the stock that has lost value since listing in 2018

Garden Reach to Get a Boost as Frigate Orders Near Rollout

Ashutosh.Shyam@timesgroup.com

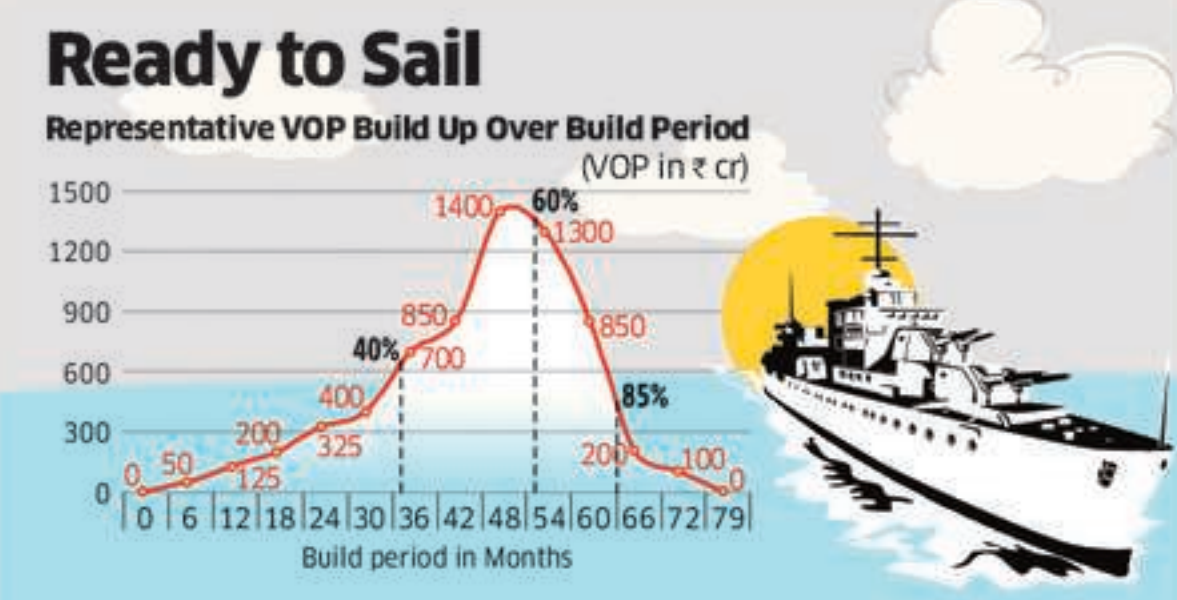
ET Intelligence Group: Revenue growth at Garden Reach Shipbuilders, a manufacturer of warships for the Indian Navy, is likely to pick up soon. This may attract investors, who would have revenue visibility for the next 3-4 years during which the company would make frigates for the Navy.

Three frigates — medium-size warships — worth ₹19,500 crore are being built at Garden Reach, and execution has reached a criticality threshold that would allow the company begin recognising revenue. This means the peak revenue in the next 3-4 years could be potentially three times of last fiscal year's sales.

The initial public offering of Garden Reach had received a lukewarm response from Dalal Street when it debuted in September 2018 due to the lack of immediate revenue growth triggers, despite an order book of ₹20,313 crore.

Typically, the design to delivery time of a warship varies from 66 to 80 months, and the bulk of the revenues is recognised between 35 and 60 months. The three-missile frigate, which the company is currently building, is entering the 35-60 month phase. Thus bulk of the revenues from the ₹19,500 crore order will be recognised.

The company's revenues at the end of FY19 stood at ₹1,538 crore, a gain



of 2% over the previous fiscal. Also, the company has bagged orders worth ₹2,435 crore for making eight large survey vessels for the Indian Navy, and delivery of these ships will start from October 2021.

The current order book of the company stood at ₹27,955 crore at the end of FY19, which includes a recently bagged order of ₹6,311 crore for eight anti-submarine warfare shallow-water craft. The company is currently bidding for 4-5 orders from the Navy and Indian Coast Guard, including the ₹10,000-crore order from the Indian Navy for corvettes.

Apart from revenue growth that should boost earnings in the medium term, the company has worked diligently to improve cost efficiency and lower its overheads. It improved its supply chain, increased out-

sourcing, lowered employee count, and paid less liquidated damages (penalty for not delivering warships on schedule) at times when revenue growth was moderate.

Employee base came down to 2,100 in FY19 compared with 2,854 in FY15, a reduction of nearly 25%.

Consequently, the company's operating profit margin improved 279 basis points to 13.56% in FY19 when revenue growth was just 2%. Besides this, the margin on frigates is higher than on a conventional warship. Therefore, frigate revenue may further support margins in the medium term.

The company's stock fell to ₹77 from its IPO price of ₹114, but is gradually recovering on expectations of revival in revenue growth. Besides this, the stock offers dividend yield of 5.9% based on the FY19 payout.

Six Out of Top10 Firms Add ₹34,250 cr in Market Cap

Press Trust of India

New Delhi: Six out of the 10 most valued Indian companies together added ₹34,250.18 crore in market valuation last week, with TCS accounting for the lion's share of the gains.

Reliance Industries (RIL), ITC, Infosys, SBI and ICICI Bank were the other companies which witnessed an increase in market capitalisation for the week ended Friday, while HDFC Bank, HUL, HDFC and Kotak Mahindra Bank suffered losses.

The m-cap of Tata Consultancy Services (TCS) jumped ₹27,523.74 crore to ₹8,45,149.61 crore. ITC's valuation rose by ₹2,513.02 crore to ₹3,40,728.67 crore and that of SBI climbed ₹1,963.42 crore to stand at ₹3,06,872.77 crore.

The m-cap of RIL advanced ₹1,045.95 crore to ₹3,34,819.67 crore and that of ICICI Bank rose by ₹745.32 crore to ₹2,69,593.17 crore. Infosys added ₹458.73 crore to its valuation to reach ₹3,23,475.68 crore. In contrast, Kotak Mahindra Bank's m-cap dropped ₹7,359.21 crore to ₹2,81,349.02 crore and that of HDFC plummeted ₹4,444.12 crore to ₹3,75,944.90 crore.

HDFC Bank's valuation declined by ₹3,151.75 crore to ₹6,64,855.29 crore and that of Hindustan Unilever (HUL) dipped ₹1,439.59 crore to ₹3,95,065.37 crore.

TCS led the charts followed by RIL, HDFC Bank, HUL, HDFC, ITC, Infosys, SBI, Kotak Mahindra Bank and ICICI Bank.

Quantitative Strategies MOTILAL OSWAL SECURITIES

Option Writing

STRATEGY 1

Writing against Cash / Fut Holding
Sell ASHOKLEY 95 CE 27-JUNE-19 at ₹0.40
Target Level : 0.05
Stop Loss Level : 0.60
Gross Monthly Yield : 1.05%
OI : 2.35%
Margin : ₹60,000
Days to Expiry : 11

Writing with Hedging
Leg 1: Sell ASHOKLEY 95 CE 27-JUNE-19 at ₹0.40
Leg 2: Buy ASHOKLEY 105 CE 27-JUNE-19 at ₹0.10
Target Level : 0
Stop Loss (Spread) Level : 0.50
Gross Monthly Yield : 0.75%
ROI : 1.75%
Margin : ₹57,000
Days to Expiry : 11

STRATEGY 2

Writing against Cash / Future Holding
Sell ACC 1620 CE 27-JUNE-19 at ₹7.10
Target Level : 0.05
Stop Loss Level : 11
Gross Monthly Yield : 1.15%
ROI : 2.95%
Margin : ₹95,000
Days to Expiry : 11

Writing with Hedging
Leg 1: Sell ACC 1620 CE 27-JUNE-19 at ₹7.10
Leg 2: Buy ACC 1660 CE 27-JUNE-19 at ₹3.10
Target Level : 0.05
Stop Loss (Spread) Level : 5.60
Gross Monthly Yield : 0.60%
ROI : 1.55%
Margin : ₹93,000
Days to Expiry : 11

Pair Trading

STRATEGY 1

Leg 1: BUY BAJFINANCE 1 LOT 27-JUNE-19 at ₹3,518.70 & 43 SHARES IN CASH at ₹3,518.40
Leg 2: SELL BAJAJ FINSERV 1 LOT 27-JUNE-19 at ₹8,236.05
Tenure : 8-9 Days
Target Profit : 2.55%
Stop Loss : 1.25%
Margin : ₹4,88,000

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 2SD band.

STRATEGY 2

Leg 1: BUY HDFC LTD 1 LOT 27-JUNE-19 at ₹2,188.90
Leg 2: SELL HDFC BANK 2 LOT 27-JUNE-19 at ₹2,426.25
Tenure : 7-8 Days
Target Profit : 2.55%
Stop Loss : 1.35%
Margin : ₹4,10,000

This pair has 98% correlation over the last one year and trade lot ratio of 0.60 with price ratio of 0.91. It was moving in a price spread difference of 200 to 350 points over few months. It has turned lower from 350 basis to 250 basis and trend shows narrow down of its spread gap as per its statistical data of 2SD 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	Returns(%)	Assets (₹ cr)		
		3-Mth	6-Mth	1-Year	
Birla Sun Life Pension	12.24	2.30	5.42	4.54	50.03
HDFC Pension Fund	22.49	3.74	7.96	7.07	2310.85
ICICI Prudential Pension	30.26	3.61	8.89	7.31	1446.09
Kotak Pension Fund	27.75	4.07	8.93	6.90	290.90
LIC Pension Fund	19.50	2.93	6.68	6.18	586.74
Reliance Capital Pension	27.55	2.93	6.96	7.11	103.84
SBI Pension Fund	25.92	3.16	7.40	7.13	2567.93
UTI Retirement Solutions	29.95	1.94	6.48	5.97	398.94
Nifty 50 Index	-	4.23	9.42	9.39	-



ANIRBAN

TIER I: Government Bond Plans

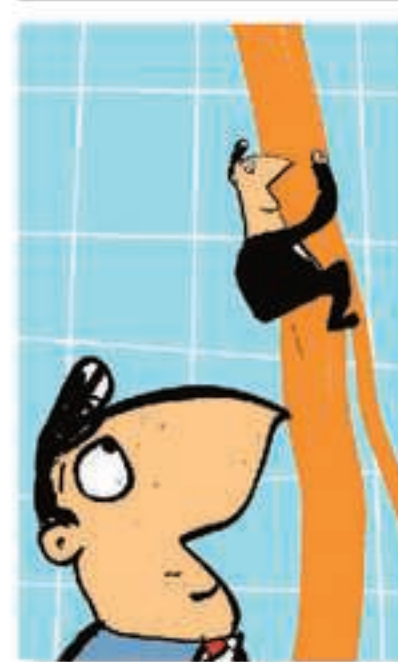
Fund	NAV	Returns(%)	Assets (₹ cr)		
		3-Mth	6-Mth	1-Year	
Birla Sun Life Pension	11.94	6.25	7.98	16.69	30.04
HDFC Pension Fund	17.82	6.46	7.87	16.94	1901.71
ICICI Prudential Pension	24.08	6.74	8.02	16.73	1149.14
Kotak Pension Fund	23.91	6.61	8.14	17.28	253.20
LIC Pension Fund	19.25	7.45	9.32	19.34	615.17
Reliance Capital Pension	23.26	6.13	7.75	16.19	109.01
SBI Pension Fund	25.92	6.22	7.86	16.66	3063.18
UTI Retirement Solutions	23.21	6.04	7.79	16.01	352.20
CCIL All Sovereign Bond - TRI	-	6.10	7.89	16.11	-

TIER I: Corporate Debt Plans

Fund	NAV	Returns(%)	Assets (₹ cr)		
		3-Mth	6-Mth	1-Year	
Birla Sun Life Pension	12.11	4.01	7.75	13.01	24.28
HDFC Pension Fund	17.81	4.27	7.80	12.86	1299.47
ICICI Prudential Pension	27.47	4.25	7.45	12.86	865.80
Kotak Pension Fund	27.08	4.12	7.85	11.92	179.78
LIC Pension Fund	17.69	4.42	7.63	13.02	369.07
Reliance Capital Pension	24.47	3.45	6.74	11.83	65.70
SBI Pension Fund	27.41	3.75	7.35	12.75	1635.95
UTI Retirement Solutions	24.63	3.87	7.24	11.91	227.58
CCIL Bond Broad - TRI	-	3.88	5.95	13.38	-

Returns as on Jun 14, 2019. Assets as on May 31, 2019 Source: Value Research

Day Trading Guide | Motilal Oswal Securities



Nifty failed to surpass the psychological 12,000 mark in the last week and corrected towards 11,800 zones. It started to form lower-highs-lower lows from last three trading sessions and resistances are slightly shifting lower in the market. It formed a bearish candle on daily and weekly scale which suggests that selling pressure is seen at higher band of the trading range. Overall Index has been consolidating in between 11,761 to 12,041-12,100 zones from last fourteen trading sessions and requires a decisive range breakout to commence the next leg of rally. Now till it holds below 11,888 zones it could extend its weakness towards lower band of the support at 11,761 then a fresh decline towards 11,660 levels while on the upside immediate hurdles are seen at 11,965 then 12,000 zones.

Tech Picks | CHANDAN TAPARIA, Derivatives & Technical Analyst

L&T
Forming a Pole and Flag pattern on daily scale, holding its multiple supports
LAST CLOSE ▶ ₹1,526 STOP LOSS ▶ ₹1,496
BUY
TARGET ₹1,585

MANAPPURAM FINANCE
Consolidation breakout and entered into life-time high territory zones
LAST CLOSE ▶ ₹142 STOP LOSS ▶ ₹137
BUY
TARGET ₹152

TCS
Strong breakout on weekly scale and supports are gradually shifting higher
LAST CLOSE ▶ ₹2,254 STOP LOSS ▶ ₹2,200
BUY
TARGET ₹2,355

INDUSIND BANK
Failed to surpass its resistances zones near its 50 DEMA
LAST CLOSE ▶ ₹1,427 STOP LOSS ▶ ₹1,454
SELL
TARGET ₹1,370

F&O Strategy | CHANDAN TAPARIA, Derivatives & Technical Analyst

India VIX fell down by 6.46% from 14.86 to 13.90 levels in the last week and it has been falling down from last four consecutive weeks. Lower volatility suggests that a range bound bias could be seen and a decline near to support zones could be bought again in the market. On the option front, Maximum Put open interest (OI) is at 11,500 followed by 11,800 strike while maximum Call OI is at 12,000 followed by 12,500 strike. Call writing is seen at 11,900 followed by 12,000 strike while Put unwinding is seen at 11,800 then 11,700 strike. Option data suggests a wider trading range in between 11,700 to 12,000 zones.

Bank Nifty failed to surpass the previous day's high and corrected by around 400 points to close near its lower band of the trading range at 30,600 zones. It formed a Bearish Candle on daily as well as on weekly scale with formation of lower highs which indicates that Bears are holding the grip at higher zones. Now till it holds below 31,000 zones, it could extend its weakness towards next major support at 30,250 zones while on the upside hurdle are seen at 31,000 then 31,313 zones.

DERIVATIVES
NIFTY - BEAR PUT SPREAD (Monthly Expiry - 27th June 2019)
BUY 1 LOT OF 11,800 CALL at ₹8; SELL 1 LOT OF 11,700 CALL at ₹56
NET PREMIUM PAID : 33 POINTS
KEEP SPREAD SL OF 13 POINTS : RISK : 20 POINTS (₹1,500)
KEEP SPREAD TARGET OF 83 : REWARD : 50 POINTS (₹3,750)
Rationale:
1. It started to form lower-highs-lower lows on daily scale
2. Intact Call writing with meaningful hurdle near to 12,000 could restrict its upside momentum
3. Absence of follow up and selling in many heavyweight could drag it towards next support zones
4. Thus suggesting, Bear Put Spread to play the Negative to range bound move of the market

Fx Technical | KISHORE NARNE, Head - Currency & Commodities

USD/INR Status: Sideways to positive moves could be seen in short-term.
CMP: ₹69.89, Target: ₹70.65, Stop Loss: ₹69.30

Trade: The pair is likely to trade sideways to positive as long as 69.30 level is held as short term support. Buying on dips is thus advised targeting 70.65 level on the higher side.

RESISTANCE	70.25	70.45	70.65
SUPPORT	69.70	69.50	69.30

USD/JPY Status: Pair is looking weak in short-term as long as it trades below 110.10 level.
CMP: ¥108.20, Target: ¥106.70, Stop Loss: ¥109.45

Trade: Selling on rallies is advised in the pair as long as 109.45 is held as short term resistance. It has immediate resistance placed around at 108.60 mark, whereas initial supports are placed in the range of 107.70 - 107.50 mark.

RESISTANCE	108.60	109.15	109.45
SUPPORT	107.60	107.20	106.70

Commodity Calls | AMIT SAJEJA, AVP - Commodities

COMMODITY	EXCHANGE	STRATEGY
Silver (July)	MCX	Buy around ₹37,200; Target ₹36,600; SL ₹38,500
Copper (June)	MCX	Buy around ₹405; Target ₹418; SL ₹398
Crude (June)	MCX	Buy around ₹3580; Target ₹3,830; SL ₹3,500
Soybean (June)	MCX	Buy around ₹3,660; Target ₹3,855; SL ₹3,600

Monsoon Watch

Monsoon has moved towards many parts of Karnataka, most of Tamil Nadu and some regions of Telangana in the south, and most parts of north-eastern states

A low pressure area is likely to develop over north Bay of Bengal to support the monsoon system

Severe Cyclone Vayu is likely to weaken into cyclone in the next 12 hours and then further weaken to cross north Gujarat coast as a depression

Total rain since the start of the monsoon season on June 1 is 43% below normal

Severe heat wave likely over parts of Vidarbha, coastal Andhra Pradesh, Telangana, Tamil Nadu, Puducherry, Jharkhand and Bihar

Rise of 2-3°C likely in eastern India over the next 2-3 days. No change in temperature over rest of India

Patna was the hottest city in India on Sunday, at 44.4°Celsius

Thunderstorms and winds of 40-50 kmph likely in Himachal Pradesh, Uttarakhand, parts of Madhya Pradesh, Rajasthan and coastal Andhra Pradesh

Short Takes

Coal Imports Increase 15% to 24 MT in May

NEW DELHI Coal imports increased 14.5% to 24.01 million tonnes (mt) in May, against 20.96 mt in previous corresponding period, according to an announcement from the Ministry of Coal. Imports during April stood at 26.3 mt (revised).

GST Council May Give 1-Year Extension to NAA

NEW DELHI The GST Council is likely to extend till November 30, 2020 the tenure of the National Anti-profiteering Authority (NAA) at its next meeting on June 21, an official said. The Council at its 35th meeting, the first under new finance minister Nirmala Sitharaman, is also likely to consider a proposal to set up one appellate tribunal for north-eastern states, and another one for all Union Territories.

Let Private Cos Mine Beach Sand, FIMI Tells Govt

NEW DELHI Beach sand mining ban on private players has resulted in loss of exports and in revenue, mining body Federation of Indian Mineral Industries (FIMI) has said, demanding rescinding the order. "In the case of beach sand minerals (BSM), private sector has been debarred for mining, putting numerous jobs at stake and depriving the country of revenue to the extent of ₹5,000 crore and exports of about ₹4,000 crore annually," FIMI said.

TARIFF VERSUS TARIFF Trade issues may be taken up during US Secretary of State's talks with S Jaishankar next week and at the G20 summit

No Trade War, but Expect US to Push for Pact: India

Kirtika.Suneja@timesgroup.com

New Delhi: India is bracing for pressure from the US to sign a bilateral trade pact with it after New Delhi slapped retaliatory tariffs on some American products.

The India-US trade relations came under stress in the last fortnight with Washington ending preferential benefits for Indian exports worth \$6.35 billion and New Delhi raising tariffs on 28 American products on Sunday — a year after announcing the levy. "We anticipate the US to ask us to sign some kind of a trade pact and we should be prepared for that. This is not a trade war," said an official aware of the development.

The issue could be taken up when US secretary of state Mike Pompeo visits India for talks with his counterpart S Jaishankar early next week, followed by meetings between US President Donald Trump and Prime Minister Narendra Modi at the G20 summit on June 28-29 in Osaka.

Pompeo said on Thursday that the

US was open to discussions on the Generalized System of Preferences (GSP). "They might want to extract concessions on intellectual property rights (IPR) and e-commerce," the official said.

Through its Special 301 report, the US has tried to push India to drop Section 3(d) in the Indian Patents Act that denies patents on items that are not significantly different from their older versions. The US is also opposed to compulsory licences to be issued for manufactured copies of patented drugs to address situations of national emergency, as permitted by the global trade rules.

India prohibits e-commerce companies with foreign direct investment (FDI) from selling products via firms in which they have an equity interest. It also bars them from making deals with sellers to sell exclusively on their platforms.



India's exports to US in FY19 amounted to \$52.4 billion, while imports were worth \$35.5 billion

International Ups & Downs

Indian official says the US may want to extract concessions on IPR and e-commerce

New Delhi has raised tariffs on 28 US products after Washington ending preferential benefits for \$6.35 billion of Indian exports

Expert says US has previously approached India for a trade pact to be able to bilaterally squeeze concessions

Another expert against rollback of data localisation norms, proposed e-commerce policy and agri-product tariffs

PAST INTEREST, EXPERTS WORRY

Experts said the time is not right for India to get into a bilateral agreement with the US. "This is the normal path of trade talks and not a trade war."

The US had previously approached India for a trade agreement to be able to squeeze concessions from us," said a Delhi-based expert on trade issues.

teral or regional agreements.

"Our red lines should be clear and that is (there will be) no rollback of the RBI's data localisation norms, proposed e-commerce policy and tariffs on agricultural products," said another Delhi-based expert.

"The US wants a trade agreement and it will be comprehensive. They could also put more pressure on us in WTO. Their insistence on reducing the trade deficit is posturing before the elections and India should be cautious of any such pact," said Biswajit Dhar, professor at the Centre for Economic Studies and Planning in the School of Social Sciences at Jawaharlal Nehru University.

India's exports to the US amounted to \$52.4 billion in FY19, while imports were worth \$35.5 billion.

"While a lot depends on what we get in return, one must know that the US is in no position to promise and deliver anything of benefit to India such as easier visa rules because of the elections next year. The time is not right for a bilateral pact," the first expert said.

Unhappy with Parts Makers, Wind Power Developers Prefer Own O&M

Original equipment manufacturers are financially stressed, losing contracts

Kaavya.Chandrasekaran@timesgroup.com

Bengaluru: Wind equipment makers may be gearing up for a tussle with project developers, as the latter abandon operations and maintenance (O&M) contracts with manufacturers to maintain the wind farms themselves, saying they are dissatisfied with the performance of certain equipment makers.

O&M contracts have traditionally been awarded to equipment makers, which can often get a substantial part of revenue from such contracts. Renew Power, the biggest in-



dependent power producer (IPP) in the country, has just set up its own O&M unit. The unit hopes to gradually maintain all of its machines—those installed already as well as those to be commissioned in future—on its own. "We have begun doing a few hundred megawatts of O&M ourselves," said Sumant Sinha, chairman, Renew Power, which has about 4,000 mw of wind

gen Powertech and is maintaining turbines on its own. Although Sembcorp declined to comment on the exit, a company spokesperson said it had done about 600 mw of O&M so far and would continue to expand. Insiders told ET this was because Sembcorp was not happy with Regen's work. Regen, though, disputed there was any issue, saying it would restore ties in due course.

A number of original equipment manufacturers (OEMs) are also financially stressed.

"In some cases, the OEM itself is falling apart," said Renew Power's Sinha. "IPPs have had to take over O&M out of compulsion. In our view, we can ourselves do a better job of maintaining performance than our OEMs."

OEMs, however, feel they offer value addition—such as technology upgrades—that wind developers will lack if they were to embark on maintenance on their own.

CPSEs to Merge or List Arms

Strategic subsidiaries to stay unlisted; CIL may be first in line

Dheeraj.Tiwari@timesgroup.com

New Delhi: The government will push central public sector enterprises (CPSEs) to either merge their subsidiaries or list them on the stock exchanges. A senior government official said that this may be kick-started by coal sector behemoth Coal India (CIL) which has eight subsidiaries, of which five are profit-making.

"Unless there is a strategic need, either because the subsidiary is working in a different geography or is required for reasons of regulations or avoiding potential risks, the subsidiary should either be merged or listed," said the official, who did not wish to be identified.

CIL has a mine planning subsidiary, besides eight subsidiaries. "All companies should unlock the value from their subsidiaries," said the official. Another government official said that CIL, through its administrative ministry, had re-

most of them are loss-making enterprises. According to some experts the move may benefit all players including the government. "Listing will help raise resources for the holding firm, find better valuation for the subsidiary and also fetch better dividends to the government," said MP Shorawala, a former independent director with Concor.

The government has raised ₹2,350 crore so far against a disinvestment target of ₹90,000 crore for the current fiscal. In 2018-19, it raised ₹64,972.16 crore as disinvestment proceeds against the budgeted target of ₹80,000 crore.

"There could be a possibility that the government may identify subsidiaries as non-core assets, leaving little room for CPSEs to either merge or list," said Shorawala. In February, the cabinet had cleared the institutional framework for monetisation of identified non-core assets of CPSEs under strategic disinvestment.

Systemic Rejig

There are some 100 subsidiaries of CPSEs

CPSEs can also put them up for strategic sale

Most are loss-making and may be merged

Decision on Jet's Course likely Today

Saloni Shukla & Joel Rebello



Mumbai: The fate of Jet Airways, grounded since April 17, may be decided on Monday with lenders meeting to finalise how a resolution will be possible under the June 7 Reserve Bank of India (RBI) mandate on stressed assets, three bankers familiar with the matter said. Lenders will need to take a call on whether a rescue of the carrier is still possible or it will have to be taken to bankruptcy court.

"There is a meeting among lenders on Monday to review what could be a possible resolution for Jet Airways," said one of the people cited above. "We will also discuss whether bankruptcy may be the most viable solution as no serious proposal has been received yet."

Lenders are also expected to consider a proposal to pay more than ₹200 crore (about \$30 million) to the US Exim Bank and take charge of six Jet Airways planes, sources said. But they're unlikely to opt for such a plan, they added.

"With the ongoing enforcement actions, banks are unlikely to pay and seize the aircraft," said another banker. "It doesn't make sense because ownership of these aircraft is murky and could come under the scanner at a later date."

The banks involved in the turnaround of what was once India's second-largest airline have in the past stated that reversing the grounded carrier's negative net worth and getting it back into the skies will be a big challenge for interested investors.

Jet has accumulated debt of nearly ₹8,500 crore on its books with total liabilities of around ₹25,000 crore. The

airline suspended all flights on April 17 after it ran out of cash to run operations and failed to raise interim loans from banks.

ET had earlier reported that the Hinduja Group and Etihad PJSC are looking to stitch a deal together to save the grounded airline but no formal proposal has been received by the banks so far. Lenders may also contemplate an ultimatum to the Hinduja and Etihad on the finalisation of a deal before deciding on bankruptcy proceedings.

The Mumbai bench of the bankruptcy court is scheduled to hear insolvency petitions by two suppliers to Jet Airways on June 20. Banks have so far tried to keep Jet out of court-monitored insolvency proceedings as they wanted to maximise the money they could recover from the debt-ridden airline. Lenders are also considering a plan that involves sale of the Jet Airways brand to a prospective investor but that could entail a substantial haircut.

"There may be a plan to value the Jet Airways brand as the airline has lost a lot of value after it was grounded—it lost slots, lots of employees have left, so only the brand recall remains," said another banker involved in negotiations.

EAST CENTRAL RAILWAY

CORRIGENDUM

Corrigendum Notice No. W.584/E-Tendering/120 Dhanbad, dated: 13.06.2019.

1. It is further to notify that in E-Tender No. 120-DHN-2019-20 dated 23.05.2019, Tender value should be read as ₹14,05,118.81 - instead of ₹14,04,971.83. All other details, term and condition exists in the e-tender notice No. 120-DHN-2019-20 dated 23.05.2019 will remain unchanged and unaltered.

Divisional Railway Manager (Engg.)/PR/049/DHNC/16 ECR/Dhanbad

EAST CENTRAL RAILWAY

E-TENDER NOTICE

No. H-San-SMC-MGS-2018-R Date 11.06.2019. Sr. DME(C&W)/ECR/MGS on behalf of the President of India invite "Open" E-Tender from the eligible and experienced agency or contractor for e-tender no. H-San-SMC-MGS-2018-R, dated 11.06.2019. Particulars are as under: 1. Name of the work with its location: 2. Approximate cost of work: 3. Earnest Money to be deposited: 4. Date & Time for submission of tender and opening of Tender: 5. Website particulars where details of the work and criteria can be seen: 6. Address of the office from where detail information can be obtained: Sr. Divl. Signal & Telecom Engineer, East Central Railway, Danapur. Note: Any corrigendum if required will be uploaded on above website before 14 days.

Divisional Signal & Telecom Engineer/PR/0500/DNR/T/32 ECR/Danapur

MUMBAI PORT TRUST

An ISO 9001:2008 & ISPS Compliant Port

NOTICE INVITING TENDERS (NIT)

The Board of Trustees of the Port of Mumbai, invites Bids through the Chief Medical Officer, for establishment of 600 Bedded Super Specialty Hospital with an option to develop a Medical College and further expansion of Hospital on PPP at the existing campus of MBPT Hospital, Wadala, Mumbai in accordance with the terms and conditions of RFP. Last Date of Bid Submission is extended up to 2.00 p.m. on 28/06/2019, please see Tender No. CMO - 14/2018-19 dated 14/10/2018.

Tender document may be viewed or downloaded by interested and eligible Tenderers from the website: <http://etender.procureitiger.com>. The tender document may also be viewed from website www.mumbaiport.gov.in and the Central Public Procurement Portal (CPPP) of Government of India: www.eprocure.gov.in and www.globaltender.com

Chief Medical Officer

EAST CENTRAL RAILWAY

TENDER NOTICE

No. DNR/S&T/Tele/2019/1 Danapur, dated 12.06.2019. Divisional Railway Manager (Signal & Telecom), East Central Railway, Danapur Division, for and on behalf of President of India invites tenders on web portal www.reps.gov.in for the following work: 1. Name of work with its location: 2. Approximate cost of work: 3. Earnest Money: 4. Last Date & Time of Submission: 5. Opening of tender: 6. Website particulars where details of the work and criteria can be seen: 7. Address of the office from where detail information can be obtained: Sr. Divl. Signal & Telecom Engineer, East Central Railway, Danapur. Note: Any corrigendum if required will be uploaded on above website before 14 days.

Divisional Signal & Telecom Engineer/PR/0500/DNR/T/32 ECR/Danapur

EAST CENTRAL RAILWAY

e-TENDER NOTICE

e-tender is invited on Behalf of the President of India for the under mentioned work:

S.No. (1) e-Tender No.: ECR-CAO-C-S-E-TEN-09-19-20 In Two Packet System. Name of work: Construction of major bridges at km 31.986 (7x30.5, Composite Girder), at km 33.475 (9x30.5, Composite Girder), at km 40.950 (3x30.5, Composite Girder), at km 43.000 (5x30.5, Composite Girder), at km 44.350 (5x30.5, Composite Girder) and at km 48.410 (3x30.5, Composite Girder) including super structure and other associated work in connection with construction of new BG Rail line from Koderma to Tilaiya under jurisdiction of Dy CE/II/DHN. Approx cost of the work in (Rs.): 142,24,54,391.62. Cost of tender form (Rs.): 25,000/-, Earnest money in (Rs.): 72,62,300/-. Period of work completion: 18 [Eighteen] Months.

Date and time for closing of tender: 01.07.2019 at 15:30 Hrs. Any e-tenders which is sent by Post/Courier/Fax or by hand will not be accepted. All such manual submission of tender even if it is on firm's letter pad or received in time will not be accepted. The above e-tender document alongwith full information is available on website <http://www.reps.gov.in> Note: In case of any discrepancies found in tender notice, English version will be final. Tenderers are requested to visit the website <http://www.reps.gov.in> at least 15 days before last date of closing for latest corrigendum/ corrections etc in connection with this tender.

CAO/Con/South/MHX, Patna PR/508/CON/Engg./T/19-20/48

BANGALORE DEVELOPMENT AUTHORITY

T. Chowdiah Road, Kumara Park West, Bengaluru - 560 020

No. BDA/EE/East Divn./TEN/01/2019-20 Date: 14.06.2019

NOTICE INVITING REQUEST FOR PROPOSAL (RFP) (TWO COVER SYSTEM) CALL-2

(Through GoK e-Procurement platform <http://eproc.karnataka.gov.in>)

Tenders are invited through GoK e-Procurement platform by the Executive Engineer, East Division, BDA, HSR Shopping Complex, HSR Layout, Bengaluru-560 102 on behalf of the Commissioner, BDA, Bengaluru from eligible tenderers. Name of the work: Development of BISMMA Layout in Sy. No. 1,5,6,7 and 12 to 23 of Konadasapura Village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru under Public Private Partnership (PPP) mode.

For further details, please log on to <http://eproc.karnataka.gov.in> or call e-procurement Helpdesk on 080-22371090/22340060. Sd/- Executive Engineer, East Division, BDA, Bengaluru

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- B. Tech. (Data Science & Artificial Intelligence)
- B. Tech. (Electronics & Communication Engineering)

Seats of All India quota will be filled through JoSAA 2019 counselling process. For further details kindly visit JoSAA 2019 website. Other seats will be filled through the institute's own online counselling process that started from 30 May 2019. Please visit www.iiitrn.ac.in/Contact-0771-2474040 for details.

S-21460

WEST BENGAL HIGHWAY DEVELOPMENT CORPORATION LIMITED

A Wholly Owned Company of Govt. of West Bengal

National Competitive Bidding for e-Tender (Tender ID: 2019_WBHDCC_242281_1)

e-NIT No.: WBHDCC/CGM/NIT-15/2018-2019 dated 28.02.2019

Construction for "Widening and Strengthening of Bongaon-Chakdaha Road (SH-1), from 2.4 Lane with Paved Shoulder to Standard 4-Lane Configuration From 0+300 KM to 6+717 KM and from 10+568 KM to 31+323 KM including 2 Truck Terminals in Phase-I and Part-I.e. Total Project Length - 27.477 KM) excluding Gopalnagar R.O.B. and (Ivora in the Districts of North 24 Parganas and Nadia".

The last date for submission of online bids has been extended upto 28.06.2019.

Sd/ Chief General Manager, WBHDCL

Tender documents are available in www.wbhdcl.gov.in and <https://wbtdenders.gov.in>

DR. RAM MANOHAR LOHIA INSTITUTE OF MEDICAL SCIENCES

VIBHUTI KHAND, GOMTI NAGAR, LUCKNOW-226 010

Phones :0522-4918503, 4918510, Fax : 0522-4918506

Website : www.drmlms.ac.in

e-bid Ref. no.: 1098/RMLIMS/IRF/2019 Dated : 15.06.2019

RE-TENDER/e-BID NOTICE

e-Bids are invited in two-bid system from reputed manufacturer/Importers/Indian subsidiaries/authorized distributors for Installation of maintenance free lab equipment at no cost basis against the purchase of consumables against all routine tests & investigations of Coagulometer & Hematology Analyser for a period of 5 (five) years. The offers submitted earlier by the bidders against tender advertisement no. 4389/RMLIMS/IRF/2019 dated 09.02.2019 (tender ID No. 307721 & 307710) have been cancelled. Therefore, those who have already submitted their offers against above advertisement and tender ID are also required to re-submit again. Tender cost & EMD will be resubmitted afresh and its proof will be enclosed in the technical bid as per tender terms & conditions along with their complete offer. Earlier EMD deposited against ID (S) of cancelled tender no. 4389/RMLIMS/IRF/2019 dated 09.02.2019 will be refunded to the bidder on their request.

e-bids can be submitted from 17.06.2019 to 01.07.2019 & will be opened on 02.07.2019 at 3:00 pm. The details of submission of e-Bids are available on e-tender portal <http://etender.up.nic.in>. Details are also available in our website www.drmlms.ac.in for reference only. The Director reserves the right to cancel any or all e-Bids or annul the bidding process without assigning any reason thereof at any stage.

Director

KMF Karnataka Cooperative Milk Producers' Federation Limited

KMF COMPLEX, DR MH MARIGWODA ROAD, BANGALORE - 560029

Phone : 26096832/854, Fax : 080-25536105, E-mail : purchase@kmf.coop

IFT NO.: KMF/PUR/NPFP/e-proc Tender- 220/2019 Date: 15.06.2019

SHORT TERM TENDER NOTIFICATION

(Through e-Procurement Portal only)

The Karnataka Milk Federation, Bangalore invites tenders from eligible tenderers for the supply of the item(s)/ goods on FOR Destination for the Period six month as listed below

Sl. No.	Item Name	Quantity in Kg.	EMD Amount (Rs.)
1	Varieties of Printing Inks	65760	2,26,000.00

Tender documents may be downloaded from e-procurement website <https://eproc.karnataka.gov.in/> Help line No: 080-22371090, 080-223440060, 080-22340948, email: hphepdsk.blr@intarvo.com & Other details can be seen in the tender document.

Date of commencement of Tender	17.06.2019 onwards
Last date for submission of Tender	On or before 26.06.2019 up to 3.00 PM
Date of opening of Technical Tender	On 28.06.2019 at 3.05 PM
Date of opening of Commercial Tender	On 03.07.2019 at 3.00 PM

For KARNATAKA MILK FEDERATION LTD. Sd/- DIRECTOR [PURCHASE]

shopping

FURNITURE & FURNISHINGS



N DESIGN Furniture Sofa & Recliner Manufacture...

real estate

BUNGALOW & VILLA

EAST facing New 3Bhk villa in HUDA layout...

VILLA FOR SALE

Baniyan Treat Retreat @ Mak Projects

LAND FOR SALE

PER SQYD Rs.2500/- Farmplots. With Mango, Sapota, Pomegranate...

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PER SQYD Rs.2500/- Farmplots. With Mango, Sapota, Pomegranate...

LAND for Sale at Medipally Village, Moinsabad Mandal...

PLOTS FOR SALE

WEST facing plot size 1200 sq. yds. in Anupuram Colony...

RAJENDRA-NAGAR

Best of 120, 150 sqyds Open Plots for Sale...

*BHONGIR, Yadagiri-gutta HMDA & DTC...

developed gated community plots sale on NH nr Railway & bus station...

HMDA APPROVED Plots, Kollur @ Nandigama...

15 mins Drive From Gachibowli, Near Financial Dist...

HMDA APRD Plots Nr Tukuguda on Srisaillam H.Way...

Behind Bashyam Blooms School Close to ORR...

BHASHYAM DEVELOPERS HMDA plots...

plots in Jasmine County Opp: P&G company with Gated Community...

HMDA RESIDENTIAL Plots @ Kollur, Nandigama...

15 mins Drive From Gachibowli, Near Financial Dist...

*TUKKUGUDA Maheshwaram 100ft rd facing Hmda...

Venture 3km from ORR Best price Bank loan...

HMDA APRD Plots Nr Tukuguda on Srisaillam H.Way...

Behind Bashyam Blooms School Close to ORR...



NEW HMDA Venture @ Shankarpally Road, Kollur...

HMDA PRE Launch offer Plots Kollur the most...

developing location after HMDA plot in gated comm. Venture...

HMDA APRD Plots Nr Tukuguda on Srisaillam H.Way...

Behind Bashyam Blooms School Close to ORR...

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HMDA APRD Plots Nr Tukuguda on Srisaillam H.Way...

Behind Bashyam Blooms School Close to ORR...



YADADRI @ Rayagiri, Nr. Vangapalli DTC Approved Layout...

Aadhira Nature Farms

NEW FARM Land Venture @ Kandukur, Nr. Tukuguda...

M.S. ESTATES

DTC LP: 22/2018/HR DTC, Shadnagar to Chilaka...

URGENT Sale NRI House

Constructed G+2, Semi-Furnished, 4 Master Bedroom...

WEEKEND Getaway Farm Plots with Plants...

Nr Jp Darga Clear Title with Individual Patta...

NEW HMDA Plots @ Tukuguda, Adibatla...

100 FT Rd Facing & Kollur, Nandigama, 50% Bank Loan...

EARM PLOTS @ Srisaillam H/W Nr Kandukur...

Pharmacy, Electronic City, With Plants, 20 Min from Airport...

4700 SFT 4BHK, East Facing Ultra Luxury Duplex Flat...

with Exclusive Terrace, Ready to move in @ Khajaguda...



VILLA PLOTS BHONGIRI HMDA HW Facing beside on 100 ft Road...

HMDA Farm Plots with Mango Garden...

700 sq yds, near Malsigand Temple on Srisaillam Highway...

APPA Junction @ Moinsabad, Suvarna Bhuvi's New venture...

low cost, 10mins drive from Appajunction Gated Community...

7H Properties, HMDA Villa Plots @ Gachibowli...

Adibatla, BHEL, Yadadri, Medchal, Shameerpet with Bank Loans...

PLOTS FOR SALE HI-TECH CITY & GACHIBOWLI

near upcoming projects, My Home Smart City, Wipro 5ez...

PLOTS FOR SALE HMDA Approved Plots and Farm Lands @ Hyderabad West

REGISTRATION 9848483289

FOR SALE BANGALORE

SALE 3 BHK New Road facing flat, Near main road, Domlur, Indra Nagar...

HYDERABAD

4700 SFT 4BHK, East Facing Ultra Luxury Duplex Flat...

HYDERABAD

4700 SFT 4BHK, East Facing Ultra Luxury Duplex Flat...

FLATS NEW

LUXURY Flat at Lanco Hills: 34th Floor, 3125 Sq.ft. 4-Bed room flat...

INDEPENDENT HOUSES

100% Vastu, East Facing 4bhk triplex Villa, in Aparna Cyber County...

HYDERABAD PROPERTIES

ADIBATLA

SALE: Adibatla Srimitra srijanjali sri sr, Sripruha & TCS to 3km Radius plots...

APPA JUNCTION

SALE: Appajunction suncity padmasree hills 2BHK flat occupancy by Nov...

BANDLAGUDA

URGENT Sale NRI House Constructed G+2, Semi-Furnished...

BANJARA HILLS

RENT: Commercial Office Space @ Banjarahills Road No. 3...

RENT: Independent Duplex House @ MLA Colony...

SALE 4 BHK huge complete 6th fl. flat, Anand Nagar colony main Rd...

BANJARA HILLS

FOR RENT Ground Floor Front Facing Road No. 2. 2600 sq. ft.

FOR RENT

Ground Floor Front Facing Road No. 2. 2600 sq. ft.

FOR RENT

office Accommodation available prime Area 3270 sq.ft. Amstj Eden beside Apollo Hospital...

BASHEERBAGH

LEASE/RENT Flat at Babukhan Est, 1008 Sq.ft. North Facing...

BEERAMGUDA

LIMITED flats only, 2BHK, E/W & North, Including all amenities...

BEGUMPET

RENT: Prakashnagar, Begumpet 2Bdroom Flat, 20,000, Studio Flat...

BODDUPPAL

SALE 2 BHK, NE facing, Road Side New Flats, 1024 Sft each...

GACHIBOWLI

NEWLY constructed 34-room hostel @ gachibowli is on sale with rent 2.65,000/-PM...

HAYATHNAGAR

SALE: Koheda ORR, Nr-Janachitanya, Sai Leela, Sai Aditya...

JUBILEE HILLS

RENT: Behind Road No. 11, JubileeHills, Semi Furnished AC, 4 Bedroom Duplex Flat...

MALAKPET

RENT: Newly constructed commercial space on 2nd & 3rd floor...

MASABTANK

SALE: 2BHK flats 920 & 845 sq.ft. 5th floor Mahmood Residency...

PATANCHERU

RENT: office Accommodation available prime Area 3270 sq.ft. Amstj Eden...

SECUNDERABAD

RENT: office Accommodation available prime Area 3270 sq.ft. Amstj Eden...

SHAMSHABAD

THUKKUGUDA inside ORR Prime Location, North East West corner...

SUNCITY

NEWLY constructed ready to move in villa on 225sqyds in suncity...

PROPERTY ANCILLARIES

COMMERCIAL PREMISES

FINANCIAL District: Commercial Space, Each Floor Flat 4800 Sft...

OFFICE Space at Madhapur Main Road...

CHAPPAL BAZAR Main Road, Ground + 1st Floor, 205 Sqyds...

FARMS

FARM Plots @ Patancheru 30 Mins Drive from Gachibowli...

LEASE & RENT

BACHPALLY pragatinagar Commercial space on Main road...

WAREHOUSE

Available at Medchal & Kalakal Main Road 20000 to 8000 sqft...

WAREHOUSE

Available at Medchal & Kalakal Main Road 20000 to 8000 sqft...

WAREHOUSE

Available at Medchal & Kalakal Main Road 20000 to 8000 sqft...

WAREHOUSE

Available at Medchal & Kalakal Main Road 20000 to 8000 sqft...

business

BATTERIES

INVERTER BATTERIES Sales/Service Buyback/Exchange Old 2 New Solar Power Solutions...

BUSINESS OFFERS

SBI Life- Become Pension Advisor! Earn good income upto Rs. 50,000 pm...

PROPERTY ANCILLARIES

COMMERCIAL PREMISES

FINANCIAL District: Commercial Space, Each Floor Flat 4800 Sft...

OFFICE Space at Madhapur Main Road...

CHAPPAL BAZAR Main Road, Ground + 1st Floor, 205 Sqyds...

FARMS

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WARE

Tweet of the Day

Jim Rickards
@steve_hanke
Fed won't cut rates on June 19. Q2 growth forecast is 2.1%, close to 10-year average. Stocks still high. "Patient" does not mean "cut" it means pause. Last cut was Dec 2008; Fed needs to prep markets. Look for end of QT, dropping "patient", and new cut codeword before real cut.

Quarts & Ounces

9.235 MILLION TONNES
INDIA'S CRUDE STEEL OUTPUT IN MAY 2019

Did You Know?
Ex-Chemistry Teacher Now the Richest Self-made Woman in Asia

Two days ago, Zhong Huijuan wasn't even the richest person in her family. Now, she's become the wealthiest self-made woman in Asia with a \$10.5 billion fortune, according to the Bloomberg Billionaires Index. The bulk of her wealth comes from her stake in Hansoh Pharmaceutical Group, China's largest maker of psychotropic drugs, which soared 37% on Friday in Hong Kong during its first day of trading. Zhong, a former chemistry teacher who founded Hansoh in 1995, overtook Longfor Group's Chairman Wu Yajun to claim the self-made title. Zhong is the second-richest woman in Asia, trailing only Yang Huiyan, co-chairman of Country Garden Holdings, who inherited her fortune. The surge in shares puts Zhong's net worth just above each of the four Mars sisters, whose wealth comes from the candy empire created by their great grandfather, according to the index. Her fortune also far exceeds that of Blair Parry-O'Keden, whose grandfather built the Cox Enterprises media conglomerate, as well as Christy Walton, the widow of the second son of Walmart founder Sam Walton. — Bloomberg

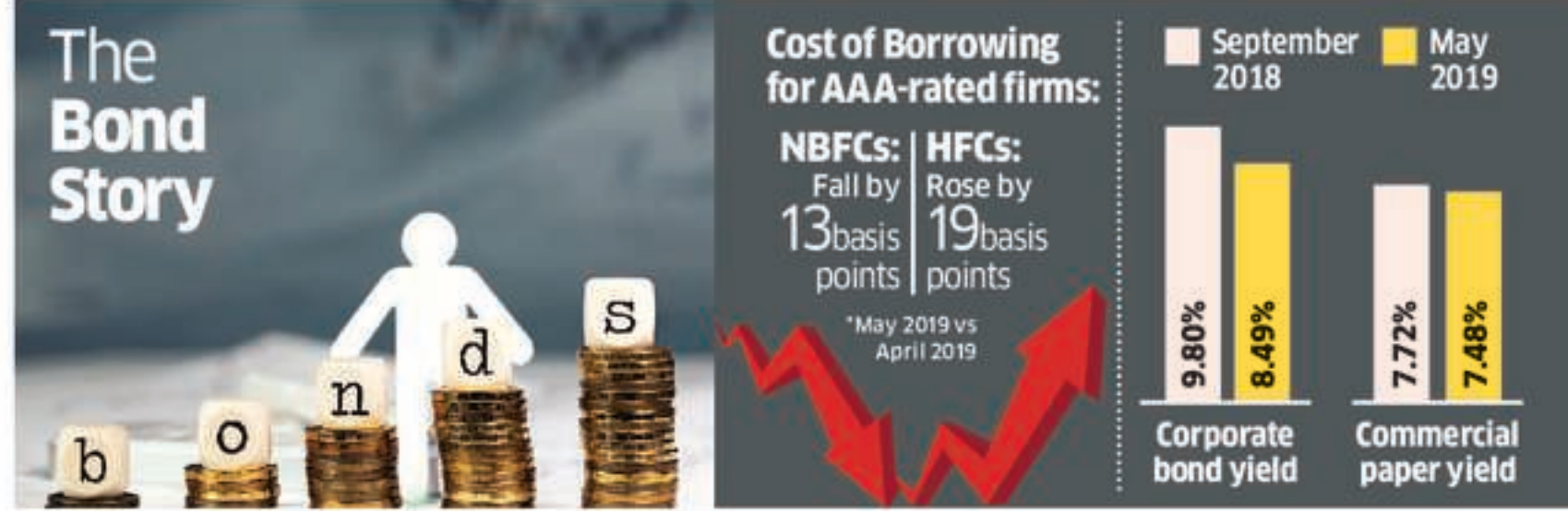
Fixed Income Investors Pick NBFCS over HFCs

NBFCS have been witnessing the highest cost of borrowings compared with all the other categories including AIFs and HFCs since April 2018

Shilpy.Sinha@timesgroup.com

Mumbai: The liquidity squeeze is being projected as a financial industry issue, but bond markets are telling a different story. Fixed income investors perceive non-banking finance companies (NBFCS) as less of a problem than housing finance companies (HFCs), corporate bond data shows.

The cost of borrowing for AAA-rated NBFCS declined by 13 basis points in May versus April in the debt market, while it increased by 19 basis points for AAA-rated HFCs, according to a report by CARE Ratings. NBFCS have been witnessing higher cost of borrowings compared with all other categories, including Alternative Investment



Funds and HFCs, since April 2018. Theyields on corporate bonds and commercial paper have been on the rise following the stress in the NBFCS sector from September 2018 and defaults by IL&FS. Corporate bond yields have since moved down to 8.49% in May, from

9.8% in September. Similarly, commercial paper yields have moved lower to 7.48% in May from 7.72% in September. "The easing of borrowing costs in the corporate bond market has been mainly on account of the rate cuts undertaken by the RBI

and the possibility of further rate cuts," said Madan Sabnavis, chief economist, CARE Ratings. "The decline in G-sec yields and easing of liquidity constraints in the banking system have also supported the decline in the corporate bond yields."

EASING IN

The easing of borrowing costs in the corporate bond market has been on account of the rate cuts undertaken by the RBI and the possibility of further rate cuts

MADAN SABNAVIS
Chief Economist, Care Ratings

Corporate bond yields in May were 13 basis points lower than the previous month and 131 bps lower than in September, when liquidity constraints peaked.

"With a policy rate cut, there has been a rally in rates, especially in top-notch rated NBFCS that's across, as we see systemic liquidity also improving from a constant deficit to surplus in the last two weeks," said Ajay Manglunia, managing director and head - institutional fixed income, at JM Financial Products.

"There has been a lot of activity on the issuances side, with cost getting better; investors having many options and are choosing based on their perception and understanding of risk."

Total CP issuances have increased to 337 in May from 16 in April. The CP issuances amounted to ₹74,708 crore. HFCs, which did not raise short-term funds via commercial paper in April, raised ₹8,900 crore - 12% of the total issuances - in May.

COMPETITION LIKELY TO HEAT UP The weighted average term deposit rates for private banks was 7.2% versus 6.72% for government-owned banks as of April this year

Private Banks Beat State-run Peers in Deposit Rate Race

Saikat.Das1@timesgroup.com

Mumbai: Private sector banks are offering higher rates on deposits compared with their public sector peers that traditionally have a higher share of domestic savings. The weighted average deposit rate for private lenders is 51 basis points higher than state-owned lenders with the differential hitting a six-year high.

This implies that the competition to garner deposits is likely to heat up further for state-run banks, which may be sluggish in passing on rate-cut benefits.

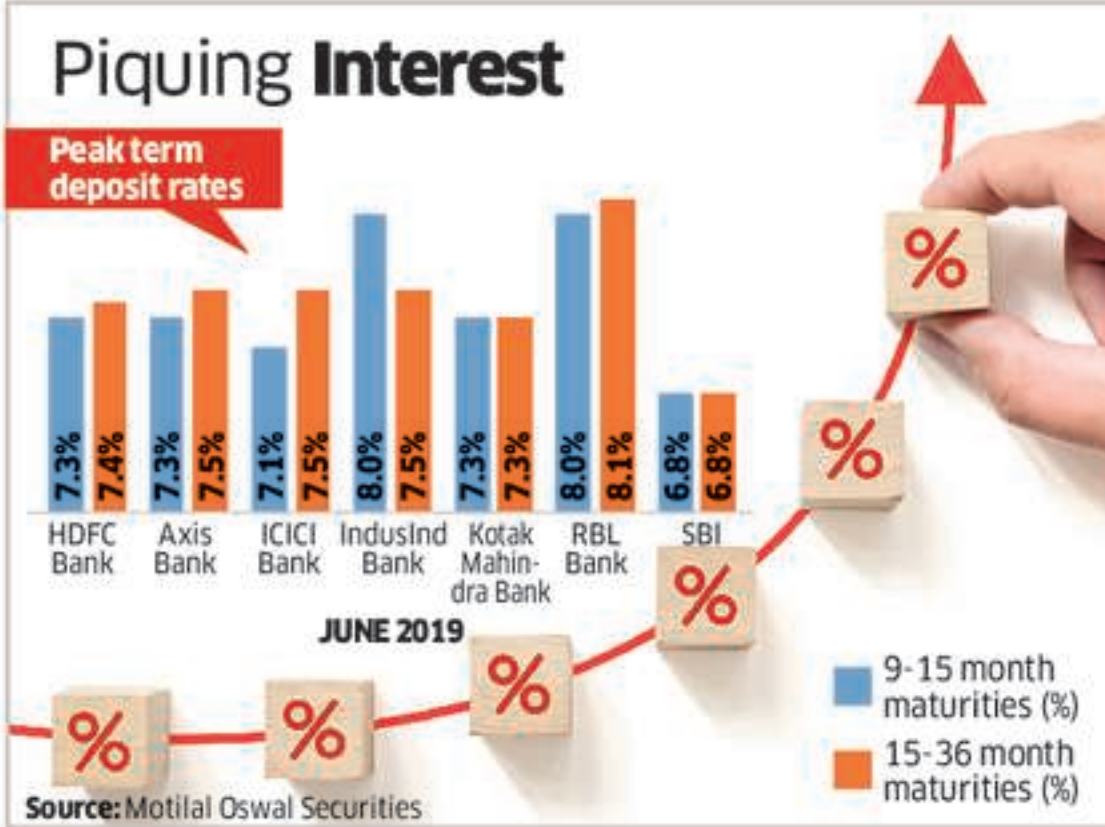
On a system wide basis, the weighted average term deposit rates for private banks was 7.2% versus 6.72% for government-owned banks as of April this year, data compiled by Motilal Oswal Securities showed.

The spread or differential is at an all-time high since March 2013, according to data disclosed by the Reserve Bank of India.

"Private banks are quick to tap credit demand while deposit growth remains modest, which is

NITIN AGGARWAL
Analyst, Motilal Oswal Securities

All banks are cautious to maintain their net interest margin as they now look for growth after battling bad loans for long



making it difficult for them to cut deposit rates," said Nitin Aggarwal, banking analyst at Motilal Oswal Securities. "All banks are cautious to maintain their net interest margin as they now look for growth after battling bad loans for long."

"The inability to lower funding cost is making it difficult for lenders to reduce interest rates even as RBI has cut repo rate by 75 bps since December last year," he said. In June, the gap widened between ICICI Bank, HDFC Bank and Axis Bank and the State Bank of India, the country's largest lender. It expanded as much as 70 basis points for term deposit rates in the 15-36 month maturities. The likes of IndusInd Bank, Kotak Mahindra Bank and RBL Bank are offering 45-125 basis points higher rate than the bank-

KAMAL MAHAJAN
Head - treasury and global markets, Bank of Baroda

Future deposit rate cuts will depend on market liquidity, in the absence of which rate transmission would not happen

ing behemoth in the same category of deposits.

"If banks need money to lend, they can't cut (deposit) rates amid liquidity constraints leading to growth in advances being higher than growth in deposits," said Kamal Mahajan, head of treasury and global markets at Bank of Baroda. "While some state-owned

banks are under Prompt Corrective Action (PCA) that limits business expansion, many are challenged with inadequate capacity to expand credit."

"There is as such no compulsion for these banks to dramatically retain the deposit rates elevated," he said.

PCA is a regulatory austerity measure aimed at improving financial health. Half-a-dozen banks are still under PCA.

"Future bank deposit rate cuts will depend on market liquidity, in the absence of which, rate transmission would not happen," he said. Cash available in the banking system or liquidity was tight for the past few months. It was an obstacle for lenders passing on RBI rate cut benefits.

"Public sector banks are unlikely to cut deposit rates as the competition to have a larger share of savings is heating up with private banks offering higher rates," said Suresh Ganapathy, head of financial research at Macquarie Capital Securities. "Banks are also competing with the government's other small savings schemes amid prevalent liquidity tightness."

"The differential between private and public sector bank deposit rates may widen as well, depending on liquidity and credit demand," he said.

"Reducing deposit rates is not going to be easy for banks now."

Since the past three RBI rate cuts, large banks have cut the MCLR (Marginal Cost of Funds based Lending Rates) in the range of 5-10 bps, according to Motilal Oswal.

Gold Futures Cross \$1,350 as Iran Tension and Federal Reserve Outlook Spur Demand

Bloomberg

Gold futures climbed above \$1,350 an ounce to reach a 14-month high as rising geopolitical tensions bolster haven demand ahead of next week's Federal Reserve meeting, when policy makers may move closer to cutting US interest rates. The metal has gained in 12 of the last 13 sessions. Investors are also pouring into exchange-traded funds backed by gold, with holdings rising to the highest since late February and one buyer making the largest block trade for iShares Gold Trust ETF in almost two months. A gauge of senior gold mining companies also gained on Friday, with AngloGold Ashanti leading the rally. Gold has surged in June, shaking off a lacklustre few months as investors brace for more uncertainty on global trade. Worries have esca-



'FAVOURITE PICK'
Billionaire trader Paul Tudor Jones said earlier this week that gold is his favourite pick in the next 24 months, and that if prices hit \$1,400, they will quickly move to \$1,700

\$1,400, they will quickly move to \$1,700. Still, investors shouldn't be too quick to attribute the recent rally purely to haven buying, as the dollar has also been a driver, said George Boele, coordinator of FX and precious metals strategy at ABN Amro Bank NV, pointing to trading over the past few hours. For example, "since the dollar started to move higher on deterioration in sentiment, the rally in gold prices has stalled."

Also, reports on Friday suggested that the Fed may not need to be in any hurry to trim rates, with US stores and factories reporting a pickup in activity last month.

Gold for August delivery settled 0.1% higher at \$1,344.50 an ounce on the Comex in New York. Earlier, it touched \$1,362.20, the highest since April of last year. Silver futures fell. On the New York Mercantile Exchange, platinum settled lower while palladium rose.

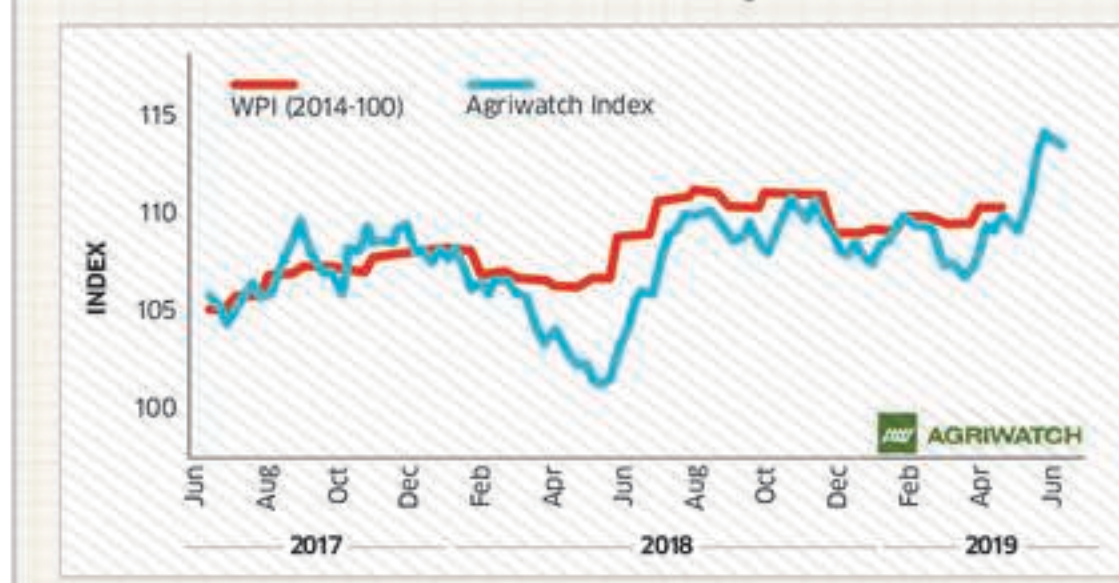
lated as the Trump administration blamed Iran for attacks on two oil tankers and US economic adviser Larry Kudlow warned that Beijing may face consequences if it refuses an invitation to restart talks. Gold also got help from bets that the Fed will lay groundwork for looser

monetary policy next week. "The news this week has been overwhelmingly gold-friendly," said Ole Hansen, head of commodity strategy at Saxo Bank. "We have cleared the first of a few major hurdles on route to a potential \$100 extension." Bullion may reach \$1,400

this year as investors hedge risk, according to Rhona O'Connell, head of market analysis for EMEA and Asia regions at INTL FCStone. Billionaire trader Paul Tudor Jones said earlier this week that gold is his favourite pick in the next 24 months, and that if prices hit

AGRI COMMODITIES INDEX DOWN 0.32% Pulses, Edible Oils Ease

The Agriwatch Agri Commodities Index fell 0.32% to 113.73 during the week ended June 15, 2019 from 114.09 the previous week as pulses and edible oils eased amid a broad based decline. Oilseeds, sugar, cotton and maize also declined while the notable gainers were the Onion Index (+0.05%) and Red Chili Index (+4.16%). The base for the index and all sub-indices is 2014 (=100). Six of the nine commodity group sub-indices and 21 of the 29 individual commodity sub-indices declined during the week. The group sub-index values and their weekly changes are: Cereals: 123.03 (-0.10%), Pulses: 127.38 (-2.01%), Potato & Onion: 73.05 (+4.58%), Edible Oils: 107.90 (-1.01%), Oilseeds: 104.41 (-1.24%), Spices: 124.92 (+1.36%), Sweeteners: 106.10 (-0.11%), Fibres: 125.27 (-0.37%) and Other Non-Food Articles: 97.77 (+2.18%). Further details can be viewed on the ET website and on Agriwatch.com.



Forex Markets Expose a Flaw in Trump's China Tariffs

For all of Trump's tough talk about punishing China, Americans may not see any meaningful markups on Chinese-made goods

Bloomberg

When Donald Trump boasted that a weakening yuan had nullified some of the punitive effect of his tariffs on China, he was highlighting, unwittingly perhaps, a crucial flaw in his foreign policy tool of choice: In an era of free-floating exchange rates, currencies adjust so quickly they can offset the intended impact of higher levies before they even take hold.

It's an inconvenient truth for the US in its escalating trade war with the world's only other economic superpower, and one that could complicate the president's efforts to use tariffs as a way to pressure America's major trading partners into making concessions.

After Trump raised tariffs on \$200 billion of Chinese imports

last month, the yuan quickly fell toward 7 per dollar - a level not seen since the financial crisis. The drop effectively reduced the price of Chinese imports in dollars and has blunted the cost shock of higher tariffs. (The same thing happened with the peso following a similar threat against Mexico in late May; the peso plunged over 2% in less than an hour.) So for all of Trump's tough talk about punishing China for what he considers unfair trade practices, Americans might not see any meaningful markups on Chinese-made goods.

"It illustrates the difficulty of trying to use tariffs to reduce your trade deficit in a global world," said Brad Setser, senior fellow at the Council on Foreign Relations and a former Treasury official.

In some ways, Trump's use of tariffs hearkens back to a very different era, when countries used

fixed-exchange rates under the Bretton-Woods agreement, which lasted from the mid-1940s to the early 1970s.

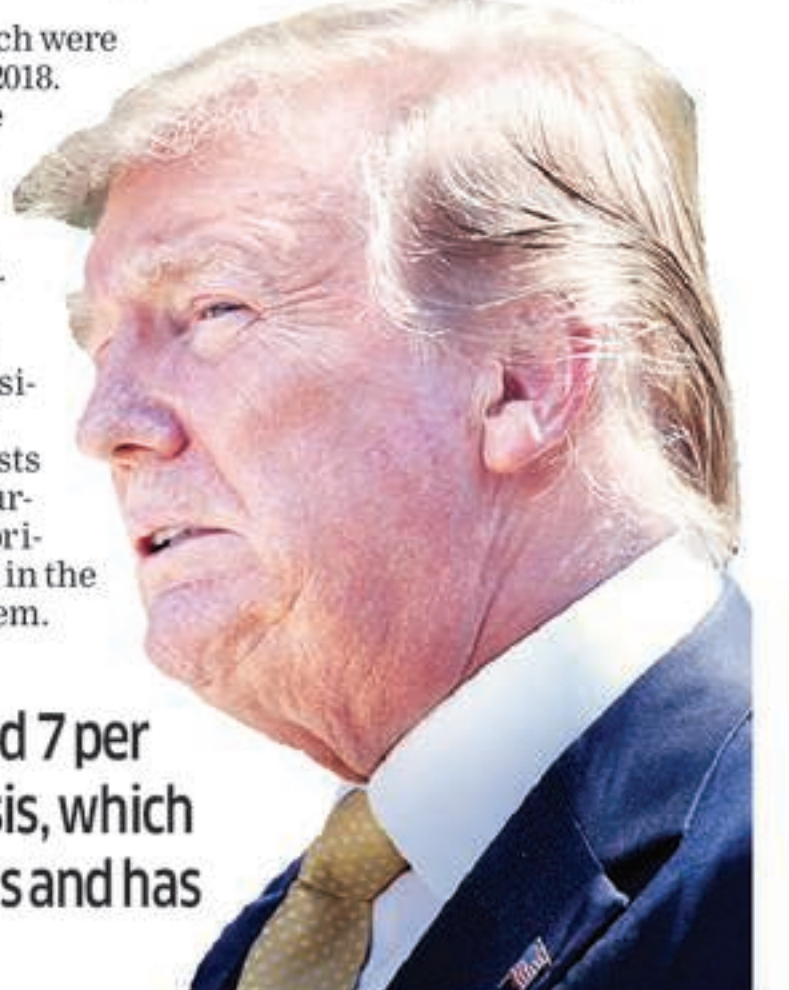
Of course, the yuan "floats" far less than most major currencies in global FX markets because of limits imposed by the People's Bank of China. But based on calculations by Robin Brooks, chief economist of the Institute of International Finance and former head of FX strategy at Goldman Sachs, its decline from 6.4 to 6.9 per dollar since last summer "roughly offset" the impact of the first two

BLUNTING EFFECT OF HIGHER TARIFFS

After Trump raised tariffs, the yuan fell toward 7 per dollar - a level not seen since the financial crisis, which reduced the price of Chinese imports in dollars and has blunted the cost shock of higher tariffs

rounds of US tariffs, which were first announced in June 2018.

These foreign-exchange adjustments are one of many reasons that economists generally take a dim view of tariffs. Not only do they trigger retaliatory tit-for-tat disputes that undermine business confidence and economic growth, but the costs that aren't offset in the currency market are borne primarily by the consumers in the countries that impose them.



PARCHED

FOR SOYABEAN, FARMERS need moist soil before they can plough farms and plant the seeds

IN MP, THE LARGEST producer of soya, rainfall has been more than 70% below average this month

If the rains are consistent once the monsoon sets in, then soyabean, maize and pulses crop will not be affected even with the delayed rain

AJIT KESAR, principal secretary, agriculture department, Madhya Pradesh

NEW VARIETIES
The traditional moong variety takes 85-90 days, while the short-duration crop needs 60-65 days for it to be harvested

has been late in central India, said Suresh Aggarwal, president of the Indore-based All India Dal Mills' Association. "The farmer is cautious as of now, and waiting for a proper rainfall," he said.

Farmers have to be trained to use short-duration seed varieties that can withstand erratic rainfall and dry phases in the monsoon season, he added.

The traditional moong variety takes 85-90 days, while the short-duration crop needs 60-65 days for it to be harvested.

In Chhattisgarh and Madhya Pradesh, planting of yellow peas will also be delayed, which would impact the planting of pulses in winter, Aggarwal said.

Even if there had been one spell of rain, farmers could have prepared the land for seed planting, said Kedar Sirohi, state president, Kisan Congress.

"If moisture level in soil is good, then germination and production are good. Till last year, in the same period, we had completed the soil preparation. At some places, farmers who have irrigation facility have started (planting) maize, yellow peas and cotton," he said.

Within Reach — the \$5 Trillion Economy

It's all about skilled, courageous politics

India as a \$5 trillion economy by 2024 — that is the vision that Prime Minister Narendra Modi presented before the nation at the NITI Aayog. To achieve this would be hard, he said, but not impossible. He is right. The Indian economy is estimated to have been \$2.74 trillion at market exchange rates in 2018-19, leaving aside all controversies over GDP estimates. From there to reach \$5 trillion in five years, the economy needs to grow at a compound rate of 12.8% every year. Growth in dollar terms would be a combination of growth in rupee terms and change in the exchange rate. If India achieves real growth in excess of 8%, maintains macroeconomic stability and registers steady rise in productivity that would allow the rupee to gain against the dollar, the target is achievable.

That is in theory. In practice, growing at that pace calls for political courage, to fix the broken school system and expand healthcare. No sustained growth is possible with a dysfunctional power sector. Utilisation of installed generation capacity is just over 50%, even as large tracts of the country go without power or run diesel generators to make up for the missing grid supply. Banks notch up non-performing loan numbers from power projects unable to sell power and service their loans. Politicians must find the courage to



ask people to pay for the power they consume, end open-ended power subsidies and stop patronising power theft. Another constraint is repressed urbanisation. The cost of land for a hospital, school or new factory complex is prohibitively high, thanks to artificially constrained supply of urban land. Releasing rural land for non-farm uses is bedevilled by absence of a coherent policy for making farmers stakeholders in urban prosperity. Amaravati in Andhra Pradesh seeks to change this.

Cropping patterns ill-suited to agro-climatic conditions are endemic, thanks to vested interests and the subsidies they extract. Ending this and removing shackles on farm marketing, call for reconfiguring internal and external trade policy and subsidies. That calls for both boldness and courage.

Piped Water Should be Sustainable, Too

The government's intent to provide piped drinking water to all households by 2024 is admirable ambition. The ground reality is that some three-fourths of all households lack drinking water at their premises, and five out of six rural households do not have access to piped water supply. Streamlined water supply would hugely boost ease of living nationwide, including by inducing people to use the toilets built for them. But this calls for proper allocation of resources, stepped-up conservation efforts, and greatly improved water management.

The way forward is to envision participatory demand-side water management and proactive decentralisation with administrative control over and accountability for maintenance and upkeep of local piping and sewerage systems vested in panchayats and local bodies. These must be trained in the economies of recycling and conservation of water. About 54% of India's groundwater wells are declining, even as groundwater provides 80% of our drinking water and nearly two-thirds of all irrigation needs.

In the last four decades, about 84% of total addition to irrigation has come from groundwater, which is plain unsustainable given the dropping water tables.

Agriculture accounts for four-fifths of water demand, and the way ahead to tackle the growing crisis nationally — 600 million people currently face high to extreme water stress — is to boost surface irrigation. Yet, state governments have long neglected investments in canal networks, and there's a growing gulf between irrigation potential and actual supply. Notice the rising recourse to groundwater. In parallel, we do need clear-cut norms for waste water recycling, stepped-up investment in sewage treatment plants and annual water audits for industry. A new mindset is called for on water.

The Nigerian who scammed an Indian showed that old tricks can catch new fools

Snake Oil Salesmen are Still Around

That anyone would fall for a snake oil scam today is almost unbelievable. But it's not for nothing that comen swear by the old axiom that "there's a sucker born every minute". That a Nigerian has been nabbed just last week for duping an Indian businessman from Vellore of ₹25 lakh in a fake oil scheme shows that the trick still works 200 years after it was first used by scammers in the US. Of course, these days, Ayurveda and herbs are the magic words to draw in credulous investors as snake oil has lost its cachet. Add to that the willingness of Indians to 'invest' in schemes that dupe others — only to be double-crossed and defrauded themselves, as in this case — and it is not surprising that intrepid snake oil salesmen are re-prising their old cons even now, albeit with a few more twists in the tale.

Of course, metaphorical snake oil salesmen rarely peddle fake cure-all these days; instead, all kinds of cons, from phony real estate deals to Ponzi schemes, are sold to an ever-ready pool of gullible people. So, perhaps the Nigerian was actually being cleverly counterintuitive by selling a fake herbal oil — apparently made with honey — rather than resorting to any of the more common modern-day shakedowns. Hopefully, the human hair he used to buy with his ill-gotten money in India and export to Nigeria for a hefty profit, was real.

STATE OF PLAY An India-US deal is possible if big picture pragmatism is kept in mind

Trade Big Ones From Small



Pranab Dhal Samanta

Two varying statements from the US — one seemingly promising, the other comparatively punishing — along with a delayed, but stiff Indian retaliation to the US announcing higher tariffs on Indian steel and aluminium last year, appeared to mark the contours of a widening gulf between both strategic partners this past week. In fact, when seen together, they convey a confusing picture: one where common purpose seems to have given way to chaos.

On June 12, US Secretary of State Mike Pompeo gave his big India policy speech, where he built a wonderful backdrop from the efforts of Bill Clinton and George W Bush down to Barack Obama. And how President Donald Trump is committed on the same bipartisan path.

Fire and Ice

He addressed bilateral differences over trade in that sanguine backdrop, as he explained the objectives of his upcoming visit to India next week ahead of the G20 summit. "As democracies, we come to our differences honestly, and we talk through them," he said.

The very next day, US Secretary of Commerce Wilbur Ross spoke a different language with a stronger tone. "I explained to the prime minister and others while I was in Delhi that the US Trade Representative (USTR)

would hold off on its GSP decision until after the election... but the USTR's substantive concerns need to be addressed to avoid a possible negative decision. They were not addressed and therefore... President Trump terminated India's GSP designation..."

The same day, India decided to impose retaliatory tariffs on high-value US agricultural goods as a response to US raising tariffs on steel and aluminium imports. India had held back on this as a 'goodwill gesture' because both sides were then trying to negotiate a trade deal.

Not only did the deal fall through, but Ross' promise of holding off the GSP threat until after election proved just too literal for comfort. Washington notified its decision on GSP a day after the second Narendra Modi Cabinet was sworn in. Surely, no miracle could have been achieved in 24 hours, for all the open economy reforms Ross had discussed with Modi when he visited India last month in the middle of the election process.

Contrast this with another development, where two powerful senators Mark Warner and John Cornyn moved an amendment, also on June 13, to the National Defence Authorization Act 2020. If it passes, this will automatically necessitate changes in the US Arms Export Control Act to include India along with Nato partners and allies like New Zealand and Israel for sale of sensitive military items.

India is already lining up big purchases that will add up to about \$10 billion. These include possibility of 30 armed Sea Guardians, 24 multi-role MH-60 'Romeo' helicopters and the National Advanced Surface-to-Air Missile System (Nasams) for the protection of the national capital territory of Delhi.



Now to return Pompeo's hand

This is big arms business. But US pressure, amounting to threat of sanctions, on India to not purchase the S-400 radar system may have a negative impact on this fastest-growing trade account called 'foreign military sales'. This is the reason Washington has made the offer to sell a ballistic missile defence system like the Terminal High Altitude Area Defense (THAAD) if India drops the S-400. The reason why India went to Russia was that earlier administrations were unwilling to open doors of conversation on selling such systems to India.

Collateral Benefit

The larger point is that what may appear a sticky wicket on the surface is actually a marketplace for opportunity, where India can gain access to the best of the US, which, in turn, puts it in a great bargaining position with other powers, be it Europe, Russia or even China.

Let's come back to trade. It's instructive to note that when the Indian side actually sat down to work the numbers after US withdrew GSP benefits this month, it assessed the losses could best be offset by becoming

more competitive on trade lines where the US has imposed higher tariff on China. Two tariff slabs — 10% and 25% — have been imposed on lines dominated by Chinese suppliers. India has identified some 267 lines where it can actually emerge competitive and possibly contain the damage from losing benefits under the GSP scheme.

This is not an optimal solution. But what it tells us in practical terms is the gains India can make from the US-China trade war. Vietnam alone has seen a 40% rise in exports to the US as American companies look to diversify supply chains. In fact, the question to ask is: is India losing out because of its own mini-war with the US? Shouldn't it be aiming for bigger gains?

For Trump, trade fights are absolutely critical in the run-up to the US presidential elections. India finds itself in a strange situation. On the one hand, it stands out as a partner, a potentially in the security sphere. On the other hand, it runs the risk of being bunched up in American public perception as a China-like country involved in a trade fight with the US.

India does not have the luxury of secured borders like other comparable powers. Its biggest threat comes from a dangerous nexus between China and Pakistan. Both are nuclear armed and their borders with India are unsettled. Worse, Pakistan has perfected the art of using terrorism as an instrument of State policy, and China has allowed that to grow, just like it paid lip service to proliferation concerns when it armed Islamabad.

The strategic choice, therefore, is quite clear for India, just as it's for Washington when it comes to assessing the positives New Delhi brings to the table. In other words, an India-US deal is possible — be it on trade, 5G or the future of Huawei — if big picture pragmatism is held up as the guide to set up the Modi-Trump conversation on the margins of the G20 in Osaka.

pranabdhal.samanta@timesgroup.com



THE SPEAKING TREE

Art of Living Inside Out

DADI JANKI

Speaking for myself, I don't know how to tell jokes, but when I see someone crying, I won't leave that person until I see him smile. I don't need to do anything but give peace and love to that person. Internally, I feel it is just a tiny thing they are holding on to, causing them to go around with such a gloomy face. But they are making others worried or afraid, thinking about what is going on in that person's mind.

People feel sorrow when they hold on to situations. They forget that the situations are external to them. All it takes is to let go. Once they achieve this, they become happy and peaceful again, and can begin to smile. How often have we looked back on a previous trouble, and wondered what the fuss was about?

The art of living inside out is such that it not only enables us to let go of that which is outside of us, but builds such strength as to avoid being trapped by it in the first place. When you let go of things that are outside of you, and become free, you will begin to feel a state of stability filled with such happiness that no matter what happens, you cannot lose it. Happiness has the power of peace and love, and you feel good. You have self-respect and feel yourself to be very strong, not someone who easily becomes upset and tearful.

You need to attend to the quality of thoughts that you allow into your mind. Let your thoughts be pure, elevated and determined. Then you will experience peace of mind.

What may appear a sticky wicket on the surface is actually a marketplace for opportunity, where India can gain access to the best of the US

WIT & WISDOM

"When I was a kid, my parents moved a lot, but I always found them."

Rodney Dangerfield
Comedian

FDI Flows Weaken

Global FDI flows continued their slide in 2018, falling by 13% to \$1.3 trillion, according to Unctad's latest World Investment Report. The decline — the third consecutive year of fall in FDI — was mainly due to large-scale repatriations of accumulated foreign earnings by US MNCs in the first two quarters of 2018, following tax reforms introduced by that country at the end of 2017. Despite the FDI decline, the US remained the largest FDI recipient, followed by China, Hong Kong and Singapore...

FDI inflows, top 10 host economies, 2017 and 2018 (in billion dollars)



Bell Curves ■ R Prasad



GDP DATA

Pick on Cherry-Picking



Vaidya Nathan

Noble laureate and University of Chicago economist Ronald Coase said, "If you torture the data long enough, it will confess to anything." In a recent working paper, former Chief Economic Adviser Arvind Subramanian has cast aspersions on the GDP data of GoI. Prima facie, the analysis seems to be a case of torturing data enough to make the confession of an overestimation — which euphemistically stated, is data mining to suit conclusions. So, do the conclusions truly hold?

The confession that the paper extracts from the data is that there is a large GDP growth overestimation to the extent of 2.5% after the 2011-12 methodology revisions. The first set of evidence the paper presents, which perhaps in the author's view is the most compelling, is that correlations between select few indicators and GDP growth have flipped post-2011.

Well, correlations have flipped in the 1980s-90s with or without methodology revisions. There were no GDP methodology revisions then. Moreover, several indicators were negatively correlated with GDP growth in the 1980s and 1990s as well. So, the claim that negative correlations between economic indicators and GDP growth is symptomatic of its measurement error is grossly misplaced.

Subramanian chooses to split the empirical analysis as pre-2011 and post-2011. A closer assessment of the choice seems like data mining to get preferred inferences. When we split the data in the paper one year before or after — as pre-2010 and post-2010 or pre-2012 and post-2012, we get identical results of both flipping and negative correlations, as in the paper.

It seems that the author cherry-picks

2011 for empirical convenience, to make us believe that 2011 was indeed a point of inflection coinciding with the GDP methodology change. In layman terms, it is as if a doctor is trying to convince you of an ailment that you don't have, even when empirical medical tests suggest nothing abnormal. So, the doctor manufactures evidence to substantiate his preferred postulations.

Another rudimentary, but important, error with the empirics of the paper is that the India sample size chosen is too small for any robust analysis. Consider the quantification of a large 2.5% over-estimation of GDP growth and a too-good-to-be-true confidence interval of 2%. The 2.5% estimate sounds remarkable. But the number of data points used to estimate it is too small to have any statistical significance.

Econometrics tells you that for estimates to have any reliability, you need to have at least 30 data points. The difference-in-difference estimate of a GDP growth over-estimation of 2.5% econometrically is the difference of a mean measured using 10 data points (2002-11) and a mean measured using mere five data points (2012-16) — both use much less than even half of the minimum required data points for any statistical significance.

The small standard error provides a

seemingly credible 2% confidence interval of the estimate — a consequence of using cross-sectional data of 71 countries. If the empirical setting was such that roughly half of the sample was used as control group (baseline measure) and the other half as treatment group, the reliability of both the 2.5% estimate and its confidence interval would have been high.

But the paper uses 70 countries as control and only one country (India) as treatment, something that is bad econometrics. Consequently, both the 2.5% GDP overestimation and its confidence interval are highly suspect.

Subramanian makes self-contradictory claims and draws mathematically incorrect conclusions. For instance, the paper claims that import growth less export growth was 1.1% pre-2011 and -0.9% post-2011 and that "such staggering declines are simply incompatible with stable underlying GDP growth". The evidence is correct, but the conclusion is not.

If imports outpaced exports by 1.1% in pre-2011, the effect on GDP growth mathematically is negative, which is exactly the opposite of what the paper claims. And if exports outpaced imports by 0.9% post-2011, the effect on GDP growth is positive and, therefore, self-contradicts the paper's conclusions. These could be oversights, but they are far too many to ignore.

India's GDP estimation process and methodology changes are not whimsical or capricious and have adequate checks and balances. The new GDP methodology is globally more comparable, as it takes into account far greater representation of the Indian economy and is, therefore, more reflective of the real state of the economy.

So, academic papers such as these that doubt the improved methodology and then torture data to draw misleading empirical conclusions to sensationalise, don't help our economy's cause in any way. Nor do they advance scholarship.

The writer is faculty director, postgraduate programme in finance, Indian School of Business



Citings

On Growth Prospects

ROBERT GORDON

This book is based on an important idea having innumerable implications: economic growth is not a steady process that creates economic advance at a regular pace, century after century. Instead, progress occurs much more rapidly in some times than in others. There was virtually no economic growth for millennia until 1770, only slow growth in the transition century before 1870, remarkably rapid growth in the century ending in 1970, and slower growth since then. Our central thesis is that some inventions are more important than others, and that the revolutionary century after the Civil War was made possible by a unique clustering, in the late 19th century, of what we will call the 'Great Inventions'...

This book adopts the 'special century' approach to economic growth, holding that economic growth witnessed a singular interval of rapid growth that will not be repeated — the designation of the century between 1870 and 1970 as the special epoch applies only to the US, the nation that has carved out the technological frontier for all developed nations since the Civil War. This book's focus on the US, however, does not deny that other nations also made stupendous progress, that western Europe and Japan largely caught up to the US in the second half of the 20th century and that China and other emerging nations are now well on their way in the catch-up process to the techniques and amenities enjoyed by the developed world.

From "The Rise and Fall of American Growth: The US Standard of Living Since the Civil War"

Chat Room

Corrective Steps in Healthcare

Apropos 'Intensive Don't Care Unit' by Binayak Sinha (Jun 15), family members of patients must understand that doctors make efforts more than perfunctory and do their best to care for, cure and save their dear ones. On their part, doctors should confide in patients and their relatives the treatment procedure — especially when it comes to serious or almost incurable illnesses. Even so, doctors cannot go on an indefinite strike as their work falls within the 'essential services' category. It has now become absolutely imperative for the doctors to call off the strike in the noble spirit of their calling.

G DAVID MILTON
Marathancode

Reactive Levies are Too Soft

This refers to the news report, 'After Multiple Pauses, India to Raise Tariffs on US Goods' (Jun 15). 'Retaliatory levies' by the government on US products are unlikely to hurt American exporters. In certain categories, such as almonds and apples that constitute bulk of the import basket, there isn't much competition for the American products. In that case, only the Indian customer stands to suffer by paying higher prices. If the objective of the 'retaliation' was to inflict pain and losses on the exporters of these commodities, it stands defeated.

KRISHAN KALRA
Gurugram

Right Direction for Auditors

Apropos the Edit, 'Rupture in India's Accounting History' (Jun 14), PwC's action would eventually strengthen auditing in general. The auditors should be aware that though they are paid by the company, they are accountable to the shareholders, who are the real stakeholders. They are also accountable to the government if the company commits any illegal or unlawful activity. The government could create an institution for an additional random check on the auditors, financed by a fixed percentage of the auditors' fees.

K RAJENDRAN
Chennai

Right Direction for Auditors

From "The Rise and Fall of American Growth: The US Standard of Living Since the Civil War"

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QUICK HITS

Saudis Say Shi'ite Man Arrested as Juvenile Will Not Be Executed

New York: A young man from Saudi Arabia's minority Shi'ite Muslim community who was arrested at the age of 13 will not be executed and could be released by 2022, a Saudi official told Reuters on Saturday following reports of his pending execution. Murtaja Qureiris, who was detained in September 2014, has received an initial 12-year prison sentence with time served since his arrest and four years suspended for his young age, according to the official, who spoke on the condition of anonymity. "He will not be executed," the official added. *Reuters*

2 Dead After Light Planes Collide Mid-air in NZ

Melbourne: Two light aircraft collided mid-air on their final approach at a regional aerodrome in New Zealand on Sunday killing both pilots, police said. Four parachutists on board of one of the planes had jumped shortly before it crashed with the other plane, a training aircraft. A helicopter, also preparing to land, managed to avoid the collision. There was no immediate information about a potential cause of the crash and the police would not release the names of the victims, saying they were still trying to locate family members. *Reuters*

S-400s Delivery for Early July: Turkey's Erdogan

Ankara: Turkey expects the delivery of the controversial Russian S-400 missile defence system to begin in July, President Recep Tayyip Erdogan was quoted as saying in Turkish media on Sunday. "I believe (S-400s) will begin to arrive in the first half of July. Colleagues in charge of the schedule are following the issue," Erdogan said according to CNN Turk broadcaster. Ankara's deal with Moscow has been a major source of tension between Turkey and the United States, with Washington threatening consequences including sanctions against its fellow NATO member. *AFP*

Israel PM's Wife Convicted of Misusing Public Funds

Jerusalem: An Israeli court on Sunday convicted the wife of Prime Minister Benjamin Netanyahu of fraudulently using state funds for meals, under a plea bargain which dropped more severe charges. In a deal approved by judge Avital Chen, Sara Netanyahu was found guilty of using the errors of government accounting staff to bypass spending restrictions. She was fined 10,000 shekels (\$2,800) and ordered to reimburse the state a further 45,000 shekels. *AFP*

Massive Protests Draw Apology from Hong Kong Leadership

Protesters demand resignation of Hong Kong CEO Carrie Lam over extradition debacle

Hong Kong: Hong Kong citizens marched for hours on Sunday in a massive protest that drew a late-in-the-day apology from the city's top leader for her handling of legislation that has stoked fears of expanding control from Beijing in this former British colony. The demonstration looked likely to match in scale one a week earlier that brought as many as 1 million people out to express their concern over Hong Kong's relations with mainland China in one of the toughest tests of the territory's special status since China took control in a 1997 handover. Well after dark, crowds gathered outside the police headquarters and Chief Executive Carrie Lam office. On Saturday Lam suspended her effort to force passage of the bill, which would allow some suspects to be sent for trial in mainland China.

The move did not appease Hong Kong residents angered over the plan who see it as one of many steps chipping away at Hong Kong's freedoms and legal autonomy. Opponents worry the law could be used to send criminal suspects to China to potentially face vague political charges, possible torture and unfair trials. Protesters are also angered over forceful tactics by police in quelling unrest at a June 12 demonstration.

Britain-based PIO, 11, Cracks Mensa with Top IQ Score

London: An 11-year-old Indian-origin schoolgirl has secured the highest-possible marks on a British Mensa test and was invited into the elite Mensa membership club of children with a high IQ. Jiya Vaducha scored the highest-possible marks of 162 on the Cattell III B paper recently.

"As parents we are absolutely elated about Jiya's achievement. From a very young age, she displayed characteristics of someone with a high intellect but by scoring 162, she has completely surprised us," said Jiya's mother Bijal, an accountant by profession who runs a software consultancy Schnell Solutions Limited with her husband Jignesh.

"Now the real task begins for us to ensure she gets the opportunities where she is able to fulfil her full potential," she said, whose extended family is based in Mumbai. Congratulations have been pouring in from friends and family around the world, with Jiya turning into a mini-celebrity as her autograph is sought by some of her schoolmates ever since the results came out earlier this month. *PTI*



Protesters dressed in black take part in a new rally against a controversial extradition law proposal in Hong Kong

Periodically, the shouts of the protesters standing shoulder-to-shoulder in front of the police headquarters would crescendo in a roar that reverberated through the narrow concrete canyons of the red-light district of Wanchai. Smaller crowds stood chanting outside Lam's office building.

The statement issued late Sunday said mentioned the demonstrations and said the government "understands that these views have been made out of love and care for Hong Kong".

"The chief executive apologised to the people of Hong Kong for this

PROTESTERS ARE ALSO ANGERED OVER FORCEFUL TACTICS BY POLICE IN QUELLING UNREST AT A JUNE 12 DEMONSTRATION

and pledged to adopt a most sincere and humble attitude to accept criticisms and make improvements in serving the public," it said. The marchers want Lam to scrap the extradition bill, which is supported by the communist leadership in Beijing, and to resign.

The crowds filled a wide thoroughfare and side streets paralleling the waterfront of Victoria Harbor as tourists and shoppers who drive much of the Asian financial hub's economy looked on.

At the march's end, hundreds sat wearily around the city government headquarters. "Our demands are simple. Carrie Lam must leave office, the extradition law must be withdrawn and the police must apologise for using extreme violence against their own people," bank worker John Chow said as he marched with a group of his friends. "And we will continue." *AP*

Saudi Crown Prince Accuses Rival Iran of Tanker Attacks...

Dubai: Saudi Arabia's Crown Prince Mohammed bin Salman said in remarks published on Sunday that the kingdom will not hesitate to confront threats to its security and joined the US in accusing its bitter rival Iran of being behind the attacks on two vessels travelling near the Strait of Hormuz, a vital trade route for Arabian energy exports in Asia.

"The US has blamed Iran for the suspected attacks on two oil tankers, denouncing what it called a campaign of 'escalating tensions'. The US alleges Iran used limpet mines to target the tankers, pointing to black-and-white footage it captured that American officials describe as Iranian Revolutionary Guard troops removing an unexploded mine from the Japanese-operated tanker Kokuka Courageous.

The Japanese tanker's crewmembers described "flying objects" as having targeted the vessel, seemingly contradicting the assertion that limpet mines were used. In an interview with the Arabic-language newspaper Ashraq al-Awsat, Prince Mohammed said Iran disrespected the visit to Tehran by the Japanese prime minister last week and responded to his diplomatic efforts to reduce regional tensions by attacking the two tankers.

The crown prince, however, offered no evidence to back up his al-



Mohammed bin Salman

...Says Aramco's Planned IPO Is on Track

Dubai: Saudi Crown Prince Mohammed Bin Salman said Aramco will go through with an initial public offering as soon as next year, though no decision has been made on where the stock will trade.

The world's top crude exporter aims to offer Aramco stock on its domestic exchange and at least one international bourse, with the prince projecting the company's value at about \$2 trillion. Aramco's financial performance, revealed in April, indicated a valuation closer to \$1.2 trillion if investors judge it by the same metrics as other oil companies.

"We are committed to the Aramco IPO, given the proper circumstances and the right time," the crown prince said in an interview with Ashraq Al-Awsat newspaper published Sunday. "It will happen between 2020 and early 2021, and setting the location of the IPO now is premature." Selling stock in New York, London or an Asian exchange — some of the speculative options — could tap a broader investor base. *Bloomberg*

In recent weeks, the US has sent an aircraft carrier strike group and other military assets to the region in what the military says is defensive posturing aimed at Iranian deterrence. *AP*

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

Record Set as Babe Ruth Jersey Sells for \$5.6 Million



A New York Yankees jersey worn by baseball legend Babe Ruth was sold at auction for a record-breaking \$5.6 million, a statement said on Saturday. Hunt Auctions said the jersey, which dates from the 1928-1930 period of Ruth's career, went under the hammer for \$5,640,000, making it the most expensive piece of sports memorabilia ever sold. "The legacy and significance of Babe Ruth to the game of baseball and American popular culture is unmatched by any other figure in the history of this country," president of Hunt Auctions David Hunt said in a statement. "While the record-setting prices attained today are certainly astonishing I am not surprised at all given the incredible materials and the mythical status the Babe holds in the history of this country." The jersey was from Ruth's private family collection and was part of a collection of items auctioned at Yankee Stadium on Saturday. The identity of the buyer was not disclosed. Saturday's sale shattered the previous record for sports memorabilia of \$4.4 million, also for a Ruth jersey, set in 2012. *AFP*

Putin Presents Xi with Birthday Ice Cream

Russian President Vladimir Putin presented his Chinese counterpart Xi Jinping with a giant box of ice cream for his 66th birthday before a summit in Tajikistan on Saturday, the Kremlin said, in a sign of the pair's warm ties. "Happy birthday, my best wishes... I am delighted to have a friend like you," Putin told Xi, according to the Kremlin website. The two leaders met in the Tajik capital Dushanbe for the fifth summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA), which brought together delegations from 27 countries including Iran and Qatar. Xi last week made a three-day visit to Russia to visit Putin, whom he described as his "best friend", as the two countries seek to bolster ties amid shared tensions with the US. "We came with good gifts," Putin said on Saturday before presenting a huge box full of Russian ice cream as temperatures in Dushanbe sweltered above 30 degrees Celsius. Other presents included a cake and an ornate vase. *AFP*



Indonesian YouTube Stars Get Chance for University Place

An Indonesian university is offering would-be students a novel way to gain admission to the faculty — become a YouTube star first. Through a special admission scheme, the National Development University Veteran Jakarta (UPNVJ), is offering places to YouTubers who have a channel with at least 10,000 subscribers and have created original content that has been viewed more than 100,000 times. Those who meet the criteria will be further tested by having to create a new video of between three to five minutes duration. University places are highly competitive in Indonesia, the world's fourth most populous country, with over 260 million people. Social media websites are also wildly popular across the archipelago, with research showing people spend an average of over three hours a day online — one of the highest rates in the world. *AFP*

Japan Town Trying to Recycle All Its Waste

Plastic, paper, metal? In Japan's Kamikatsu, sorting rubbish isn't that simple. Residents face a mind-boggling 45 separate categories for their garbage as the town aims to be "zero-waste" by 2020. And that's not all: there isn't even trash collection. The 1,500 residents of the town in western Japan have to transport their waste themselves to a local facility. "Yes, it's complicated," said Naoko Yokoyama, a 39-year-old resident who had brought her trash to the town's waste centre. "But I have become more environmentally conscious since I moved here a year ago," she told AFP. The categories cover everything from pillows to toothbrushes as the town aims to recycle all its waste, sending nothing to incinerators, by next year. At the town's waste facility, there are dozens of different boxes for each category. *AFP*

Crossword

7435

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

- DOWN**
- When auditors arrive to settle your accounts? (3,2,9)
 - Briefly investigate Casanova? (4)
 - The War Cry hit heart of France (6)
 - Nearly interrupt suspect describing Peeping Tom (8)
 - Couple gathered one up (4)
 - Kid's vehicle got round bigger one (2-4)
 - To take main artery's suitable (14)
 - Fabric like 21 was staggering, so I've heard (5)
 - Praise old road tax that's been cut (5)
 - Live programmes on ship broadcast across northeast (5-3)
 - Group of Christadelphians create city on Parnassus (6)
 - Sort of revolution controlled by Havel veterans? (6)
 - Where many park in stockbroker belt (4)
 - Man boasted (4)

- ACROSS**
- A girl into maths worked out these numbers (14)
 - Old Irish politician tucked into pork snack (3,3)
 - Potter smashed matrices (8)
 - Captive prince is working with his mother? (8)
 - Free former redcap in centre of Exeter (6)
 - Shout about European record that's disturbing (6)
 - Old Greek coin in gallery controlled by sister (6)
 - Cry of approval interrupting brother's dance (6)
 - Even Pole angrily stamps on this (8)
 - Boost truck travelling across Middle East (4-2-2)
 - Half preventing disease derived from milk (6)
 - Dams generating amazing increase in power (14)

Dilbert

by S Adams

DID YOU READ MY SUGGESTIONS ON THE USER INTERFACE?

YES, BUT WE'LL NEED A BIGGER BUDGET IF YOU WANT TO MAKE THE USER INTERFACE SO EASY THAT EVEN YOU CAN USE IT.

JUST MAKE IT SO THE AVERAGE IDIOT CAN USE IT.

WE DID, BUT WE DIDN'T ANTICIPATE ANY BELOW-AVERAGE IDIOTS.

HIDATO FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1-72 connect horizontally, vertically or diagonally.

54	1		45	46	
56	57		40	43	
	60			30	29
6				36	
				25	23
		66	68		
	10	12	71	18	19
				72	16

Yesterday's puzzle solution.

47	46	43	42	40
48	45	44	39	41
49	56	57	37	38
50	55	58	36	32
51	54	59	35	33
52	53	63	34	23
30	29	28	26	5
22	26	9	8	4
21	19	10	3	2
20	18	11	12	6
17	16	15	14	13

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 not quite a center (4)
- 2 like old mascara (6)
- 3 set of strategies (8)
- 4 talk show host Griffin (4)
- 5 foraging (10)
- 6 stick-in-the-mud (7)
- 7 hot shower quality (10)

SOLUTIONS

INE	TR	CLU	NG	ME
SC	LL	OOK	AM	MPY
STE	PL	KI	OT	NGI
AYB	SS	ROU	RV	JOY



KOHLI FASTEST TO 11K
Virat Kohli became the fastest batsman to reach the landmark total of 11,000 runs in ODIs during Sunday's World Cup match against Pakistan. Kohli reached the 11,000 mark in 222 innings – beating the previous record held by compatriot Sachin Tendulkar who took 276 innings to rack up that total.

WORLD OF CRICKET

WATCH OUT!
TODAY
WI vs BAN
3:00PM
Star Sports

Ready for Short Stuff

Bangladesh prepared to tackle barrage of bouncers by West Indies pace unit

Foster Niumata

Short balls are coming and Bangladesh is ready. The batsmen have been taking bouncers in the nets in expectation that West Indies tactics will not change when they meet in a Cricket World Cup group match on Monday at Taunton.

Short-pitched deliveries have delivered for West Indies: seven wickets against Pakistan, five against Australia, and two against South Africa before the match was rained out.

"We back ourselves to get new ball wickets," West Indies captain Jason Holder says.

Asked if he regretted bowling short unsuccessfully in the loss to England last Friday, Holder says, "No regrets."

Bangladesh is fully aware of the West Indies fast bowlers' abilities, having faced them in four tests (split 2-2), and nine one-day internationals (Bangladesh leads 7-2) in the past year. The pitch, conditions and strategy will be different at Taunton, but Steve Rhodes, coach of Bangladesh over the past year, is confident they can handle the West Indies bouncers.

"I'm very, very happy with the way we play the white ball, particularly when it's short," Rhodes says.

I'm very, very happy with the way we play the white ball, particularly when it's short. We've played against the West Indies bowlers, recently. So we are well aware of what they have got and we know what's coming and we've got some plans to try and deal with that

STEVE RHODES, Bangladesh coach

"We've played against the West Indies bowlers, recently. So we are well aware of what they have got and we know what's coming and we've got some plans to try and deal with that."

"We've got some good players ourselves. We'll be hopeful that they are going to worry about some of our players."

Because of the washed out game against Sri Lanka, Bangladesh has had almost a week off, which has been enough time for allrounder Shakib Al Hasan to get over straining his left thigh while scoring a century against England.

Meanwhile, the West Indies will persist with its own star allrounder, Andre Russell, despite him limping off at the Rose Bowl against England after bowling only two overs. Russell's creaky knees are struggling to allow him to complete games.

"We have been trying our best to keep him on the park, but it is proving difficult," Holder says.

"We have to persist. He is here for a reason. He can be a match-winner for us. We have just got to cope with him. Got to do everything we possibly can with him to keep him on the park."

The risk is worth it?

"Yes."

After four games each, they have one win each. It's time to get moving if West Indies want to reach its first World Cup semifinals in 23 years, and Bangladesh for the first time.

Holder says, "We have got to make sure we beat Bangladesh."

Rhodes says, "All we can do is win our games coming up, one at a time. West Indies is next, and try and win that."



Of Climate & Cricket

This World Cup might be the first real exhibition of the effects of climate change on cricket's ecosystem, and economy



MAIDEN OVERS
SNEHLA PRADHAN
Former India Cricketer

With three abandonments and one no-result in a week, the ICC Men's Cricket World Cup is officially the wettest tournament of all time. And no one knows how much worse it can get, with the UK punters reportedly taking bets on the island seeing its rainiest ever June. #ShameOnICC trended on Twitter, unfairly, considering June in the UK has been statistically drier than July and August over the last five years. But #ICCDidItsBest isn't as catchy, is it?

Sure, maybe covers for the entire ground is a good idea, and reserve days will certainly be taken more seriously in the next World Cup spreadsheet. But how about a deeper look at possible reasons behind what International Cricket Council (ICC) chief executive, David Richardson, described aptly as "extremely unseasonable" weather. Or will we not notice it because we are so used to the misbehaving mercury?

This World Cup might be the first real exhibition of the effects of climate change on cricket's ecosystem (and economy), one where cricket is a direct victim, not just collateral damage. For years now we have lived on the fringes of this issue; India Premier League (IPL) matches have been moved because of drought, heatwaves in Australia have hospitalised Test cricketers, and last year, two hurricanes ravaged through the Caribbean, destroying cricket grounds in Anguilla and Dominica besides much else. Playing a fundraiser at Lord's is fine, but does top-flight cricket owe the environment more?

After an IPL match in Pune last year, I saw piles of unsegregated but recyclable rubbish left behind. At this World Cup, the crowd are all banging together plastic frankfurters that are destined for landfills. As the game expands, so does its carbon footprint, primarily through the sheer number of flights involved. And ironically, cricket, of all sports, is most beholden to the weather because of the game's most unique element — the pitch.

Some individuals, clubs and teams know this. A more sustainable future is being mapped out at the most traditional club in the world, Lord's. Among the staff at the Home of Cricket is Russell Seymour, cricket's first full-time Sustainability Manager. Seymour is also a founder of BASIS, the British Association

AS THE GAME EXPANDS, SO DOES ITS CARBON FOOTPRINT, primarily through the sheer number of flights involved. And ironically, cricket, of all sports, is most beholden to the weather because of the game's most unique element — the pitch



Fans have been sharing memes on social media platforms to express their disappointment as this cricket World Cup has seen a record number of abandonments due to rain

for Sustainable Sport.

"We haven't sent rubbish to landfill since 2010. In terms of carbon, we have reduced our overall footprint by 82% since then, mainly by switching to 100% wind-generated electricity," he told this writer in an interview earlier this year.

When the World Cup final rolls into Lord's, it will be played at a venue that uses reusable cups for drinks and donates their edible food waste to charity (They estimate saving 1.65 tonnes of food last year, providing over 3,800 meals to people in need).

Closer home, the BCCI last year signed a letter of intent with the United Nations, aiming to green their operations, although no one is quite sure what that means. And in the IPL, the Royal Challengers Bangalore (RCB) have claimed to be the world's first carbon positive cricket team since 2013, although no one is quite sure who crowned them so. What is more certain is that at the Chinnawamy Stadium lies solar panels capable of generating 400 kW of energy, which power the stadium. And away from the ground, the franchise coordinates with the local transport authorities to have more buses plying on match days, allowing fans to leave their cars at home.

Kolkata Knight Riders (KKR) have made similar moves, like replacing the plastic sticks on flags given to fans with those made from recycled paper. They have even gone so far as to ask sponsors to refrain from distributing plastic handouts. Their 'Plant a 6' initiative, championed by co-owner Juhi Chawla, sees them plant as many saplings as sixes hit at Eden Gardens every IPL season.

Is this enough, or more importantly, is it making a difference at all? Unlikely Cricket and other sports are waging this battle in a far corner, a speck in the war against climate change. But in a country of a billion fans, our sport is a powerful amplifier. Who are your children more likely to listen to, their school teachers or their favourite sportspersons? And if your home ground — servicing tens of thousands — can go green, why can't your home? The Wet World Cup might be the wake-up call we all need.

SHORT OF LENGTH

PCB Complains to ICC on Star Sports' WC Advert

A peeved Pakistan Cricket Board has filed a complaint with the ICC about a television commercial (TVC) by host broadcaster Star Sports which they have found "objectionable". The ICC mandarins have had a quiet word with the broadcasters and told them about PCB's objections with regards to the TVC. Top BCCI officials are in knowledge of the issue but have stayed away as this doesn't concern them.

"Yes, Ehsan Mani on behalf of PCB has intimated the ICC raising objection on the content of the TVC. I am not sure if Mani has written a letter or had telephonic conversation but we have come to know that an objection has been raised," a senior BCCI official privy to the controversy said on conditions of anonymity. In their build up to Sunday's marquee World Cup encounter, the Star Sports released a TVC, an extension of the infamous and crass 'Mauka Mauka' advertisement where the Indian fan terms himself as Pakistani fan's 'baap' (father). The context of the advertisement was Pakistan losing all six World Cup encounters till date. The commercial shows a Bangladeshi fan asking a Pakistani fan about Sunday's encounter. The Pakistani says that his 'Abbu' (father) used to tell him that one should keep trying and suddenly an Indian fan says "Maine kab kahaa" (When did I tell you?). It has been learnt that ICC has already spoken to the Star Sports on this issue.

Change in Finch's Mindset

Aaron Finch says it was a slight change in mindset and technique that helped him overcome a dismal Australian summer that even raised questions over his place in the ODI side, both as player and captain. The Australian skipper is now back to his best and bludgeoned 153 from only 132 balls at the Oval on Saturday to lead the defending champions to an 87-run win over Sri Lanka. He is now the top run scorer in the World Cup, has equalled Jason Roy for the highest individual score of the tournament so far and also over-taken Ricky Ponting for highest individual score by an Australian captain at a World Cup. All of that comes after a miserable summer back in Australia that saw him dropped from the Test side and fear for his ODI captaincy. "My technique has tightened up slightly, there are a few technical things I have worked on. Sometimes you change some things but you don't get rewarded straight away for the work you put in behind the scenes. So it's nice to get that reward," said Finch. "I changed my mindset a bit more than anything. I stated to doubt my game in the Australian summer, there were a lot of times when I was questioning every decision I was making, technical, physical, mental, looking for an answer and you don't know what the answer is. It was a really great learning for me." "It would have been nice to have that at 22 not 32, but what I learned is you can strip it back as much as you want but it doesn't change the basics of the game. Defend the good ball and then score runs."



ARCHERY WORLD CHAMPIONSHIPS

India Settle for Men's Recurve Team Silver

The Indian men's recurve team cracked under pressure against China to settle for a silver in the Archery World Championships on Sunday. Seeking a maiden gold in the World Championships, India led 27-26 midway into the first set but the trio of Tarundeep Rai, Atanu Das and Pravin Jadhav let the opportunity slip later in the summit clash. The Chinese team produced a solid and consistent performance as they capitalised from the second set to seal a 6-2 win. India thus ended their campaign with one silver and two bronze medals won in the women's compound team and individual events.

Sarri Takes Charge at Juventus

Maurizio Sarri was named new coach of Juventus on Sunday after his exit from Chelsea following a troubled single campaign in London was confirmed by both clubs. Sarri returns to Italy on a three-year deal just a season after leaving Napoli for Stamford Bridge, where he failed to garner fan support despite winning the Europa League and returning the Blues to the Champions League thanks to a third-placed finish in the Premier League. "Maurizio Sarri has returned to Italy, where he has coached for the majority of his career. And from today, he will take over the reins at Juventus with a contract until June 30, 2022," Juventus said in a statement.

Returning Sharapova Inspired by 'Ultimate Fighter' Nadal

Martyn Herman

Maria Sharapova says she will draw inspiration from Rafael Nadal's incredible powers of recovery as she resumes her injury-hit career on the Spanish great's island next week.

The 32-year-old Russian has not played a competitive match since pulling out of the St Petersburg Open in January and underwent surgery on her right shoulder a few weeks later.

She returns to action next week at the Mallorca Open grasscourt event as she prepares for Wimbledon, the tournament that launched her to fame and fortune 15 years when she claimed the titles as a teenager.

Sharapova was already train-

ing on grass in the sunshine Balearic isle while Nadal was winning his record-extending 12th French Open last weekend, having battled back from knee injuries. "He is the ultimate fighter and an amazing example of what you can achieve if you have the will and the passion for what you do," Sharapova said on Sunday.

"I've always admired the way he has fought through all the injuries he's had and he's the greatest example of that. The sport is so physical, especially the way he plays, but brings an optimistic perspective on his work that he can come back and be a champion. He is extremely motivated."

Five-time Grand Slam champion Sharapova, ranked 86th in the world, says she is pain free and



happy to be back on court, although admits the real test will be in matches. "The shoulder is doing well, I took my time in order to come back to my first event and feel that I have a really good chance at it," Sharapova said. "With every match it will be a good test, but I need to get it out into the battlefield to test it."

"You can heal all you want but when you get back to your sport it's a different ball game."

Sharapova admits few people will "give her a shot" at challenging for the Wimbledon title, but believes she has a chance of making an impact if her shoulder holds up.

Sharapova is scheduled to play her first match on Tuesday.

Reuters

Argentina Stunned

Messi misses a chance as Rodriguez help Colombia beat Argentina after 12 years

Debora Rey

James Rodriguez got the best of Lionel Messi in the Copa America, leading Colombia to a 2-0 win over Argentina in their opening game in the South American tournament on Saturday.

Rodriguez set up Roger Martinez's opening goal in the second half with a high, diagonal pass across the field, and substitute Duvan Zapata scored late to seal the victory that allowed Colombia to end a 12-year winless streak against the Argentines.

Messi had missed a chance to put Argentina in front, sending a close-range header off target as his team opened the tournament with a loss for the first time since 1979. "Our best player was the entire team," Colombia coach Carlos Queiroz said.

"The next match will certainly be more difficult, this is only the beginning."

Both Argentina and Colombia are trying to end title droughts, with the Argentines winless since the 1993 Copa America and the Colombians without a trophy since the 2001 edition.



Argentina lost the finals of the World Cup in 2014 and the Copa America in 2015 and 2016, where it lost both of the latter in penalty shootouts against Chile.

Colombia's last win over Argentina was in South American qualifying for the World Cup in 2007. "It had been a long time (without beating Argentina)," Zapata said. "Everyone in Colombia is very happy, but there is still a long way to go in the Copa, we still have important matches ahead."

Messi and Rodriguez had a mostly quiet match in Salvador, although Rodriguez provided the assist for Martinez's 71st-minute opener. The playmaker gained possession

inside Colombia's own half before picking out Martinez with a long pass. The forward brought the ball down on the left flank before cutting into the penalty area and shooting into the far corner of the net.

"We are disappointed because they scored a great goal when we were playing better," Messi said. "It will take some time to accept this defeat, but we have to take the positives from today and move on to try to win the next match. We still have plenty of chances."

Argentina's first loss in a Copa America game in regulation time since 2007 was confirmed in the 88th minute. Five minutes after entering the match, Zapata converted from Jefferson Lerma's cross.

Argentina striker Sergio Agüero and Colombia veteran Radamel Falcao also couldn't do much to help their teams break through their opponents' defense in a tense opening match in Group B.

"We improved in the second half and created chances," said Argentina coach Lionel Scaloni, who complained of the bad field conditions at the Arena Fonte Nova. "We still have two matches left and if we win them we will certainly advance."

Argentina will next play against Paraguay in Belo Horizonte, while Colombia will face Qatar in Sao Paulo.

Earlier Saturday, Peru was held by 10-man Venezuela to a 0-0 draw in Group A, a result that left both teams two points behind host Brazil, which opened with a 3-0 win over Bolivia on Friday in Sao Paulo.

AP

Risking Everything in Football's 'Red Zone'

An unending schedule of matches, competitions and championships is wearing out the world's best players.

Rory Smith

It was nearly five years ago, in December 2014, when Arsene Wenger, with that concerned, patrician demeanor of his, first voiced in public his fear that Alexis Sanchez was running the risk of burnout.

Sanchez, a forward, had arrived at Arsenal the previous summer, on the back of not only a demanding season for Barcelona but a draining World Cup; Sanchez had shone as the star of Jorge Sampaoli's all-action Chile team in Brazil.

He had taken to the Premier League quickly, but Wenger, his manager, worried that his competitiveness, his refusal to countenance the idea of a break and a rest, might come to trouble him. Sanchez, nearing his 26th birthday at the time, was playing in "the red zone," Wenger said, thanks to his commitments for both club and country. "Unfortunately," Wenger said, "you never know how far you can push it."

In the years that followed, Wenger would issue the same warning half a dozen times. They all went unheeded. Not only did Sanchez refuse to consider the idea of sitting out a game for Arsenal, he never ignored a call from his nation. He came to exist, almost exclusively, in the red zone: winning the Copa America on home soil in 2015 and then again in a special edition in the United States the next summer.

In 2017, he was in Russia for the Confederations Cup. In 2018, now a Manchester United player, he finally had the summer off. It was not one he had planned: Chile, the South American champion, did not qualify for the World Cup. It would prove a fleeting excep-

tion. Despite missing vast stretches of the most recent Premier League season through injury, Sanchez was back at Santiago airport this month, ready for a flight to Brazil. There was another Copa America to play.

The same, of course, can be said not only for several of his Chile teammates but for a host of players from Argentina, Brazil, Colombia, Peru and Uruguay, all of whom played at the Copas in 2015 and 2016, in the 2018 World Cup, and now have another Copa this year.

The issue of overloading players is not a uniquely South American phenomenon; the demands placed on European and African players seems to be growing exponentially, too.

The issue of overloading players is not a uniquely South American phenomenon; the demands placed on European and African players seems to be growing exponentially, too



Europe's season only officially ended last week, in mid-June, with a set of qualifiers for next year's European Championships and the final of the inaugural Nations League. Preliminary games for the Champions League start in the last week of June, just as the first African Nations Cup to be held in the (northern hemisphere) summer gets underway.

"We have to start thinking about the players," Jürgen Klopp, the Liverpool manager, warned earlier this season. "If we don't learn to deal with our players in a better way, competition-wise, then it is the only chance to kill this wonderful game." He had previously described the Nations League as "the most senseless tournament" in football, the equivalent of asking Anthony Joshua, the former world heavyweight champion, to "box every second night."

FIFPro, the international players' union, has declared itself "concerned" by the "heavy workload elite players are having to endure to meet mounting club and national team obligations." Last summer, it warned that 15 players had appeared in club matches less than a month after the end of the World Cup (two of them, Denmark's Lasse Schone and Serbia's Dusan Tadic, eventually would reach the Champions League semifinals with Ajax).

FIFPro called then for the "urgent implementation of a mandatory rest period of at least four weeks in the offseason; it contends that FIFA should introduce "global measures to reverse this worrying trend."

The concern that players are at increased risk for minor and major injuries through overwork is shared by the medical and sports science experts at Europe's major clubs, who are disproportionately affected by the spiraling demands placed on elite players.

Currently, the effect is most pronounced in South America, thanks to that run of four Copas in six years as CONMEBOL, in the most roundabout way possible, seeks to change its calendar so the competition is played parallel with the quadrennial European Championship.

The New York Times

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