



Plan to Stop Diesel Cars from 2020: Renault CEO

BRANDS & COMPANIES >> 5

Trump Launches Reelection Bid, Calls US 'Envy of World'

AROUND THE WORLD >> 13

Dhawan Ruled Out of World Cup, Pant Takes his Place

SPORTS: THE GREAT GAMES >> 16



Today on

ETPrime.com

- Battery swap: Will Sun Mobility and 22 KYMCO succeed?
- Does India need a rate cut?
- Grover Zampa takes on Sula
- Why 5G will need an impervious cyberattack shield

BRANDS & COMPANIES >> 5

Inside story

SoftBank Founder Has Space for 75 More Indian Winners

SoftBank plans to double its investment portfolio to 150 companies in two years, and strategically back technology businesses that are market leaders, along with expanding its Vision Fund team, said founder Masayoshi Son.

Disruption: Startups & Tech >> 6

Market Tracker

	LAST	% CHANGE
Nifty	11,691.45	0
Sensex	39,112.74	0.17
BSE Midcap	14,443.05	-0.69
BSE Smallcap	13,919.11	-1.37
Re/US \$	69.70	-0.01
Gold Std*	33,250.00	-0.15
Silver (₹/kg)	38,000.00	0
Brent (\$)	61.99	-0.86

*₹/10gm

Compiled by ETIG Database

ET INSTA POLL

Do you think India suffers more from a skill crisis than a jobs crisis?

76% YES | 21% NO | 3% CAN'T SAY

TODAY'S QUESTION: Will a new CEO be enough to boost investor confidence in Yes Bank?

www.economicstimes.com

PROBE DEEPENS AGAINST US GIANT OVER ALLEGED ABUSE OF ANDROID

CCI Asks Handset Cos for Info on Agreements with Google

Wants to know if they were barred from using co's apps, services from Apr 2011 to March 2019

Gulveen Aulakh
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New Delhi: The investigation wing of the Competition Commission of India (CCI) has sought details of agreements between smartphone makers and Google or its group companies as the anti-trust regulator deepens its probe into allegations of misuse of market share by the Android operating system (OS). This follows the European Union having fined Google over abuse of Android's market dominance last year.

The CCI director general has issued letters to several handset makers including Samsung, Xiaomi, Karbonn and Lava, seeking

Digging Deep

Competition watchdog reaches out to handset makers in Google case

AGREEMENTS UNDER SCRUTINY

CCI looking into terms and conditions of pacts with Google

Restrictions imposed by Google on using its suite of apps/services

License fee/royalty payments made to Google for using Android OS

Details on handset makers' own app stores

Can rival app stores be installed on devices or not?

HISTORY SHEET

CCI investigating if Android thwarting growth of other app stores

Second probe into Google in India that began mid-April

Earlier, Google India was fined ₹136 crore in 2018

CCI held it guilty of abusing dominant market position

Latest probe follows EU ruling that Android misused dominance

EU imposed fine of \$5 billion on Google



information on terms and conditions of agreements with Google. The CCI also wants to know if Google imposed any restrictions on using the company's mobile apps and services over eight years beginning April 2011.

It has also sought details of "license fee or royalty payments made to Google for using Android OS and Google mobile services on a yearly basis, from April 2011 till March 2019".

ET has seen a copy of the CCI letter to companies, which was sent last month.

The companies were given two weeks to respond as the ongoing investigation is "time bound". While the companies confirmed receipt of the notice, they declined to comment.

The regulator began its probe into Google's operating system in mid-April following complaints that Android — which had 99% share of the Indian market as of

March 2019 — was blocking out others. Google has said that it will work with the watchdog. People aware of the matter said Google executives will likely be called to appear before the regulator as part of the inquiry.

This is the second such investigation for the Mountain View, California-headquartered company in India.

₹136-cr Fine Levied in 2018 >> 10

Facebook may Abort Libra Launch in India

CALIBRATED to RBI
Facebook may not launch Libra in India due to RBI's restrictions

It has not sought permission for Libra from RBI

EXPERT VIEW

RBI can worry less about Libra if it stays within Facebook

Under IT Act, FB obligated to take 'all due care' against illegal acts



Social network has not filed application with RBI, which bans cryptocurrency use

Raghu Krishnan & Anandi Chandrashekar

Bengaluru | Mumbai: Libra, the cryptocurrency to be unveiled by Facebook next year, will not be available in India, according to a person directly in the know, as current regulations do not permit use

of the banking network for blockchain transactions.

The social network's digital wallet, Calibra, won't be available in markets where "cryptocurrencies are banned or Facebook is restricted from operating in," the person said.

"Facebook has not filed any application with RBI (Reserve Bank of India) for its cryptocurrency in India," said a second person aware of the matter. RBI did not respond to queries from ET.

A representative for Facebook told ET, "We expect Calibra to work on WhatsApp and be available globally."

The company on Tuesday announced plans for launch of the cryptocurrency by wholly-owned eponymous subsidiary Calibra in 2020.

The social network has partnered with 28 organisations — including Visa, Mastercard, PayU and Uber — that will accept the virtual currency, which will be available on WhatsApp and Facebook Messenger. It expects to have 100 members when it is launched.

In April 2018, RBI had given regulated entities a three-month deadline to stop dealing in virtual currencies due to associated risks.

'Libra Unlikely to Pass Muster' >> 9

EAC GIVES POINT-BY-POINT REBUTTAL

PM's Eco Council Refutes Ex-CEA's Claim on GDP Nos

Picking Holes

CLAIM	REBUTTAL	COUNTERCLAIM
Subramanian said GDP overestimated	Subramanian's conclusions mathematically incorrect	India's methodology in line with advanced countries
2011-16 GDP in 3.5-5.5% range	Cross-country regression analysis wrong	GDP estimation not perfect but improving
Official estimate for the period 6.9%	Changed correlation between indicators don't imply low growth	OECD say 0.7% rise in GDP after shifting to global methodology

Says Subramanian relied more on private agencies while raising doubts over CSO data

Our Bureau

New Delhi: The Economic Advisory Council (EAC) to the Prime Minister refuted former chief economic advisor (CEA) Arvind Subramanian's assertion that India's GDP was overestimated between FY12 and FY17. It said there seems to have been a "hurried attempt to draw conclusions" about India's complex economy and its evolution, relying more on private agencies such as Centre for Monitoring Indian Economy (CMIE) while raising doubts about Central Statistics Office (CSO) data.

The EAC, in a detailed paper,

asserted that India's GDP estimation methodology is on par with its global standing as a major and responsible economy while highlighting that Subramanian used 17 high-frequency indicators, but ignored the representation of the services sector (60% in GDP) and the agriculture sector (18%) in the analysis. The report is the latest attack on Subramanian's findings published recently by the Center for International Development at Harvard University.

"If anything, the weakness of Dr Subramanian's attempt to suggest that the growth numbers are overestimated confirms that the estimation process is robust to spurious criticism," it said.

'Sweeping Conclusions' >> 9

FINANCIAL STABILITY AND DEVELOPMENT COUNCIL MEET
FM Reviews State of Economy

Finance minister Nirmala Sitharaman on Wednesday reviewed the economic state with all sectoral regulators and held discussions on the forthcoming budget. >> 11

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SIGNIFICANT STEP Union home minister delegates all 21 divisions, except reporting of Intelligence Bureau, to his deputies Reddy and Rai

Amit Shah Empowers his Ministers of State



Besides IB, Shah to look after decisions involving Cabinet matters and President's house

Rahul.Tripathi@timesgroup.com

New Delhi: Union home minister Amit Shah in a significant step on Tuesday delegated all the 21 divisions of his ministry, except reporting of Intelligence Bureau, to his two deputies — ministers of state G Kishan Reddy and Nityanand Rai. While Reddy has been given

in charge of key divisions such as Jammu and Kashmir, northeast, Union Territory, cyber security and counter-radicalisation, Rai has been allocated centre-state division, Police-I (that looks after transfer postings of IPS officers), foreigners divisions and others.

Besides IB, Shah will look after all decisions involving Cabinet matters and President's house, officials told ET.

This is the first time that both the northeast and Jammu and Kashmir divisions have been allocated to the same minister of state. Under the previous NDA government, junior minister Kiren Rijiju was in charge of the northeast division and his colleague Hansraj G Ahir was looking after counter-radicalisation and Kashmir affairs. Rijiju has now been given independent charge of the youth affairs

CLEAR RESPONSIBILITY

G Kishan Reddy given charge of J&K, north-east, Union Territory, cyber security and counter-radicalisation divisions

This is the first time that northeast and J&K divisions have been allocated to the same MoS

Move in sync with PM's appeal, at a recent meeting, to Cabinet ministers to assign more work to their deputies so that they can learn how govt functions and don't feel sidelined: Officials



Nityanand Rai allocated centre-state, Police-I (that looks after transfer postings of IPS officers) foreigners, women safety, left-wing extremism, disaster management and police modernisation divisions

and sports ministry, while Ahir had to quit after losing his election. The allocation order, cleared by Shah, was released late on Tuesday, officials said. It was imperative due to the ongoing Parliament session where the two junior ministers will be required to answer questions re-

lated to the home ministry, they said. "In the past too, the home ministers kept reporting of Intelligence Bureau with them," a senior government official told ET.

The move is in sync with Prime Minister Narendra Modi's appeal, at a recent meeting, to Cabinet ministers to assign more work to their deputies or ministers of state so that they can learn how the government functions and don't feel sidelined, officials said.

There are 24 ministers of state in the present council of ministers and six other ministers of state with independent charge.

Shah, according to officials, has also tasked his deputies with taking presentation from each division at the home ministry to acquaint themselves with its functioning. The home minister was given a detailed review regarding the func-

tioning of the MHA on the first day of taking charge at North Block.

Rai, as per the order, has also been made in charge of women safety division, which was created last year to focus on safety of women and children.

It may be recalled that government was quick to promulgate criminal law ordinance 2018 following the kidnapping and murder of a minor girl in Kathua. The 2018 ordinance provides for death penalty for rapists of girls below 12 years of age and other stringent provisions for rape. It also proposes to set up a national registry for sexual offenders, the proposal for which was recently rolled out by the MHA.

Rai will also be in charge of the left-wing extremism (LWE) division, which looks after anti-Maoist operations, besides disaster management and police modernisation divisions, officials said.

Sena Absent as Uddhav Busy with Foundation Day



ALL-PARTY MEET

PM Announces Panel to Study Joint Polls

Major opposition parties stay away, 21 parties send representatives

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New Delhi: Prime Minister Narendra Modi on Wednesday announced formation of a committee to study various aspects of holding Lok Sabha elections along with all state assembly elections once every five years, following apprehensions expressed at an all-party meeting called for the purpose. The panel will be asked to make suggestions within a timeframe.

Heads of 21 political parties attended the 'one country, one election' meeting called by the government but 12 major opposition parties kept away. Congress president Rahul Gandhi cited prior engagements. BSP chief Mayawati said she would have attended if the discussion on EVMs was on the agenda. The Dravida Munnetra Kazhagam, Trinamool Congress, Samajwadi Party, Jharkhand Mukti Morcha, Telugu Desam Party, Aam Aadmi Party, Rashtriya Janata Dal, Janata Dal (Secular), the Indian Union Muslim League and the All India United Democratic Front also did not attend the meeting. The All India Anna Dravida Munnetra Kazhagam sent Tamil Nadu law minister CV Shanmughan but he was informed that only party heads could attend. Shiv Sena president Uddhav Thackeray did not attend as he was busy with foundation

Those Who Attended...



There was agreement among all parties on celebrating Mahatma Gandhi's 150th birth anniversary and improving productivity of Parliament

day celebrations of his party. Among those who attended, Biju Janata Dal chief Naveen Patnaik supported simultaneous polls, while YSRCP chief Jaganmohan Reddy wanted his concerns to be addressed before implementing the idea. The NCP questioned the feasibility of the idea and possibility of frequent central rule in states. CPM and CPI leaders disagreed with the proposal. Opposition parties said simultaneous elections may lead to 'encroachment' on federal

rights, as dissolving assemblies before end of tenure was 'anti-democratic' and imposition of President's rule to sync polls was unfair.

"Several parties were of the view that all aspects of the proposal need to be examined carefully. Shri Modi noted that this is not the agenda of one party, but an issue of national importance and views of all parties would be considered and given due importance," a government source said. Modi announced that a committee will be formed soon to examine the issue and submit a report.

Patnaik echoed the views of Modi and said that frequent elections would affect the pace of development and rock the spirit of cooperative federalism. "BJD will fully support the idea of one nation, one election. There has to be a 'give and take' attitude in the larger interest of the country," Patnaik said at the meeting. Incidentally, Patnaik had dissolved the Odisha assembly almost a year ahead of schedule in 2004 to sync state elections with the Lok Sabha polls. The state has since then had simultaneous polls. Patnaik also suggested that the commitment to 'Ahimsa (non-violence) be enshrined in the Constitution's preamble.

There was agreement among all parties on celebrating Mahatma Gandhi's 150th birth anniversary and improving productivity of Parliament, the other issues on the agenda. Some opposition heads maintained that while discussing development of the 115 backward districts, concerned state governments must be involved for effective results. The PM endorsed the view and said all state governments must coordinate with the Centre to bring the most backward districts on level with the best.

17th LOK SABHA Once declared elected, as per convention, PM and leader of Cong in House, Adhir Ranjan Chowdhury, escorted Om Birla to the Speaker's Chair Birla Unanimously Elected Speaker

Our Political Bureau

New Delhi: Om Birla, the second-term BJP MP from Kota, Rajasthan, was unanimously elected Speaker of the 17th Lok Sabha on Wednesday, with all major political parties moving a motion or seconding it to choose him for the post.

More than 13 motions were moved in Birla's favour: Pro tem Speaker Virendra Kumar read out the motion moved by PM Modi and seconded by defence minister Rajnath Singh that said: "That, Om Birla, a member of this House, be chosen as the Speaker of this House."

Once declared elected, as per the convention, the PM and leader of the Congress in the House, Adhir Ranjan Chowdhury, escorted Birla to the Speaker's chair.

In his welcome speech, Modi hailed Birla as a politician who has always worked for society, be it helping the victims of earthquake in Kutch or flash floods in Kedarnath. The PM said Birla has provided food to the needy through his Prasadam scheme in Kota and woolen blankets to the poor.

Most members emphasised that the Speaker should be impartial while handling the proceedings. The opposition underlined that the practice of scrutiny of bills by



Lok Sabha Speaker Om Birla (second from left) with opposition leaders in New Delhi on Wednesday - ANI

standing committees that had declined in the last Lok Sabha should be encouraged and restored.

Chowdhury read out a couplet wishing a great future for Birla and insisted that he should be impartial while conducting proceedings. The Congress leader said shouting of 'Jai Shri Ram' and 'Allah-o-Akbar' during oath-taking was not proper.

TR Baalu (DMK), Sudip Bandyopadhyay (TMC), Arvind Sawant (Shiv Sena), Pinaki Misra (BJD), Chirag Paswan (LJP), Supriya Sule (NCP), Farooq Abdullah (NC), Asaduddin Owaisi (AIMIM) were among those who spoke a few words to welcome Birla's elevation.

Misra lamented that the practice of sending bills to standing committees

for scrutiny which is important, had dwindled during 2014-19. Owaisi said Birla might have sat on the right (also a reference to his ideology) all along but now he should give equal opportunity to those on the left.

Birla thanked members for their kind words. He said whatever the ideology of the members, all are in the Lok Sabha with the purpose of making the country better. Birla assured that all the parties irrespective of their strength will get due importance, adding he will conduct the House in an impartial manner.

Birla emphasised that members should ask questions that are relevant nationally and expressed hope that the government will deal with the questions responsibly and sensitively.

With A Lot of Hope

Modi hailed Birla as a politician who has always worked for society

Members should ask questions that are relevant nationally... hope government will deal with the questions responsibly and sensitively



SEEKING RESPONSE EC directed to place its views before court by June 24 SC Notice to EC on Cong Plea Opposing Separate Polls for 2 Gujarat RS Seats

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New Delhi: The Supreme Court has sought the Election Commission's response on a petition filed by Congress challenging its decision to hold separate elections for two vacant Rajya Sabha seats in Gujarat. The court issued notices to the EC on Wednesday to formally place before the court its stand on the issue. In a notification issued recently announcing polls to fill six Rajya Sabha seats across the country,

MAKING A POINT

RS vacancies must be filled together otherwise proportional system will be ineffective: Cong

the EC said elections for two seats in Gujarat — vacated by BJP chief Amit Shah and Union minister Smriti Irani — will be held separately but on the same day, July 5.



The EC justified its decision, saying each seat is a separate vacancy by itself. But Gujarat Congress legislature party leader Parash Dhanani challenged this in the SC

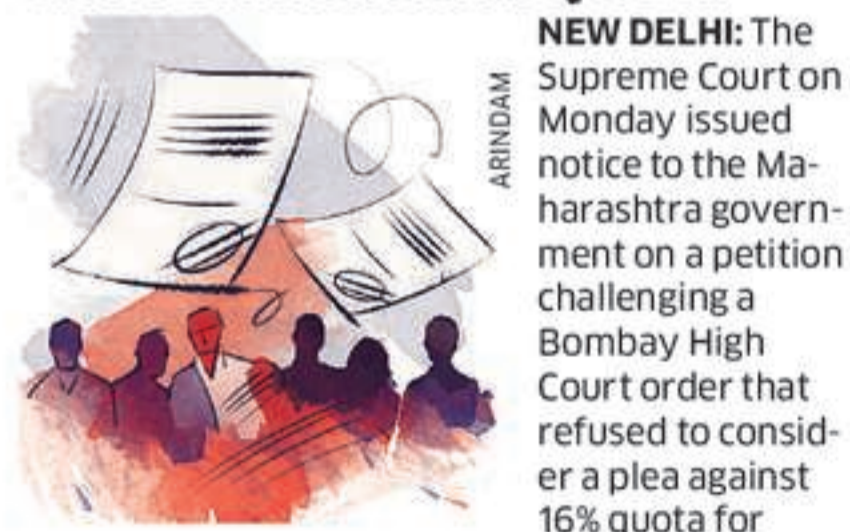
through a petition under Article 32, terming the EC's decision discriminatory and arguing that it has affected his right to equality granted under Article 14 of the Constitution. His case was argued by senior advocate Vivek Tankha.

Dhanani claimed that the elections must be held together for all vacant seats at a point of time as holding them seat-wise would render the principle of proportional representation by a single transferable vote ineffective.

The EC was directed to place its views before the court by June 24.

OTHER NEWS OF THE DAY

SC Notice to Maharashtra Govt on Maratha Quota



NEW DELHI: The Supreme Court on Monday issued notice to the Maharashtra government on a petition challenging a Bombay High Court order that refused to consider a plea against 16% quota for Marathas in admission to PG medical and dental courses in the state. A vacation bench comprising Justices Deepak Gupta and Surya Kant posted the matter to June 24. The Nagpur bench of the high court had earlier this month declined to entertain a plea against an ordinance issued by the state government providing 16% reservation for Marathas under the socially and economically backward classes category in admission to postgraduate medical and dental courses. - ANI

SC Agrees to Hear Plea Related to Acute Encephalitis in Bihar



NEW DELHI: The Supreme Court has agreed to hear a plea seeking a direction to the Centre to urgently constitute a team of medical experts for the treatment of children in Bihar's Muzaffarpur, who are suffering from suspected Acute Encephalitis Syndrome (AES), which has claimed more than 100 lives. A vacation bench of Justices Deepak Gupta and Surya Kant agreed to hear the plea next Monday after the petitioner's counsel sought an urgent listing of the matter. The plea also sought a direction to the Centre for providing all necessary medical equipment and other supports for the effective treatment of the children suffering from the epidemic disease. - PTI

CREATING A DATABASE THROUGH EXTENSIVE REGISTRATION PROCESS

Gujarat BJP Strategises About Expansion Drive, to Go Beyond 'Missed Call' Campaign

'After missed call, s/he will get a link via SMS which will open a form seeking basic info'

Our Political Bureau

Gandhinagar: The top leadership of the ruling BJP in Gujarat is holding a series of meetings ahead of the forthcoming expansion drive in the state. Leaders, including Gujarat BJP president Jitu Vaghani, chief min-

ister Vijay Rupani and BJP national organisational secretary V Satish, met on Tuesday, and the convenors of Gujarat BJP IT cell and mediacell were briefed by party's national IT cell convenor Amit Malaviya via video conferencing on Wednesday. BJP has set a target of expanding its existing primary membership of one crore by 20%. Currently, the party in the state has over 80,000 active members apart from 1 crore primary members, most of whom have become members through the 'missed call' campaign.

Gujarat BJP media cell convenor Prashant Vala told ET that while the party would continue its 'missed call' campaign for enrolling new members, it would

take other steps now for accuracy. "Once someone gives a missed call to the designated number, s/he will be sent a link via SMS, which will open a form seeking basic information like name, address, parliamentary and assembly constituencies. Once the caller fills up the details, he will be sent a one-time password which he will have to key in to complete the registration process," Vala added.

Once a database is created, workers will reach out to the callers

will reach out to the callers. The programme will start from July 6. The meeting happened at a time when Congress has approached the SC over EC's separate notifications for two Rajya Sabha seats from Gujarat that fell vacant after BJP chief Amit Shah and Smriti Irani were elected to the Lok Sabha. "There's no strategy to be made for this," said Gujarat BJP spokesperson Bharat Pandya, claiming BJP would anyway win both the seats. Gujarat Congress has challenged the notification in the SC. "We will fight to uphold the Constitution and save democracy. We are confident that SC will rule in our favour," Gujarat Congress president Amit Chavda had earlier said.

THIRD EYE



A Welcome Move

External affairs minister S Jaishankar's move to invite all Delhi-based diplomatic missions for a meal on Saturday is being welcomed by Delhi's diplomatic community. The invite, which comes within a month of him taking charge, will give envoys an opportunity to interact with India's new minister and push respective bilateral agenda, irrespective of the size and clout of the countries.



Karnataka Twist & Turn

Hours before being sworn in as a minister, Karnataka Pragnyantha Janatha Party's (KPJP) lone MLA R Shankar gave a letter to Congress legislature party leader Siddaramaiah consenting to merge his party with Congress. The matter, however, took an interesting twist, with KPJP president raising a banner of revolt saying the MLA can merge himself, not the party.



Adding Fuel to Family Fire

The grapevine has it that a top political and influential family in Maharashtra is experiencing some serious blame game and infighting over party's dismal results in the recent Lok Sabha elections. People close to the family claim that turmoil started when one of the young members contested despite objections from some family members. The defeat has only added fuel to the fire.

Birthday Boy



Priyanka wishing brother, Congress chief Rahul Gandhi, on his 49th birthday at AIICC HQ in New Delhi on Wednesday. Ghulam Nabi Azad is also seen - PTI

FATF to Take up Pakistan 'Grey-Listing' Issue Today

India seeks blacklisting; meeting to review Pak role in curbing terror funding

Dipanjn Roy Chaudhury & Rahul Tripathi

New Delhi: The Financial Action Task Force (FATF) on Thursday will take up the grey listing of Pakistan. India is pushing to blacklist Pakistan at the ongoing Financial FATF meeting in Orlando, USA, which among other issues is reviewing Pakistan's sincerity and action to curb terror financing.

The meeting, which began on Sunday and will continue till Friday, is expected to take a call on whether to keep Pakistan on the 'grey' list or downgrade it to the 'black', sources privy to the proceedings told ET.

India is pressing for Pakistan's downgrading at the FATF meeting, given Islamabad's continued support for terrorists and their networks involved in terror activities in India, sources emphasised. Recent actions by Pakistan against Mumbai terror attack mastermind Hafiz Saeed's JuD (Jamaat-ud-Dawa) is nothing but cosmetic, another source indicated. However, some sources said it is unlikely that Islamabad may be blacklisted in this meet despite non-compliance of more than 90 percent of FATF's recommendations. It will continue to remain in grey list, till October 2019.

Pakistan needs the support of at least 15 of FATF's 36 voting members to move out of the 'grey list' and it needs three votes to pre-



Pakistan may continue to remain in grey list till October 2019

Hanging in the Balance

IF PAKISTAN REMAINS IN THE 'GREY LIST', THE IMRAN KHAN GOVERNMENT WILL FIND IT DIFFICULT TO SOURCE FOREIGN INVESTMENTS

Pakistan has been on the FATF's grey list since last year

In a recent report, the Asia Pacific Group within the FATF claimed that Islamabad was falling short of its efforts to curb terror financing



Pakistan needs the support of at least 15 of FATF's 36 voting members to move out of the 'grey list'

Jaishankar & Russian Dy PM Discuss Modi's Vladivostok Trip

New Delhi: Russian deputy prime minister Yuriy Trutnev met External Affairs Minister S Jaishankar on Wednesday to discuss PM Narendra Modi's visit to Vladivostok in September and seek investments in diamond sector and oil resources in Far East Russia. Trutnev led a high-level delegation to India from 15-19 June 2019, according to a MEA statement. He is the highest level Russian minister to visit India since Modi government's re-election. —OPB

vent blacklisting. If Pakistan remains in the 'grey list', the Imran Khan government will find it difficult to source foreign investments amid worsening economic crisis.

The meeting in Orlando is taking place amid reports in a section of the media that Pakistan had warned the Indian High Commission in Islamabad and the US a few days ago of a possible car bomb attack in Kashmir's Pulwama region. However, there has been no official confirmation of these reports either by India or Pakistan.

Pakistan has been on the FATF's grey list since last year. Last June, Islamabad had committed to working with the FATF to strengthen its anti-money laundering and terror financing mechanisms. Pakistan and the FATF had then mutually agreed on a 10-point action plan with specific deadlines.

EFFECT OF BIHAR'S ENCEPHALITIS OUTBREAK

Free Food, Medicare For Bastar Tribals

Pilot project next week, whole division to be covered in a month

Nidhi.Sharma@timesgroup.com

New Delhi: The Chhattisgarh government will in a month provide free food and medical care to forest dwelling tribals in Maoist-infested Bastar division through two new schemes. Free food to curb malnutrition will be distributed through gram panchayats. The state government will also depute mobile healthcare vans at weekly haat bazaars, frequented by forest dwellers for selling minor forest produce.

A pilot project will be launched in select gram panchayats next week and expanded to cover the entire Bastar division in a month. The move comes after alarming reports from Bihar's Muzaffarpur, where 113 children have died of Advanced Encephalitis Syndrome. The local administration has pegged malnutrition as the primary cause of death. According to Chhattisgarh government officials, the state plans to address malnutrition to avoid a similar outbreak during peak summer.

"Bastar has the highest malnutrition in Chhattisgarh. We have inherited the problem and are committed to eradicating it," said chief minister Bhupesh Baghel. Nutritious food of choice will be provided to locals through gram panchayats and women self-help groups. Baghel said tribals living in Bastar do not have access to health care and hence all districts in the division have been included in the health index as most backward dis-



GOAL SET

Bastar has the highest malnutrition in Chhattisgarh. We have inherited the problem and are committed to eradicating it

BHUPESH BAGHEL

Chief minister, Chhattisgarh

tries in terms of medical facilities. "Bastar and Dantewada collectors have been directed to send medical teams comprising a doctor, mobile pathology unit, portable X-Ray unit and medicines to weekly markets as an immediate step," the chief minister said, adding all districts in Bastar division — Kanker, Narayanpur, Kondagaon, Bijapur, Dantewada, Bastar and Sukma — will be covered in a month.

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Trinamool Defection on at Municipality Level

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Kolkata: A month and half ago, Prime Minister Narendra Modi, while addressing an election rally in West Bengal, had said at least 40 Trinamool Congress legislators were in touch with BJP and they would desert West Bengal chief minister Mamata Banerjee after May 23.

And in last three weeks after elections, Trinamool Congress lost control of at least six municipalities — five from North 24 Paragana district and one from Darjeeling district, while the BJP leaders claimed that more urban local bodies, including at least four municipalities and three municipal corporations, are expected to come under the saffron fold soon. BJP's tally in West Bengal legislative assembly is up from three to 12, a four-fold increase. While BJP won in four assembly constituencies during the by-elections in 2019, at least six MLAs — three from TMC, two from Congress and 1 from CPM — joined them. In this political scenario, defections continue to haunt CM Banerjee.

Ahmadis Face Persecution, Flee to Nepal

Ahmadis are not allowed to read Quran, perform namaz or azaan in Pakistan

Dipanjn Roy Chaudhury @timesgroup.com

New Delhi: Pakistan's Ahmadi community, which is facing severe persecution by the Pakistani government, are fleeing in large numbers to the Himalayan state of Nepal.

The Ahmadiyya community has

accused Prime Minister Imran Khan of stirring religious hatred against them and several have taken refuge in Nepal in recent months, ET has learnt.

Khan, in the lead-up to the July 2018 elections that brought him to power, backed anti-blasphemy laws that included death penalty and a discriminatory oath which specifically targeted the Ahmadi Muslims. Saleem-ud-Din, spokesperson for the Ahmadiyya Muslim community in Pakistan, recently said about 400 Ahmadis had been killed since the introduction of the anti-Ahmadiyya laws.

"For many years now, the basic human rights of Ahmadis in Pakistan have been denied and this

discrimination continued throughout 2018, indeed by various determining measures — it was worse than ever before," Saleem-ud-Din alleged.

In Pakistan, Ahmadis are not allowed to read the Quran, perform namaz or call azaan but in Nepal they can practice religion without any fear, a member of the community told ET on the condition of anonymity.

In India, Ahmadis are Muslims by law. This is supported by a verdict from the Kerala High Court

on December 8, 1970, in the case of Shihabuddin Imbichi Koya Thangal vs KP Ahammed Koya, citation AIR 1971 Ker 206. In this landmark ruling, the court determined that Ahmadis are Muslims and that they cannot be declared apostates by other Muslim sects because they hold true to the two fundamental beliefs of Islam. Pakistan outlawed the sect with a series of constitutional amendments and ordinances passed between 1974 and 1984. Under Pakistani law, Ahmadis are not allowed to call themselves Muslims. Doing so can land them in jail. Ahmadis also face several barriers in obtaining government identification and travel documents.

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FROM APRIL 2020...

Renault to Stop Selling Diesel Cars in India

Co will look at local manufacturing of EVs by 2022: Global CEO Bolloré



I can appreciate it (govt's proposal to move to EVs). This is a trend, in big cities, they want clean mobility in city
THIERRY BOLLORÉ
Global CEO, Renault

Ketan Thakkar & Sharmistha Mukherjee

New Delhi: French automaker Renault has decided to stop sale of diesel cars in India from April 2020, once the Bharat Stage (BS) VI emission norms are implemented, mirroring the announcement made by the country's largest carmaker Maruti Suzuki.

Thierry Bolloré, the global CEO of Renault, confirmed that the company will stop selling diesel cars in India from next year. On whether Renault will do so from April 2020, he said, "I believe so."

"Diesel is naturally decreasing in terms of proportion of sale globally. It is massive, but not sudden. Today, there is a clear regulatory approach; we have decided to limit the development of diesel powertrain when Euro VII comes," he said. The share of diesel cars in the Indian market fell to an almost decade-low of about 19% at the end of FY19, according to industry body Society of Indian Automobile Manufacturers (SIAM).

Bolloré clarified that the company's "Triber" compact MPV, which was unveiled in Delhi on Wednesday, will come with only a petrol engine. On electric vehicles, Bolloré said, "EV is part of the mid-term plan for 2022 and the company will look at local manufacturing of the same in India."

On partnerships, Bolloré

said the company is open to tie-ups with local players, especially for EVs, including the EV ecosystem.

On the government's proposal of moving to complete EV manufacturing by 2030, Bolloré said he wouldn't be able to comment on whether 2030 "is too short or not", but added, "I can appreciate it. This is a trend (world over), especially in big cities, they want clean mobility in city."

On reports of its partnership talks with Fiat Chrysler Automobile, Bolloré said "the talks are behind us", adding that with the magnitude of change on the anvil, all carmakers will be compelled to explore partnerships around the world, including India. "The world is changing very fast. With the magnitude of change on the horizon, which calls for a significant capex, it makes sense, if you have a right partner and at right place to share investments," he said.

To whether Renault has approached a local carmaker for the Indian market or whether it has been approached by any Indian entity, Bolloré said, "Not yet." He, however, added that the company will be open for talks.

According to Bolloré, a slowdown similar to the one seen in the Indian market over the last few months is visible the world over.

Maruti's Bhargava Against Auto Cos' Demand for Tax Cut

Says the government can't reduce taxes as it would affect its social programmes

Ketan Thakkar & Nehal Chaliawala

Mumbai: At a time, when the auto industry body Society of Indian Automobile Manufacturers Association (SIAM) has requested for a cut in goods and services tax (GST) to revive falling sales, RC Bhargava, chairman of the country's largest carmaker Maruti Suzuki, has opposed such a demand, arguing that the government cannot afford to reduce taxes.

"There's too much investment required not only in infrastructure but in promoting inclusive growth," said

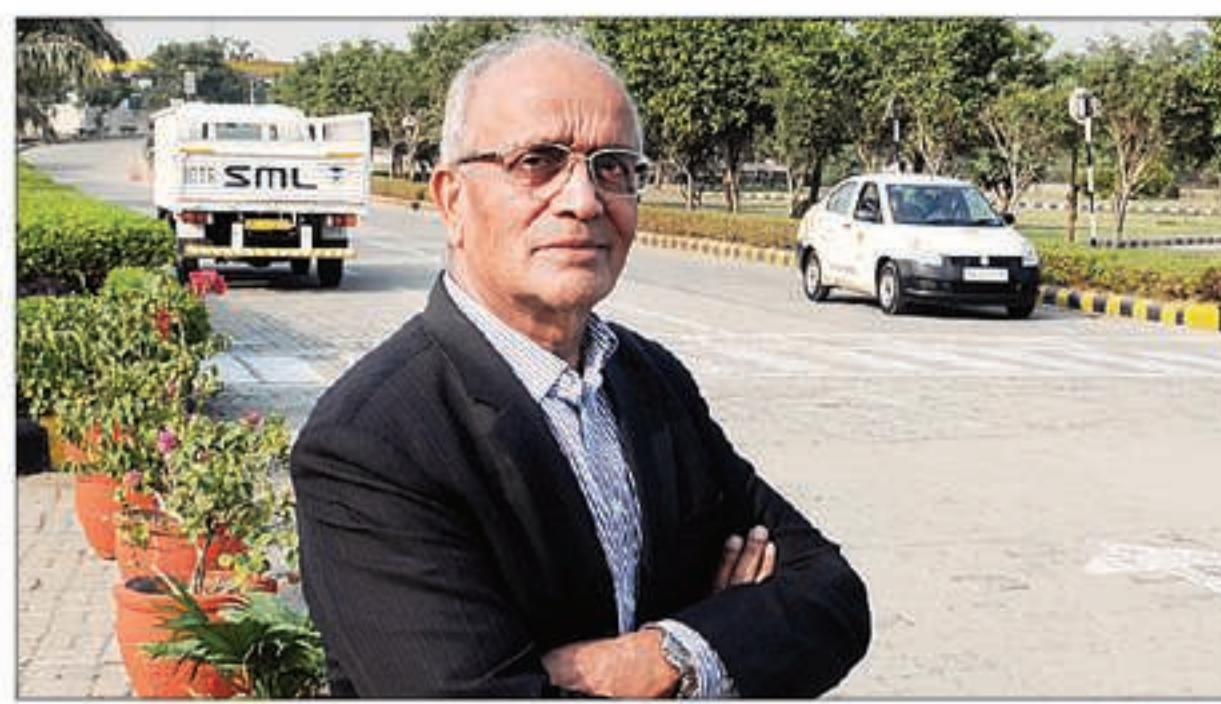
id Bhargava. "The government cannot cut back on its revenue and thus cut back on all its social programmes — that's not correct; I don't support it at all."

This comes days after SIAM lobbied for a reduction in GST on vehicles to induce demand amidst a prolonged slowdown in the industry when passenger vehicle sales have dropped the steepest in 18 years.

In the first five months of this year, the passenger vehicle market has already declined by 9%.

At present, passenger vehicles are taxed in the highest GST bracket of 28%, with an additional cess of up to 22%, depending on the category of the vehicle. SIAM has sought a GST rate of 18% on automobiles.

The introduction of BS-VI emission norms and other safety norms will result in higher vehicle prices in the coming months which will further worsen the situation. If demand for vehi-



Maruti Suzuki chairman RC Bhargava

cles declines, GST collection will also drop, the industry body argued.

However, allaying fears of his peers, Bhargava, who has seen several such slowdowns during his career in Maru-

ti Suzuki, said that the market has already bottomed out and that demand will only increase from here on.

"My expectation is that June retail sales will be quite a bit more than

May. Bottom has already been reached and the upturn is beginning. But we need to wait another two or three months to say this with greater confidence," he said.

Not only will sales improve, but the industry will end the year registering a growth in sales over the previous year, Bhargava said, adding Maruti is targeting a growth between 4% and 8% this fiscal. "We have not cut our capital budget by a rupee. Going ahead, we will continue to make investments in increasing capacity, new products and R&D," he said.

Bhargava said that the onus to reduce prices is not on the government; manufacturers must cut costs to lower prices. "The government needs money, else as we have seen in the past, many things will suffer — infrastructure projects, education, health, everything will suffer. So many things have to be done today to help tomorrow," he said.

Sporting Bonanzas Abroad Attracting More Indians Now

Anumeha Chaturvedi
@timesgroup.com

New Delhi: The multi-billion sports tourism industry is gaining traction in India as more Indians are inclined to visit countries hosting big sporting events, online travel agencies (OTA) and tour operators said. Bookings to the UK continue to be on the rise with travellers trickling in not just for the cricket World Cup but also Wimbledon and the British Grand Prix next month.

India's biggest OTA, MakeMyTrip, said in April advance bookings to London, Manchester and Birmingham for the final ICC World Cup matches, that overlap with Wimbledon and British Grand Prix, soared to a record-high of 100% compared to 2018.

"Indians have shown more enthusiasm than ever before to visit countries hosting big sporting events. Cricket is the first love for many Indians, and the numbers continue to show an upward trajectory with more and more people traveling to watch the games, whether within India for IPL or overseas for mega events like ICC World Cup," said Rajesh Magow, co-founder and CEO, India, MakeMyTrip. "There has also been a shift in interests for other sporting events like the football world cup and Olympics," he added. In 2018, MakeMyTrip witnessed an over 400% jump in bookings to Russia for FIFA and the company is expecting an equivalent inflow of bookings for the upcoming Tokyo Olympics next year. The 2020 Tokyo Olympics will be held from July 24-August 9 next year.

Fanatic Sports, the entity selling tickets for the 2020 Tokyo Olympics, has not started selling tickets yet, but travel agents said queries have already started coming in from Indian travellers.

Karan Anand, head of relationships at Cox & Kings, said although a large number of sports fans have planned to devote their time to the cricket World Cup, a considerable number of Indians are also flying exclusively to the UK to witness the grand slam

tennis tournament and F1. "These are sports that have gained traction from India. Making June and July one of the busiest periods for the UK in terms of tourists coming in, the sporting events have successfully extended tourist season up to the end of July as compared to the traditional summer outing that ends in May for Indians. We see a spike of over 30% in arrivals into UK and Europe during this period," he added.



Bookings to the UK still on the rise, with travellers trickling in for the cricket World Cup, Wimbledon and the British Grand Prix next month

The 2019 Wimbledon championship starts from July 1 and goes on till July 14. The British Grand Prix is the oldest in the Formula One calendar and will be held on July 14.

About 15 lakh people were expected to visit Russia around the World Cup last year with Indians accounting for more than 20% of the number. "Owing to demand, Thomas Cook India introduced special World Cup tour packages such as United Kingdom Delights with Liverpool and York, London Delights, United Kingdom Delights with Ireland and others to assist last-minute travellers. With e-business becoming one of the key drivers for the World Cup, we witnessed a surge of 22% in online enquiries for UK packages in comparison to last year," said Rajeev Kale, president and country head, holiday, MICE and visa for Thomas Cook.

'Adidas' Three-Stripes Trademark Invalid

Reuters

Luxembourg: Adidas' three-stripes have been ruled invalid as a trademark by a European Union court which said they lacked a distinctive character recognisable throughout the 28-country bloc. But the German sporting goods company, whose shares were down 1.3% in a broadly weaker market, said the court's ruling on Wednesday only affects a particular use of the symbol.

The sporting goods industry has seen a rise in trademark and patent disputes as the biggest players try to differentiate their products and justify premium pricing. High-profile cases have included Adidas clashing with Skechers USA and Nike taking on Puma.

The General Court of the European Union said it had upheld a 2016 decision of the European Intellectual Property Office (EUIPO) to annul a previous acceptance of the trademark, which Adidas registered in 2014 for clothing, footwear and

headgear. Adidas said its trademark consisted of "three parallel equidistant stripes of equal width applied to the product in whichever direction" but this was challenged by Belgium's Shoe Branding Europe after a decade-long dispute with Adidas.

The same EU court had rendered Shoe Branding's own two-stripe trademark invalid last year, saying the stripes were too similar to those of Adidas. Shoe Branding bought Patrick, which was founded in 1892 and says it is the oldest sports brand in Europe, in 2008. Patrick features two stripes on its shoes and clothing.

Adidas needed to show the three-stripe mark had acquired a "distinctive character" throughout the EU based on its use so that consumers inherently knew a product was from Adidas and could distinguish it from products of another company. The court said the mark was not a pattern but an "ordinary figurative mark" and it was not relevant to take into account specific uses involving colours.

TODAY ON ETPrime.com
The Other Battery
Globally, battery-swapping ventures have failed in the past. But they are making a comeback. As India aims to run its two-wheelers on electricity, battery-swapping companies have sniffed an opportunity. The third instalment of a five-part series.

Sula Vs Zampa
Through an array of acquisitions and a foray into hospitality, Grover Zampa, one of India's oldest winemakers, is posing a big challenge to market leader Sula.

Rate the Cuts First
While the clamour for a rate cut has increased, such a move could reduce the already low savings rate, adversely impacting availability of investible funds. In India, low growth is more due to structural factors, so a rate cut is not the panacea.

The 5G Challenge
The blazing speed of 5G will also make networks more vulnerable to cyberattacks. Telcos will have to rethink their security strategies and keep upgrading security. It can't be a one-off capex exercise.

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CALLING STARTUPS... SoftBank to double its investment portfolio to 150 companies, add 600 to manage Vision Fund rolls

Our Bureau

Bengaluru: Japanese telecommunications and internet firm SoftBank plans to double its investment portfolio to 150 companies over the next two years, and strategically back technology businesses that are market leaders in their segments.

SoftBank founder Masayoshi Son said at the company's annual general meeting in Tokyo on Wednesday that its \$100 billion Vision Fund would grow its team globally to 1,000 members from the current 400 to better invest and manage the fund's portfolio.

SoftBank has been particularly bullish on India, and local startups including ride-hailing firm Ola, hospitality chain Oyo and digital pay-

ments platform Paytm were three of the four companies that were highlighted from its global portfolio at the AGM. The mammoth fund, which has reordered technology investing globally, said in February that it had deployed \$10 billion in India.

"Ola is the market leader in India in mobility, Paytm leads in payment and in one year, Oyo will become the largest hotel network in the world," Son said. "We are in an artificial intelligence-driven technological revolution."

Separately, Son also said limited partners or sponsors of its Vision Fund were in talks to be a part of the group's second fund, which is expected to be launched soon. Prominent investors in the first fund include the sovereign wealth funds of Saudi Arabia and Abu Dhabi, and Apple. SoftBank has been facing challenges in raising its se-

cond Vision Fund, global media reports said earlier.

"We started just two years ago, and have 75 unicorns today. In a year or two, we will have 150 portfolio companies," Rajeev Misra, CEO of SoftBank Investment Advisers, which oversees its \$100 billion Vision Fund, said at the AGM.

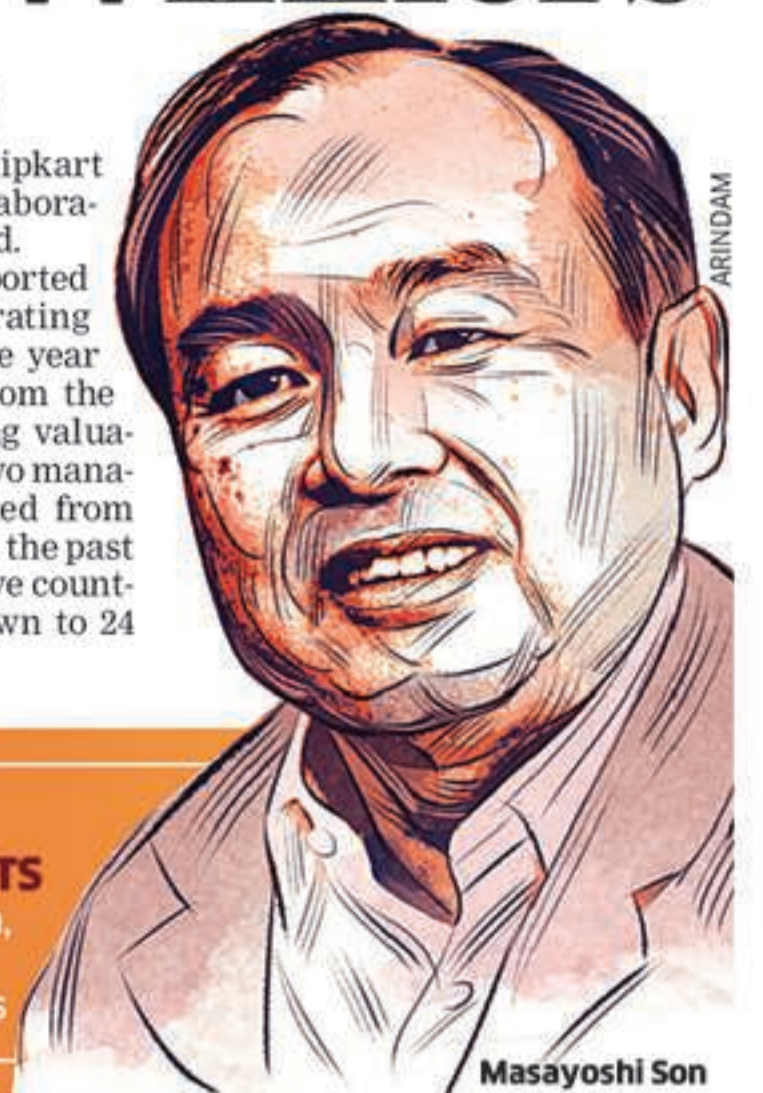
In the past one year, SoftBank has made several new and follow-on investments in India, such as logistics startup Delhivery, grocery retailer Grofers and a kids and baby pro-

ducts retailer Firstcry. The fund is also in talks to invest in eyewear retailer Lenskart, which ET reported earlier. In November, the investment fund appointed Sumer Juneja as its India country head. He has been actively hiring for the domestic market.

On Walmart's acquisition of homegrown e-commerce company Flipkart last year, Son said the Indian e-tailer had two potential buyers — Amazon and Walmart. "We decided to sell to Walmart because the

management team at Flipkart was willing to work in collaboration with Walmart," he said.

Last month, SoftBank reported an 80% increase in operating profit to \$22 billion for the year ended March, on gains from the sale of Flipkart and rising valuations at Oyo. The rooms Oyo manages have more than tripled from about 2,30,000 to 8,15,000 in the past seven months, and from five countries, its presence has grown to 24 during the same period.



Masayoshi Son

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Make a product people love, and make it super easy for them to delete their accounts. Build a company people want to work for, and make it super easy for them to leave. Anything else delays the inevitable

Tech Buzz

App to Ask Robots to Do Boring Jobs

Washington A smartphone app that allows a user to easily programme any robot to perform a mundane activity, such as picking up parts from one area and delivering them to another, has been developed by scientists. The app developed by researchers at Purdue University in the US could dramatically bring down the costs of building and programming mobile robots. —PTI

Quick Byte ANIRBAN BORA

Google Calendar is back after global outage

So get to work

2.4 million

No of installs that Ryanair, most downloaded airline app worldwide, got in Q1 2019

—IANS

Cashbacks for Offline Paytm Merchants

Bengaluru Paytm intends to push cashbacks for offline merchant transactions done via app, in its attempt to expand deep into smaller locations in India. It is targeting to partner with over 20 million kirana stores, enabling them to accept all forms of digital payments. The company feels it will cut down on users who undertake artificial transactions which do not create any value in the system. —Our Bureau

Jargon Buster

Rathole

An ongoing or recursive conversation, function or process that does not lead to a conclusion or resolution

Piggybank

IN THE SPOTLIGHT More startups are getting funds to develop their wares as investors scout for new unicorns among startups entering the scene

Postman Lands \$50m from CRV, Nexus, others

Our Bureau

Bengaluru: Postman, the San Francisco- and Bengaluru-based collaboration platform for application program interface (API) development, has raised \$50 million in fresh funding, led by CRV and with participation from Nexus Venture Partners, as it looks to accelerate its product development roadmap and grow its community across enterprise users.

APIs are a set of tools for building software applications. The company, which claims it has over seven million users on its platform across 3,00,000 firms, plans to utilise the fresh funding for product development, signing up more enterprise customers and building better customer support for its global clients.

"APIs are the building blocks of effective software. So, while software might be eating the world, we know that APIs are eating software," said Abhinav Asthana, CEO, Postman. "Innovation in APIs will drive the future of software development and this funding will accelerate Postman's growth in the API ecosystem."

Postman has raised \$58 million in total, including the latest round. The firm raised \$7 million in its Series-A round led by Nexus Venture Partners in October 2016, and \$1

ALL IN

- Firm plans to utilise the funding to accelerate product development roadmap
- Funding will be used to sign up more enterprise customers and build better customer support for clients
- Postman gets \$50m in all
- It raised \$7 million in its Series-A round
- Got \$1m in seed in 2015

AI Bot-powered Mental Health App Wysa Gets ₹15 cr Funding

Bengaluru: Wysa, mental health wellness app powered by an artificial intelligence-based bot, has raised about ₹15 crore led by pi Ventures, with participation from Kae Capital and other investors. Wysa has raised an earlier round of \$1.3 million in seed funding from Kae Capital and angel investors including Alok Mittal, Anuj Srivastava, and Raghunandan G, in 2017. The company plans to use this funding to further strengthen its technology stack and fuel expansion. — Our Bureau

involved in the API and micro-services space and we have been tracking Postman from its early days in Bengaluru," said Devdutt Yellurkar, general partner, CRV.

Biryani By Kilo Raises ₹30 cr in Series-A Round

Aditi.Shrivastava @timesgroup.com

Bengaluru: Biryani By Kilo (BBK), a delivery-led biryani brand, has raised ₹30 crore in its Series-A funding round led by IvyCap Ventures, indicating rising investor interest in cloud kitchen brands. The funding will primarily be used to fuel geographic expansion across west and north India, and improve technology, reach and efficiency, the company said in a statement.

Cloud kitchen is a term used for kitchens situated in remote areas — with food delivered via orders placed on an app. Investors say building restaurant supply is a huge opportunity in India since the number as well as density of restaurants is limited compared to other economies such as China and the United States. Other cloud kitchen brands include Freshmenu, Eat.fit and Rebel Foods-owned Faasos, Lunch Box, Oven Story and Behroz.

"There is a tremendous opportunity for emergence of pan-India Biryani-focused chains, along with room for expansion into international markets," said Vikram Gupta, founder at IvyCap Ventures.

Customs Seizes Hundreds of 'Gifts' from China



500 parcels of Shein's official Indian seller Sino India Etail seized at Mumbai Customs

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@timesgroup.com

Bengaluru: Mumbai Customs has seized around 500 parcels of Sino India Etail, the official Indian seller for Chinese apparel and lifestyle e-tailer Shein, and sealed a company warehouse in the city, after officials found it undervaluing and wrongly declaring goods, ET has learnt.

This is part of a crackdown on Chinese e-commerce imports into India by the Mumbai courier terminal against around a dozen companies for allegedly paying much lower customs duties.

The seizure orders, copies of which ET has access to, details the players against whom action has been initiated and the modus operandi of such operators. These players have become more active after the government took action against Chinese e-commerce sellers who were routing orders as duty-free "gifts and samples", Customs officials said.

India exempts items valued up to ₹5,000 from all taxes to allow Non-resident Indians to send gifts to families back home. ET reported on June 13 that the government has begun reviewing changes to the gifts guidelines and this may be introduced in the upcoming budget.

"It appears that the packing of goods is of B2C model... but the clearance is being sought for B2B model," the seizure order against Sino India Etail reads.

Apart from Sino India Etail, a smaller number of parcels of Globemax Commerce India have also been seized. Globemax is the local unit of another Chinese e-tailer Club Factory, and lists CEO Vincent Yun Lou, as one of its whole-time directors.

Chinese e-commerce firms employ importers such as Sino India Etail and Globemax to bring in goods ordered by their customers into India in bulk, allowing them to bypass the cumulative 42.08% duty levied on indi-

vidual imports. They use the CB-13 low-value consignment route, which calls for very little disclosure.

In an emailed response to ET, Sino India Etail said: "We have always abided by the laws and paid all our taxes correctly and timely". It also said it assists brands in distribution of clothing and accessories and has been in the business for a few years.

Globemax Commerce India did not respond to ET's queries.

A top ranking Mumbai customs official told ET that these firms were front organisations for Chinese e-commerce companies and that they evade taxes by undervaluing goods.

"The Mumbai terminal has now begun alerting other ports to potential malpractice by uploading the details of such firms on the National Risk Management portal, an alert system for evaders."

"Items are packed and shipped for individual customers, similar to how you get a package from Amazon at home. But these companies act as a bulk purchaser in which the value declared is 300-400% less than the actual value of items," he said on the condition of anonymity.

Earlier this year, RSS affiliate Swadeshi Jagran Manch and social platform LocalCircles had sent letters to the finance ministry highlighting the issue of Chinese e-commerce players evading taxes. They said this gave Chinese sellers a price advantage over local counterparts.

While there have been calls for stricter enforcement at all of India's customs ports, similar to the action Mumbai customs has taken, this isn't a long-term solution, said Sachin Taparia, CEO of LocalCircles.

"A more permanent solution could be having the payment gateways levy a flat customs plus IGT charge for cross-border e-commerce shipments," said Taparia. "Such a model will make things transparent for consumers and cross-border sellers, and help minimise evasion."

HCL Tech Secures Contract to Manage Cricket Australia's Digital Playground

Our Bureau

Bengaluru: HCL Technologies has won a multi-year contract to manage Cricket Australia's (CA) digital properties. CA is the governing body for professional and amateur cricket in Australia.

The contract involves enhancing CA's digital presence and providing an immersive experience to cricket fans, players, partners, employees and volunteers across the world.

CA operates all the Australian national representative cricket sides, including the Australian cricket team, the Australia national women's cricket team and youth sides.

HCL will create a digital core ecosystem for Cricket Australia. It will be done through a platform that will be modular, auto-scalable, data-driven and experience-centric. It will integrate multiple industry standard products and services to

Taking Guard

20 million Cricket Australia's online audience globally per year

2.87 million Australian audience in January 2019 alone

HCL LOOKS TO MAKE ITS TOP THREE DELIVERABLES

- user experience
- data analytics
- web and mobile application development

IT WILL MANAGE

- Cricket Australia Live App
- cricket.com.au
- bigbash.com.au

DIGITAL TRANSFORMATION

Any vertical going through a digital transformation interests us. Sports is an expanding market space. We hope to replicate this success in more places

SWAPAN JOHRI, Head (Apac Business), HCL Technologies

enhance the experience for fans and participants.

HCL's top three deliverables include user experience, web and mobile application development and data analytics.

HCL will manage CA's suite of digital products, including properties such as the Cricket Australia Live App, cricket.com.au, bigbash.com.au and community cricket applications such as MyCricket and community.cricket.com.au.

"Cricket Australia wants to re-energise their digital program. They want to bring together cricket fans, players, employees and volunteers in an ecosystem," said Swapan Johri, executive vice-president and head (Apac business), at HCL Technologies. "Any vertical that is going through a digital transformation

interests us. Sports is an expanding market space. We hope to replicate this success in more places."

In 2015, HCL Technologies won a three-year contract to handle technology operations at English Premier League side Manchester United. "Cricket is rapidly evolving here and overseas, and part of that evolution involves advancements in technology and the digital landscape," said CA's CEO Kevin Roberts. CA has an online audience exceeding 20 million globally every year, HCL said.

It has established and maintained its position as the No 1 sports destination in Australia throughout the summer, achieving a record Australian audience of 2.87 million in January 2019 alone, the software services exporter said.

UPI Just Became Easier for Small Cos

Pratik.Bhakta@timesgroup.com

Bengaluru: In a move that is directly aimed at speeding up a small merchant's ability to collect payments through the Unified Payments Interface, the National Payments Corporation of India has said they could be onboarded as individuals to start with and not as businesses. In a circular issued on June 17, the retail payments body identified a new category for UPI payments — P2PM. This is in addition to P2P (person-to-person payments) and P2M (person-to-merchant payments).

The move has been aimed at onboarding small merchants and vendors with low-value ticket sizes under the ambit of digital payments.

Additionally NPCI has issued two major conditions for onboarding merchants under this category. "Acquirers may include all small

NEW INCENTIVES

NPCI's move has been aimed at onboarding small merchants and vendors with low-value ticket sizes under the ambit of digital payments

merchant enterprises which are presently not in the digital payments ambit and the pricing and other applicable charges under this category shall be the same as that of P2P," said Praveena Rai, chief operating officer, NPCI, in the circular.

NPCI has also said that these small merchants will have a ₹50,000 per month limit and the acquirer is not allowed to charge anything to the

Revenue per Employee of IT, BPM Firms Up by Nearly \$6,000

The Indian IT and business process management industry has spent the past several years putting in platforms and automation solutions to break the linear relationship between headcount growth and revenue. Between FY12 and FY19, revenue per employee rose by nearly \$6,000, data from industry lobby Nasscom shows. IT companies have been focused on achieving non-linear growth to boost margins and develop higher value products

YEAR	REVENUE PER EMPLOYEE* (CURRENCY IN USD 000)
FY12	33.5
FY13	34.2
FY14	32.5
FY15	34
FY16	35.1
FY17	36.2
FY18	38.2
FY19	39.1

* (Includes export and domestic; IT services, BPM and engineering, research & development)



FIIS TO FIND RATE DIFFERENTIAL ATTRACTIVE \$7-10 b net inflows likely in FY20, say experts

Fall in Global Yields Likely to Boost Inflows into Local Bonds

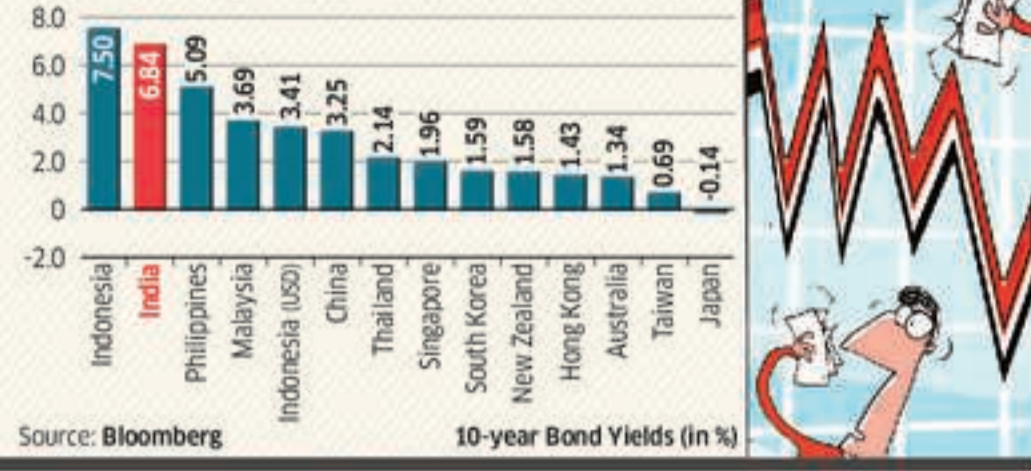
Saikat.Das1@timesgroup.com

Mumbai: Indian bonds may attract about \$7 billion in overseas cash as global investors re-allocate resources to Mumbai, which is the second-highest yielding debt market among the emerging economies in the Asia Pacific.

With rates falling across countries in various stages of economic development and size, India's benchmark yield at a ballpark 7% is a draw-card for global funds chasing returns.

"Foreign investors are likely to find the interest rate differential between India and other developed economies attractive," said A Balasubramanian, CEO - Aditya Birla Sun Life AMC. "While globally there are signs of a slowdown, India does not reflect the same. With a relatively stable currency, we are expected to have \$7-10 billion net inflows

Yields Across Asia Pacific



into domestic debt securities this financial year." "It is also an opportune time for global investors, who can bargain hard for better rates and protection of investments (covenants) from capital-starved Indian entities," he said. Foreign portfolio investors sold net \$6.9 billion of debt in 2018 versus \$1.3 billion net investments so far in 2019, the ETIG Database statistics showed. Recently, bond yields across the world have plummeted to either historical or near-record lows, especially in the developed markets. Since Tuesday, global benchmark yields have plunged, with Sweden, France, Austria, Netherlands, and Germany returning zero or below. A negative

yield means an investor risks losing even a part of the principal invested. Overseas money is expected to flow into both state and corporate bonds.

"Globally, the re-emergence of growth concerns has led to a more benign environment for global bonds," said B Prasanna, head, global markets group at ICICI Bank. "Monetary policy stance has also softened significantly across the world, with the Federal Reserve and the European Central Bank signaling greater accommodation."

Back home, the combination of benign inflation and a slowdown in growth prospects have triggered 75 bps of policy rate reductions, and more are on the cards. This has implied lower bond yields in Mumbai. Still, Indian yields offer relatively higher returns.

►► On Money Matters

THE US CENTRAL BANK said it 'will act as appropriate to sustain' the economic expansion and dropped a promise to be 'patient' in adjusting interest rates

Fed Holds Rates Steady, Signals Cuts Possible Later This Year

7 of 17 policymakers said they expected it would be appropriate to cut rates by 50bps in 2019

Reuters

The US Federal Reserve held interest rates steady on Wednesday but signaled possible rate cuts as much as half a percentage point over the remainder of this year, as it responded to increased economic uncertainty and a drop in expected inflation.

The US central bank said it "will act as appropriate to sustain" the economic expansion as it approaches the 10-year mark and dropped a promise to be "patient" in adjusting rates. Nearly half its policymakers now show a willingness to lower borrowing costs over the next six months.

While new economic projections showed policymakers' views of growth and unemployment largely unchanged, they saw headline inflation at just 1.5% for the year, down from the 1.8% projected in March. They also expect to miss their 2% inflation target next year as well.

Seven of 17 policymakers said they expected it would be appropriate to cut rates by the end of 2019, and an eighth saw a rate cut of a quarter point as appropriate.

That was not enough to change the median outlook for the Fed's targeted overnight lending rate, which officials projected to remain in a range of between 2.25% and 2.50% for the rest of this year.



But it still represented a significant shifting of views on the Fed. It appeared many, and perhaps most, policymakers trimmed a full half percentage point from their outlook for rates. Only one policymaker continues to see a rate hike as likely in 2019. The long-run federal funds ra-

te, a barometer for the state of the economy over the long term, was cut to 2.50% from 2.80%.

US stocks turned higher after the Fed's statement was released, with the benchmark S&P 500 up about 0.25% from the previous day's close. Ahead of the statement, stocks had been fractionally lower on the day.

Yields on US Treasury securities, which had been modestly higher before the rate decision was released, slipped. The 10-year Treasury note yield was down 1 basis point at just shy of 2.05%. The dollar weakened against the euro.

Along with the change in the policy statement, Wednesday's projections open the door for the central bank to lower rates in short order if the economy weakens, or US trade disputes with China and other nations escalate.

Dalal Street Ends Flat After Another Volatile Day



Our Bureau

Mumbai: The stock market ended almost flat on Wednesday after swinging between gains and losses for most of the session as concerns over domestic growth and the outcome of the US Fed's rate-setting meeting overshadowed optimism over progress on the US-China trade front and indications of more stimulus from the European Central Bank. Stock indices rose as much as 1% earlier in the day but gains fizzled out with the crisis in the credit markets and non-banking finance companies showing no signs of easing soon.

The Sensex ended up 66.40 points, or 0.2%, at 39,112.74 after gaining as much as 1% intraday. The NSE Nifty also gained 0.9% to a high of 11,802.50 intraday before ending flat at 11,691.45.

"The government has not said what they will do in terms of policy decision, there has been no word from the new finance minister and we are still awaiting the Budget," said Andrew Holland, CEO, Avendus Capital Alternate Strategies. "The NBFC issues are still continuing," said Holland.

FIIs net bought shares worth ₹31.7 crore on Wednesday while DIIs net bought shares worth Rs 181 crore, as per provisional data. The outcome of the American central bank's meeting on Wednesday night could decide the sentiment in the days ahead. The market will watch whether the Fed's commentary would indicate that there would be further rate cuts. On Tuesday, European Central Bank President Mario Draghi said it is ready with stimulus if needed. This comment along with optimism that US-China trade talks would be resolved soon triggered a rally in global markets.

►► On Money Matters

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SEBI MOVE COMES after the regulator and NCLT passed separate orders under the Sebi Act and the IBC on Collective Investment Schemes

Sebi Moves SC Over Jurisdiction Issues with NCLT

Pavan.Burugula@timesgroup.com

Mumbai: India's capital-markets regulator and its bankruptcy administrator await clarity over which of the two arms of the law gets to deal with fraudulent deposit cases, where entities have raised cash from thousands of savers but failed to meet repayment obligations.

The Securities and Exchange Board of India (Sebi) has approached the Supreme Court after the capital-markets regulator and the National Company Law Tribunal (NCLT) passed separate orders under the Sebi Act and the Insolvency and Bankruptcy Code (IBC), respectively, on Collective Investment Schemes (CIS). These schemes were used to raise money from ordinary savers.

At the centre of the dispute is the recovery of more than ₹1,000 crore that New Delhi-based HBN Dairies and Allied had illegally collected from thousands of individuals through a scheme. Sebi took up the investigation and attached the assets of the company and promoters. Sebi's action was later upheld by the Securities Appellate Tribunal (SAT).

However, the delay in the recovery of invested money prompted a few investors in the CIS to approach the NCLT and start proceedings against HBN Dairies under IBC. Sebi had passed orders against HBN Dairies as early as 2015, instructing its recovery officer to attach all the immovable assets of the company and promoters and sell these assets to repay investors.

NCLT took the view that provisions of IBC override Sebi Act and had asked the market regulator to hand over the attached properties to the insolvency resolution professional. It also said that once a company is admitted for insolvency proceedings, a payment moratorium kicks in to help complete the resolution within 270 days. Appellate tribunal NCLAT also upheld the NCLT order, forcing Sebi to move the Supreme Court, which would now hear the matter in July.

The case underscores some of the conflicts between the Sebi Act and IBC. NCLT earlier this year passed a verdict saying IBC would prevail over the Sebi Act. The verdict was based on a special clause in IBC, Section 238, which says if there are any inconsistencies between IBC and other laws, IBC will prevail.

"All recovery proceedings by credi-

Face Off

- CASE FILE**
- Sebi attaches assets of HBN Dairies for illegal fund raising
 - Appellate tribunal SAT agrees with Sebi's action
 - Facing delay in recovery, some investors move NCLT
 - NCLT says IBC overrides Sebi Act
 - Asks Sebi to hand over all attached assets to resolution professional

SC to Take a Call

- Sebi moves Supreme Court in the matter
- Case will settle issue of jurisdiction in case of listed cos

tors are meant to be governed by IBC and to that extent IBC overrides Sebi Act," said Ashwin Bishnoi, partner, Khaitsan & Co. "However, this doesn't foreclose Sebi from initiating criminal investigation against the accused."

Securities lawyers said there are merits to Sebi's argument. To start with, HBN Dairies had illegally collected funds from investors through a CIS scheme, which is a criminal offence. Since raising the money and deviation from the business model adopted by HBN are illegal under Sebi laws, a resolution plan cannot be adopted in the case.

Further, there was also a view taken that the provisions of IBC would not apply to CIS schemes since the investors were not lenders but were more like unit holders in a mutual fund.

"Since HBN was running an illegal CIS scheme by collecting money from gullible small investors, primacy should be given to the rights of investors whose money has not been refunded by the company," said Anil Choudhary, partner, Finsec Law Advisors. "It would be incorrect for NCLT to treat such investors as financial creditors as they are akin to an investor in pooled assets, such as mutual funds."

►► On Money Matters

Market Trends

STOCK INDICES	% CHANGE
Nifty 50	11691.45 0
Sensex	39112.74 0.17
MSCI India	881.14 0.23
MSCI EM	2348.47 1.33
MSCI BRIC	617.79 1.09
MSCI World	9021.78 0.23
SX 40	22977.39 0.09
Nikkei	21333.87 1.72
Hang Seng	28202.14 2.56
Strait Times	3288.17 1.53

OIL (\$)	BOND
DUBAI CRUDE	10-YR YIELD
59.97	6.84
1.31	0.03

GOLD RATE	US	India
OPEN	1350.4	1471.73
LAST	1345.8	1472.53

FOREX RATE (₹-₹ Exchange Rate)	OPEN	LAST
	69.57	69.7

Market on Twitter @ETMarkets

FLYING HIGH ON BOURSES

New Global Destinations, Weak Oil to Boost IndiGo's Earnings

ET ANALYSIS

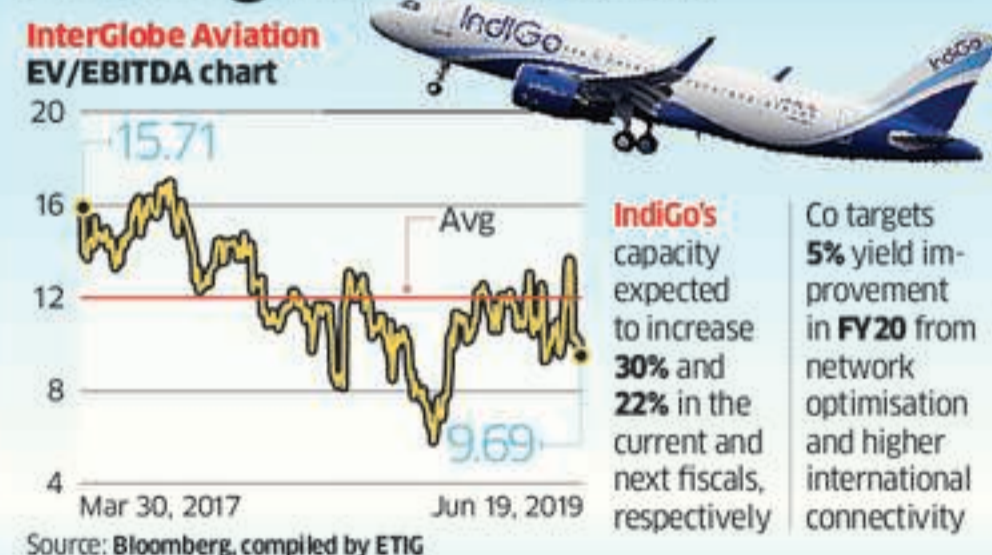
Grounding of Jet Air, increase in fleet size, too, will lead to higher yields

Ashutosh R Shyam & Rajesh Naidu

ET Intelligence Group: The stock of InterGlobe Aviation has gained nearly 40% in the past six months. Over half of the gains have come in just three months on the back of rising market share amid grounding of Jet Airways due to lack of funds.

The stock may continue to attract investors considering the possibility of higher yield given the expanding fleet size

For Higher Numbers



and lower crude oil prices.

Indigo's capacity is expected to increase 30% and 22% in the current and next fiscals, respectively, compared with a 28% rise in FY19. In the June 2019 quarter, it added 16 Airbus aircraft. Its fleet size is expected to increase to 278 in FY20 compared with 218 in the previous fiscal.

In addition, the company has announced plans to fly to China and Saudi Arabia as new international destinations. Though revenue per km is usually lower on foreign routes, it is compensated by lower fuel cost per km.

This should ease pressure on yields. The company has targeted 5% yield improvement in

FY20 with the help of network optimisation and higher international connectivity.

The yield for the current and the next quarter are expected to be over 50 paise higher than the last year. Every increase of similar magnitude in the yield translates into ₹1,000 crore of higher quarterly revenue. With the proportion of efficient Neo Airbus increasing, the cost per available kilometre will drop.

The softening of crude oil prices will further support earnings growth. Nearly 40% of the total operating cost is linked to movement in crude oil prices. A \$5 drop per barrel in crude prices improves projected EPS by 7-8%.

At Wednesday's closing stock price of ₹1,608.8, the company's enterprise value (EV) was 9.6 times the one-year forward operating profit before depreciation and amortisation (EBITDA) compared with the one-year average of 10.9.

INVESTORS WITH RISK APPETITE can consider investing a part of their portfolio in these instruments, say wealth managers

Crisis in NBFC Sector Pushes Up Yields on NCDs to 10-15%

Prashant.Mahesh@timesgroup.com

Mumbai: Investors with a risk appetite could consider investing in some of the non-convertible debentures (NCDs) available in the secondary market, as these could give a return of as much as 10-15%, say wealth managers.

Uncertainty in the non-banking financial segment following the recent developments at the IL&FS Group, Essel Group, Dewan Housing Finance and the Reliance Group of Anil Ambani, has led to lower appetite for NBFC paper among investors, they say. With low demand, yields on their instruments have shot up.

Yields on AA-rated NCDs, such as from SREI Infrastructure Finance, have shot up to 12-21%. NCDs of Indiabulls Commercial Credit yield 13%, while those of ECL Finance yield 12% and JM Financial Credit Solutions 11-14%. The yield on India Infoline Finance's paper is 12% and Muthoot Finance's is 10-12%.

These yields are attractive to investors given that bank deposits are offering just 6.5-8% a year. "Investors can consider investing a part of their investment into some of these after doing proper due diligence, thereby freezing stable high returns for a long period on company risk that they have chosen to take," said Deepak Jaisani, the head of retail research at HDFC Securities. Debt fund invest-

Earn Upwards of 10% from NCDs

Company	Coupon (%)	Maturing in	YTM (%)
Muthoot Finance	10.00	Mar-24	11.62
SREI Infrastructure	10.75	Jul-20	18.07
ECL Finance	10.20	Apr-22	11.81
JM Financial Credit	9.75	Jun-28	11.13

Source: BSE

tors, who are shaken by poor returns from debt funds due to defaults, downgrades or yield moves, can also consider this option, he said.

However, they also cautioned about the risk of buying these securities from the secondary market.

"One must understand that in the current environment, the liquidity tap for NBFC is closing with investors staying away from them. HNIs (high-net-worth individuals) and investors who understand bond markets and the risk associated with it, could buy some NCDs from

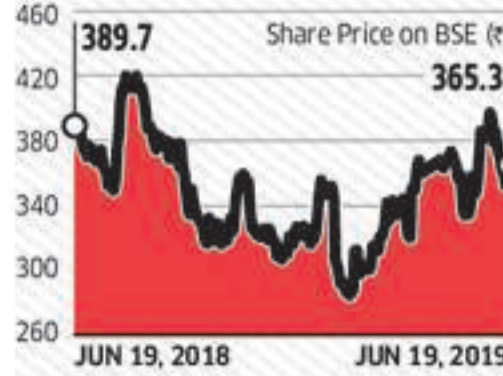


the secondary market," said Vikram Dalal, the managing director at Synergie Capital. Dalal recommends NCDs of Edelweiss and JM Financial Credit Solutions to such investors. However, for retirees and risk-averse investors who depend on interest income for their expenses,

he suggests sticking to AAA-rated companies that are backed by strong managements. NCDs of AAA-rated companies, like Tata Capital, L&T Finance and Mahindra Finance, offer lower yields of 7.5-9% per annum. "According to some wealth managers, liquidity in these NCDs was low and could quickly dry up in case of any adverse event and hence investors must assess their risk appetite and invest only a small amount. "The environment is fluid and any downgrade could lead to drying up of liquidity. Investors must buy with the objective of holding them till maturity," said Anup Bhaiya, managing director at Money Money Financial Services.

What to Buy, Sell and Hold

ICICI Pru Life Insurance



Deutsche Bank has maintained buy rating on ICICI Prudential Life Insurance Company with a target price of ₹465 following a meeting with the company's management.

Kotak Securities has maintained buy rating on Persistent Systems with a target price of ₹735. The brokerage expects Persistent to report an EPS of ₹49.6/share in FY20 and an EPS of ₹52.5/share in FY21.

HSBC has maintained buy rating on GAIL India and cut target price to ₹366 from ₹456. GAIL stock is down 15% after the much expected tariff order for its key pipeline network.

Kotak Institutional Equities has maintained reduce rating on Maruti Suzuki India and reduced fair value to ₹6,000 from ₹6,600. The domestic PV industry is likely to grow in low single digit due to a muted demand scenario.

ICICI Securities has maintained add rating on Kansai Nerolac Paints and revised target price to ₹472 from ₹458. Kansai Nerolac's FY19 revenue grew 13% year-on-year driven by mid-double digit decorative paint volume growth.

Multi-cap Funds Getting Bulk of Inflows; No Big Outflow from Mid-, Small-caps

This is the right time to enter the market for investors who have been waiting on the sidelines and who really want to participate in long-term wealth creation.

At a time when markets do not seem to know which way to go, we are off to a good start today. Looking at the broader markets, BofA is talking about how they have not seen the mood so sombre in the last 10 years.

It has been difficult after the election results. One would have thought that there would be broader participation in the market but things have not been great both in terms of news flow on the global front as well as on the domestic side.



slightly longer term view on the market ignoring the near-term concerns. But as for immediate triggers for the market, in terms of earnings traction, growth is missing.

This crisis of confidence has largely got to do with liquidity within the NBFC and the banking system. Is that trickling down to retail investors? The domestic retail flows for the last couple of months have been fairly weak.

a monthly basis, it appears there have been redemptions because if net flow is around ₹4,000 crore, that is coming through from HNI investors.

The near-term outlook is not looking that great. Long-term investing is still going on and the outlook still looks fairly decent in terms of growth. Clearly, there is some nervousness from the retail side, but people are not panicking.

Despite the mid-cap correction, there is no big outflow in the mid- and small-cap. Otherwise bulk of the money is moving into multi-cap and large cap categories.

You have got a new NFO (new fund offer) — a pharma and healthcare fund. What is the thought behind it and what is the structure? The pharma sector has been reeling under pain for the last couple of years and the main reason for that has been that the generic companies had seen a huge amount of pricing pressure in the US in the last two years.

It is the right time to put money across asset classes depending on each one's risk reward so that is one. Within equities particularly, the larger money allocation should go into a multi-cap category because large-caps have done well and valuations are expensive over there.

There's No Shortage of Jobs with Monthly Salaries up to ₹20,000

There are enough jobs in the bottom of the pyramid in staffing, facility management, security and BPOs where the monthly salaries range between ₹15,000 and ₹20,000.

Despite the 38% revenue growth in FY19, Quesq Corp stock has corrected 51% last year. What are the reasons? I am trying to find out the reasons for that because if you go by the financial results, the balance sheet of Quesq Corp has fundamentally not changed.

Our primary job here is to keep our growth momentum intact. Last year, we grew 38% and our EBITDA also grew 31% and that mostly came from organic growth. We did not do any major acquisition last year and our margin and the cash conversion, the working capital you raised, actually did very well.

capitalisation of NSE-listed stocks as of March 29. "It is a story of contrasting halves," said Ajay Bodke, chief portfolio manager (PMS) at Prabhudas Lilladhar, pointing to that both best and worst performing stocks were from the NBFC space.

Shares of Aavas Financiers are up 72.35% year to date, Manappuram Finance 53.51% and CreditAccess Grameen 48.62%.

CreditAccess listed on the bourses in August, 2018, and Aavas in September, 2018. They are up 76.36% and 38.66%, respectively, from their IPO offer prices. "For NBFCs, we still retain a cautious stance. However, companies



looking very encouraging and the market will notice that and the stock will bounce back in the near future. Our job is to run an efficient organisation which delivers profitable growth and throws up a lot of cash.

Reports are indicating that there is a strong job creation prospect. What is your outlook for the year ahead? There was a lot of chatter that we have jobless growth. We do not subscribe to that at Quesq because day in and day out, I see a lot of demand in the job market. Today we employ almost 3,20,000 in all our businesses and at any moment I can hire another 5-10% more

people because of my demand I have from the customers and the supply I am able to make to that there is always a gap at least 5-7 or 10%. So be in the southern market, western market or NCR region there are enough jobs.

We primarily work at the bottom of the pyramid — in staffing, facility management, security, BPO segment jobs where the monthly salaries range between ₹15,000 and ₹20,000. At that level, if somebody is telling you that they are not getting a job, I do not think that is true. There are enough jobs in these segments and I see tremendous growth. Last year itself we hired almost 100,000 people and when I have 300,000 plus, I have an attrition of almost 30%. So you can understand the kind of growth there is in the service sector.

Jobs will be coming primarily in the service sector going forward, in the staffing business, facility management, security service business and in the BPO segment. These are the segments where as we have seen a lot of momentum and post demonetisation and GST, there has been a rapid formalisation of the economy. A large part of our Indian economy is in the informal segment and the formalisation of the informal sector has expedited to a large extent in the last couple of months.

Charts Show Nifty Likely to Stage a Pullback

Rahul Oberoi@timesinternet.in

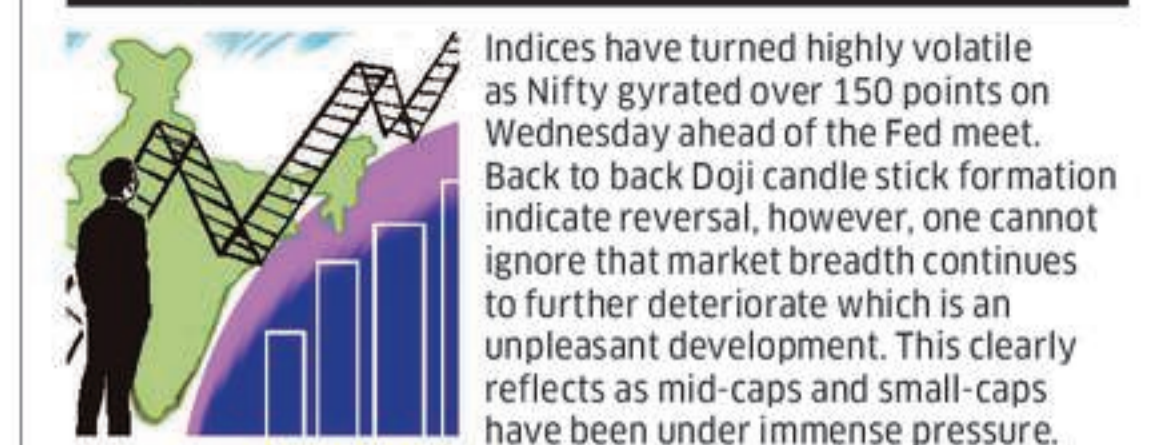
ETMarkets.com: Nifty50 remained highly volatile throughout Wednesday, as it moved in both directions in a 177-point range before signing off with a black candle on the daily chart.

The equity benchmark pared all of the day's gain in the second half and settled unchanged at 11,691. After opening 53 points higher at 11,744, the index hit an intraday high and low of 11,802 and 11,625, respectively. In this process, the index formed a higher top but lower bottom on the daily charts.

"Apart from a black body that occurred on the candles, no important formations were seen. We continue to expect the market to attempt more pullbacks," said Milan Vaishnav, technical analyst, Gemstone Equity Research and Advisory.

The session remained technical-ly important for Nifty as it continued to defend the 50-day moving average, which stands at 11,681. "Sustaining above the 50-DMA on closing basis indicates that there can be a decent pullback attempts going forward, which will be confirmed on a close above 11,800 level," said Muzhar Mohammad, chief strategist — technical research and trading advisory, Chartviewindia.in.

Day Trading Guide



Indices have turned highly volatile as Nifty gyrated over 150 points on Wednesday after the Fed meet. Back to back Doji candlestick formation indicate reversal, however, one cannot ignore that market breadth continues to further deteriorate which is an unpleasant development.

Going forward, the 11,600 mark is a crucial support keeping that as a stop loss a minor pull in the markets cannot be ruled out. Nifty is likely to make an attempt to move towards the 11,870-11,900 resistance zone for the index.

Tech Picks

ACC (JUN FUTS) A crack below 200-DMA indicates the selling pressure is likely to get extended. LAST CLOSE > ₹1,492 STOP LOSS > ₹1,515

CIPLA (JUN FUTS) Failure to hold above 100-DMA and negative crossover on weekly RSI indicates short term downside. LAST CLOSE > ₹534 STOP LOSS > ₹544.5

ICICI PRU Stock has broken out from a falling channel pattern on daily chart with impressive volumes. LAST CLOSE > ₹365 STOP LOSS > ₹357.5

F&O Strategy Markets ended Wednesday's trade on a flat note amidst sharp swings in both the direction. Tracking the Nifty options data of June 27, 2019, across the board short selling was witnessed in out-of-the-money call and put option strikes with Nifty 12,000CE and 11,500PE, carrying the maximum open interest consisting of mainly short positions. This indicates a formation of the ceiling and floor level for the weekly series at 12,000 and 11,500 levels respectively.

Trade: Short strangle (Hold till expiry: June 27, 2019): Sell 1 lot Nifty 12,000CE and Sell 1 lot Nifty 11,500 PE in the range of ₹40-50 (Premium Received); Stop Loss: ₹75; Target: ₹5

FUTURES: Sell TV18 Broadcast June Future at ₹23.8-24.2; Stop Loss ₹24.55; Target ₹22.5

FX Technical USD/INR Status: Likely to move lower towards 69 levels. Call for the day: Go short in June future around 69.80. Target: ₹69 Stop Loss: ₹70.2

GBP/INR Status: Likely to move lower towards 87 levels. Call for the day: Go short in June future around 88. Target: ₹87 Stop Loss: ₹89

Commodity Calls Buy in range ₹33,000-32,950; SL ₹32,500; Target ₹33,500

Sell in range ₹418-420; SL ₹425.50; Target ₹410

Buy in range ₹37,000-37,100; SL ₹36,500; Target ₹37,800

Nomura Raises Target Price on SBI, Its Top Pick

banks have taken significant recognition. It is positive on PSU banks with adequate capital levels. The brokerage has raised earnings estimates for the FY20-FY22 period by 5% for each year.

"We think the worst of the bank's asset quality issues are behind it, and that it has limited exposure to new issues. SBI's PPOP (pre-provision operating profit) levers are very likely to play out faster than other corporate banks with visibility of NIMs (net interest margins) expanding by 30 bp (basis points) and cost income ratios moderating by 7-8% over the next two years," said Nomura. The brokerage said stress recognition and disclosure differ across banks but large PSU

Our Bureau

Mumbai: Nomura Financial Advisory and Securities (India) has retained State Bank of India as its top pick in the banking sector as it sees high probability of profitability improving going ahead. The brokerage has raised target price on the stock by 17.5% from ₹400 to ₹470.

"We think the worst of the bank's asset quality issues are behind it, and that it has limited exposure to new issues. SBI's PPOP (pre-provision operating profit) levers are very likely to play out faster than other corporate banks with visibility of NIMs (net interest margins) expanding by 30 bp (basis points) and cost income ratios moderating by 7-8% over the next two years," said Nomura. The brokerage said stress recognition and disclosure differ across banks but large PSU

Market Intelligence

Powered By: ETIG Database www.etintelligence.com

Market Intelligence tables including Market Snapshot, Turnover, Advance & Decline, Highs & Lows, FII Activity, MF Activity, Positive Breakouts, Negative Breakouts, Best Returns on BSE, Worst Returns on BSE, and ET Indices.

F&O Corner-NSE

F&O Corner-NSE tables including Positive Trend, Negative Trend, Active Calls, Future OI Gainers, Future OI Losers, Market-Wide Position Limit, and Top Sectoral OI Gainers.

Small-Cap and Mid-Cap Indices in Red

From ET Markets Page 1

At home, Tata Steel was the top gainer with a gain of 4.6% followed by Kotak Mahindra Bank, NTPC, HDFC and Power Grid which gained 1.2%.

Yes Bank slid 5.5% to end as the worst performer on the Sensex followed by Tata Motors, Hero MotoCorp, IndusInd Bank and Mahindra & Mahindra which ended down 1.7-2.3%.

Sector-wise, auto and pharma indices on the NSE were the worst performers, ending down 1.1% and 1.6%, respectively, while the real estate index ended up 1.1%. The selling pressure was more visible in the broader market, with the BSE MidCap index ending down 0.7% and BSE SmallCap index ending down 1.4%. Among the SmallCap index constituents, Jain Irrigation Systems slumped 28%. HOV Services, Reliance Naval, Jet Airways, Weizmann Forex and HDIL declined 15-20%.

"Indian markets are being decoupled from global markets as economic indicators are not in good shape. FPIs have stopped after buying heavily in Indian markets in May and start of June. There is also caution ahead of the Budget," said Yogesh Mehta, vice-president, Motilal Oswal Financial Services.

Experts said negative news flow in the corporate world and crisis in the NBFC sector is also leading to sell-off in the broader market. The Sensex has gained less than 1% since May 23 - when the outcome of the national polls was announced. In this period since May 23, the RBI has also announced a repo rate cut of 25 bps, after data showed that India's GDP growth fell to a five-year low of 5.8% in the March quarter.

The Scorecard

Company	CMP	%Change
WEDNESDAY'S GAINERS		
Tata Steel	494.5	4.6
Kotak Mahindra	1498.4	2.44
NTPC	134.6	1.58
Power Grid	200.8	1.57
HDFC	2178.3	1.11
WEDNESDAY'S LOSERS		
Yes Bank	103.25	-5.54
Tata Motors	154.65	-2.31
Tata Motors (DVR)	75.05	-2.28
Hero MotoCorp	2607.4	-2.25
IndusInd Bank	1382.9	-1.82

Compiled by: ETIG Database

DIESEL CONSUMPTION GROWTH HALVES

Auto, Factory Slowdown to Hit Oil Cos' Earnings Growth

Consumption growth of petroleum products - a proxy for India's industrial activity - was under 1.5% for the third consecutive month in May, reflecting a precipitous decline in auto sales volumes, drop in housing starts, and slower GDP growth.

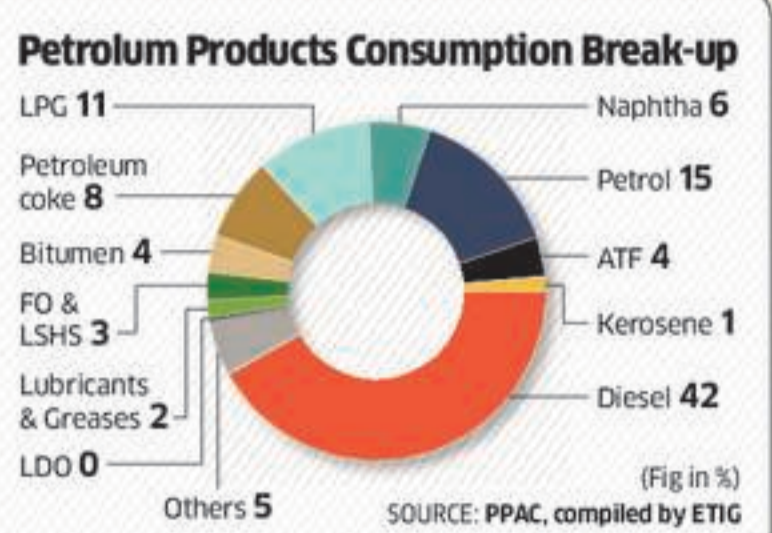
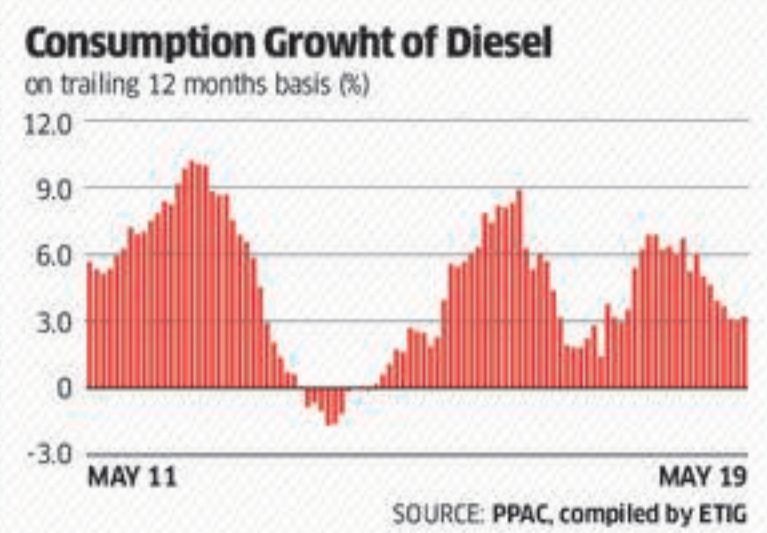
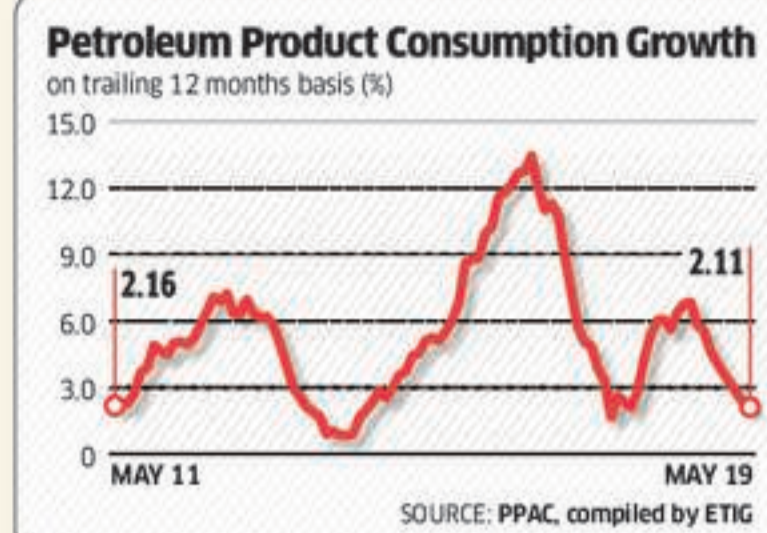
Sales of both auto and industrial fuels rose 0.04% in May to 18.61 million tons, data compiled from Petroleum and

Planning and Analysis Cell showed. On a trailing 12-month basis, petroleum product consumption grew 2.11% in May, the slowest in 18 months. GDP growth in the March quarter moderated to 5.8%, the slowest pace of expansion in about four years. Similarly, car sales volume growth dropped to the lowest in seven years. The combined inventory value of cars and two-wheelers is about \$8 billion.

Among retail fuels, diesel consumption rose 3.59% on the trailing 12-month average - half the growth rate in last fiscal. Diesel accounts for 42% of the total petroleum products consumption, with transport demand making up two-thirds of consumption. Among engine fuels, ATF has witnessed the highest contraction, reflecting the impact of aircraft grounding by Jet Airways.

Slowing sales would affect earnings growth at state fuel retailers, as nearly two-thirds of their operating profits come from marketing margins on auto fuels. Local sales volumes of IOC, BPCL and HPCL rose 3.1%, 4.5%, and 4.8% in the last fiscal.

-Ashutosh R Shyam/ETIG



WEAK DEMAND A MAJOR WORRY

Rising Input Costs May Force Hike in Steel Prices

Vatsala.Gaur@timesgroup.com

Mumbai: Record high raw material prices may force Indian steelmakers to increase steel prices as it becomes difficult for them to maintain spreads, but weak demand in the short term with spiralling imports could be a challenge.

Companies had already raised prices of some flat and long products in the beginning of June, in the range of ₹500 and ₹750 per tonne in the monthly spot market and are looking at the response before they decide to raise prices further to "enhance the spreads".

Iron ore price has shot up by more than half since the beginning of this year, touching the \$100 per tonne mark in June while price of imported coking coal has also remained upward of \$200 per tonne. The combined movements of the raw material has put pressure on the spreads. At the same time, a liquidity crunch in the market has affected demand while more than half a million tonne of steel imports are eating into the share of domestic steel every month.

"We have tried the possibility of increases in some products and need to see how it goes in various parts of the country and are watching the

space as to how we can enhance the spreads a little better," Jayant Acharya, director of commercial and marketing at JSW Steel, told ET.

He, however, said that these products had seen a correction in prices in April and May and with the cost increases, there's an attempt to regain part of that loss, and that in the mid to long term, India is poised to be an "outlier" even as world economies battle low demand and financial risks.

Another senior official of a prominent steel company said it is looking at an increase of as much as ₹1,000 per tonne, but is experiencing a "push back" from the market. The price of hot rolled coil is currently hovering around ₹41,000-42,000 per tonne while prices for 6-month contracts inked with auto companies have come down in the April-September cycle.

"Chinese mills have reduced prices, yuan has also depreciated. Hence, on an import parity basis, there could be pressure on local steel prices, factoring in weak demand. In the prevailing scenario, we prefer integrated mills like Tata Steel," said Ritesh Shah, lead analyst for materials at Investec India.

Fall in Global Yields may Boost Inflows into Local Bonds

From ET Markets Page 1

"The combination of relatively high yields, stable currency and expectations of continuing growth enhancing reforms should provide significant impetus for continued foreign investment into India," said Prasanna.

The recent electoral mandate, combined with regulatory policies that seek to simplify the investing environment for foreign investors, should also add to investor confidence.

Sebi Moves Apex Court Over Jurisdiction Issues with NCLT

From ET Markets Page 1

Lawyers said any adverse verdict for Sebi in the matter would set a precedent and dozens of CIS cases where Sebi is undertaking recovery proceedings could be affected. "If the verdict goes in favor of the resolution professionals, then investors of other CIS schemes too will approach NCLT delaying the recovery process further," said a lawyer in direct knowledge of the development. One of the key issues that investors

face with Sebi's recovery proceedings is that the process takes longer. For instance, in the HBN case, Sebi took cognizance of the matter more than five years ago, although the recovery is still due. Promoters of the companies use several strategies to slow down recovery proceedings. For instance, they purchase properties outside India and attaching such properties through a foreign court takes time.

"This leads to anxiety among investors, who chase other judicial forums for remedy," Choudhary added.

'Shares Transferred at Face Value'

From Page 1

They sold them the same day to RRPR Holdings at the market rate, making "huge illegal capital gains exceeding ₹200 crore", according to the income tax department, an official told ET. The Roys hold 50% each in RRPR Holdings. The assessment further alleged that the Roys failed to pay income tax on these transactions, pegging the evasion at more than ₹100 crore each. Roy said this was merely a transfer of shares at face value among themselves.

The alleged concealment of income is ₹1.30 crore each for the assessment year 2009-10 and ₹116 crore each for the assessment year 2010-11.

"The assessee has failed to explain by credible evidence any reason of buying the shares at ₹4 per share when the quoted price of the share on the recognised stock exchange is ₹40 per share," read the 137-page order passed on June 14. "As the motive itself of the assessee was not demonstrated at all with credible evidences, the assessee now cannot say that there was no motive of tax evasion."

Prannoy Roy said the tribunal only said that the capital gains should be

considered short-term in nature.

"The ITAT or the tax department has not unearthed any undisclosed or concealed income," he said in the email to ET. "The solitary issue in assessment year 2009-10 was whether income from capital gains was to be assessed as short-term or long-term gains. The ITAT has rejected our argument of long-term capital gains and taxed it as short-term."

Roy said the shares were transferred at face value.

"For the assessment year 2010-11, the technical issue is whether we were obliged to transfer shares of NDTV to our own company (RRPR Holdings) at market value or could we transfer them at face value," Roy said. "Moreover, there was no gain as the transfer was from ourselves to ourselves. All these transactions were duly and fully disclosed. There is no question of concealment."

Besides a penalty of Rs 14 crore each for alleged concealment of income, the IT department may levy an additional penalty of Rs 17 crore each, said the people cited above.

The tribunal recorded that payments of ₹403.85 crore from Reliance Industries Ltd to RRPR in July 2009 were routed

through Reliance Ventures Ltd, Shinao Retail Pvt. Ltd and Vishwaprasthan Commercial Pvt. Ltd (VCPL). It also referred to the Securities and Exchange Board of India (Sebi) order of June 2018 which held that the transaction was a takeover exercise couched as a loan agreement with the intention that VCPL acquire control of NDTV without contemplating any repayment.

Sebi had on June 14 banned the Roys from being directors or holding any key managerial positions in NDTV for two years because they didn't disclose material and price-sensitive information about loan agreements entered into by them with ICICI Bank and VCPL. The founders were banned from accessing the securities market for that period. However, the Securities Appellate Tribunal (SAT) stayed the order on June 18.

All the investments of the Roys and RRPR Holdings, an NDTV promoter, in mutual funds were to remain frozen for two years as part of the Sebi order. It had also barred the Roys from holding board positions or key managerial posts in any listed company for a year. The Roys established NDTV, one of India's top news broadcasters, in 1988.

'Sweeping Conclusions'

From Page 1

"The fact of the matter is that India's GDP methodology is consistent with internationally accepted standards and is in a continuous process of improvement," the report said.

The paper, with economists Bibek Debroy, Rathin Roy, Surjit Bhalla, Charan Singh and Arvind Virmani as primary contributors, said the former CEA had overlooked tax data.

"For anyone who reads Dr Subramanian's paper, it is evident that he trusts CMIE but distrusts CSO... This blind trust in a private agency (CMIE) and blind distrust in a government institution (CSO) that has served India appears unwarranted for a neutral academic," it said.

Subramanian admits, the EAC noted, that "the results in the paper are by no means the final word". However, the sweeping conclusions and broad policy implications he lays out seem to suggest that India needs to be alarmed, the EAC said.

Subramanian, who stepped down as the chief economic advisor last year, said in the research paper that India's economic growth rate had been overestimated by about 2.5 percentage points between FY12 and FY17 due to a change in methodology for calculating GDP. Subramanian served as the CEA in the finance ministry for nearly four years from October 2014. His paper, entitled 'India's GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms, and Implications,' comes as concerns have been raised in various quarters about official economic data.

The EAC paper said a majority of the 17 indicators used by him have been taken directly from CMIE, which is not a primary source of information but collects it from different sources.

The paper said Subramanian chose to overlook tax data, arguing that "we do not use tax indicators because of the major changes in direct and indirect taxes in the post-2011 period, which render the tax-to-GDP relationship different and unstable, and hence make the indicators unreliable proxies for GDP growth".

Unlike many indicators, the EAC said tax data is not collected through surveys or by agencies through arcane techniques. These are hard numbers and should be an important indicator of growth, it said.

"Further, there have been no major changes in tax laws until the end period in the author's analysis (March 31, 2017). GST was introduced on July 1, 2017," it said. The author's logic of not using tax data appears to be a convenient argument meant to avoid inconvenient conclusions based on hard facts, the report said.

India's GDP estimation is by no means a perfect science, the EAC admitted. But it pointed out that Subramanian as CEA had presided over government economists and statisticians and is aware of the magnitude and complexity of the exercise involved in computing growth figures for the continent-sized, highly diverse, emerging economy.

"To consider attempting to approximate GDP of such a country on the basis of some correlations and four variables using simplistic econometric techniques and challenging the existing edifice of data collection is not only demoralising to those dedicated personnel but also technically inappropriate," it added.

"The process is better than it used to be and efforts are under way to improve it even further, the EAC said.

The government had earlier said the base year of the GDP series was revised from FY05 to FY12 and released on January 30, 2015, after adaptation of the sources and methods in line with the System of National Accounts 2008.

The new methodology introduced in 2015 is a testament to India's intent to adopt the most modern global standards to accurately report its economic data, the EAC observed. India's direction and pace toward the goal of accurate National Income Accounting is worthy of praise, it added. The complexity of computing GDP gets compounded in an emerging country of the size of a continent and highly diverse products ranging from agriculture to sophisticated satellites.

'PoS Deployments a Challenge'

From Page 1

But they have not played any part in BHIM (Bharat Interface for Money) Aadhaar PoS (point of sale) deployments.

"In FY19, Paytm Payments Bank processed 393 crore digital transactions, 11% of the MeitY target set for us. The target set for the current year is 501 crore digital transactions," said a Paytm Payments Bank spokesperson. It says it has a merchant base of 12 million.

The ministry has set transaction targets for this year, as per documents ET has seen. SBI's target is 7.68 billion transactions, while that of Paytm Payments Bank is 5 billion, ICICI Bank's is 2.8 billion and HDFC Bank's is 2.53 billion.

Even as the number of digital transactions rise, the bigger challenge is to expand payment acceptance points across retail merchant networks, experts said.

The cost of operating terminals, network constraints in small towns and low usage levels have hampered growth. ET reported on May 15 that banks had only achieved 44% of the total 2 million PoS deployment target set by the government for FY19. For the current year, the target stands at 8.5 million across rural areas and the Northeast. These terminals could straddle traditional PoS terminals, QR codes, wallets and UPI.

'Libra Unlikely to Pass Muster'

From Page 1

However, peer-to-peer transactions of bitcoins are allowed. The regulator's ban has been contested in Supreme Court by companies that were trading bitcoins in India and the next hearing is on July 23.

India's regulations, a legal expert said, does not discriminate between digital assets operating in isolation within a network, and digital assets interacting with fiat currency such as the rupee.

"If Facebook were to design the Libra to be a closed system, only to be transacted on its network and not beyond, RBI should ideally be less concerned, since the coin does not engage with the external economy," said Anirudh Rastogi, founder, Ikgai Law, a technology-focused law firm. "If it is not meant to operate in a closed system, then it is exactly the kind of digital asset that concerns RBI. Regulations as currently drafted seem to indiscriminately apply to both the above examples."

The argument that this is a stablecoin - a cryptocurrency whose value is pegged to be as stable as the dollar - is unlikely to pass muster with the banking regulator, due to concerns around tax evasion, money laundering and fraud, as per Rastogi.

Calibra also plans to allow real-time conversion to local currency, used to remove any fluctuations in foreign exchange.



Another expert said any entity that uses Libra may fall foul of RBI's norms as well as provisions of the IT Act, and face penalties. "Under Section 79 of the Indian IT Act, Facebook is obligated to take 'all due care' to ensure its network or platform is not used for illegal activities like dealing in cryptocurrencies in India. Section 79 would apply to Facebook even though it is based out of India. Section 75 of the IT Act also gives extrajurisdictional jurisdiction to the law," said Salman Waris, managing partner at Delhi-based specialist technology law firm TechLegis Advocates & Solicitors.

Facebook's WhatsApp is separately attempting to build a payments business in India using the unified payments interface (UPI). However, it has not received approval to launch full-fledged commercial operations and has been running a pilot since early 2018. WhatsApp has over 400 million users in India, while Facebook has over 300 million users, according to Statista.

ET in the Classroom

SWP in Mutual Funds

Mutual fund investors are opting for systematic withdrawal plans to meet monthly cash flows and this is emerging as a preferred mode as compared to dividends. ET gives the lowdown on the benefits



ANIRBAN BORA

1. What is a Systematic Withdrawal Plan (SWP)?

Systematic Withdrawal Plan (SWP) is a facility by which investors can withdraw a fixed amount from a mutual fund scheme.

The frequency of withdrawal could be monthly or quarterly, though the monthly option is most popular. Investors can customise cash flows - they can withdraw just a fixed amount or even opt to withdraw just the capital gains on his investments.

2. How can an investor start one?

A SWP can be started anytime. It can be done while making the first investment. If you are an investor in a scheme, you can just activate the SWP option in the scheme, whenever you feel the need for regular cash flows. To activate it, you need to simply fill out an instruction slip with the AMC stating the folio number, the withdrawal frequency, date for the first withdrawal and the bank account to credit the proceeds.

3. Why is SWP finding favour with financial advisors now?

Dividends are subject to a dividend distribution tax, while capital gains upto ₹1 lakh in a financial year, are tax free in the hands of an investor. In addition, dividend cannot be guaranteed by a mutual fund and is subject to market movement, distributable surplus and profits made by a scheme. As compared to this, SWP is more reliable than a dividend and is set up by the investor himself.

4. What are the tax implications in a SWP?

SWP is a periodic withdrawal, which translates into redemption of units from the scheme. Hence, the tax treatment of each withdrawal will be the same as is applicable to equity and debt funds. Hence, for units where the period of holding has not crossed 12 months for equity-oriented funds, investors will have to pay a short term capital gains tax. For debt funds, there will be a tax liability (short-term capital gains on holding for less than 36 months and long-term capital gains on longer holding periods).

In addition, investors also need to factor in the exit load of the scheme. If it is from an equity fund which has a 1% exit load before the end of one year, the investor will have to bear the same.

TEXT: Prashant Mahesh

An investor education initiative

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

ET GRAPHICS

Strong Rebuttal

The Economic Advisory Council to the PM has issued a strong counter to former chief economic advisor Arvind Subramanian's claim that India's GDP was overestimated. A 12-page paper, which has Bibek Debroy, Rathin Roy, Surjit Bhalla, Charan Singh and Arvind Virmani as primary contributors, has raised multiple issues with Subramanian's thesis. ET takes a look:

Arvind Subramanian's estimate	2011-2016
Reported growth	6.90%
Subramanian's estimate	3.5-5.5%
Cumulative overstatement of GDP	9-21%

% GDP Growth	Back-cast Series	
	2004-05 Base old methodology	2011-12 base new methodology
2005	9.3	7.9
2006	9.3	8.1
2007	9.8	7.7
2008	3.9	3.1
2009	8.5	7.9
2010	10.3	8.5
2011	6.6	5.2

EAC's POINT-BY-POINT REBUTTAL

TAX INPUTS	EAC's counter
Subramanian's assessment	EAC's counter
Tax-related indicators unreliable post 2011	Former CEA overlooked tax data, GST introduced on July 1, 2017
Demonetisation, GST not covered	Convenient argument meant to avoid inconvenient results
MANUFACTURING CORRELATION	EAC's counter
Subramanian's assessment	EAC's counter
GDP growth overestimated by 2.5 percentage points	Paper ignored services, farm sector
Of this, 1 percentage point overstatement from manufacturing	IIP fluctuates, not overestimated
OFFICIAL INDICATORS	EAC's counter
Subramanian's assessment	EAC's counter
Used 17 indicators, majority from CMIE	Distrust in CSO, official stats; reliance on private numbers
Chosen indicators produced independently of CSO	Switch to global accounting norms raise OECD countries' real GDP by 0.7%

EAC's GDP CALCULATIONS ROBUST

- India's methodology in line with advanced countries
- Subramanian's conclusions mathematically incorrect
- His cross-country regression analysis wrong
- Changed correlation between indicators don't imply low growth
- GDP estimation not perfect but improving

MANAGE & PROTECT AGAINST FLUCTUATING BULLION PRICES
HEDGE ON MCX



Tweet of the Day

Holger Zschaepitz
 @Schuldensuehner

Global stocks enjoying euphoric rally to very dovish comments from Draghi & Trump announcing he will meet Xi at G20. Mkts now expect ECB to deliver a 10bps deposit rate cut in Sep, w/potential for QE to follow. Dollar and Bonds steady w/ Euro at \$1.1194, US 10y yield at 2.07%.


Quarts & Ounces



ET Index

COMMODITIES	CHANGE	PREV DAYS	LAST WEEK
Bullion	-0.06	4724.7	4708.9
Cement	0.00	2397.3	2431.1
Edible Oil	0.50	1527.4	1525.8
Foodgrains	-0.18	2385.5	2400.0

\$837.81 MILLION
 SILVER JEWELLERY EXPORTS IN 2018-19



ANOTHER TWIST Trustees appointed by a Netherlands court, which has declared the airline bankrupt, move NCLT

Jet Lenders Face New Headwinds

Saloni Shukla & Maulik Vyas

Mumbai: Indian lenders' efforts to initiate insolvency proceedings against Jet Airways are facing a fresh challenge, with the trustee appointed by a Netherlands court, which had last month declared the grounded airline bankrupt, seeking to intervene.

"Jet Airways has already been declared bankrupt by the Holland District Court and we want to argue the applicability of cross-border insolvency law in this case," said counsel Kiran Sharma, who along with counsel Sumant Batra, is advising the trustee in the case.

On Wednesday they moved an intervention application in the case. The Mumbai bench of the National Company Law Tribunal (NCLT) said it would consider the plea along with a bunch of other applications on Thursday.

The Netherlands court had declared BSE-listed Jet Airways bankrupt on an application

made by two transport services providers. It has appointed Rocco Mulder as the administrator in the bankruptcy proceedings of the Indian airline company.

The foreign court's order is unlikely to affect the other petitions before the NCLT, said Ashish Pyasi, an advocate with law firm Dhir and Dhir Associates.

"First, today there is no provision for cross-border insolvency in India under the IBC. Secondly, if the order of a foreign court is to be

executed, then there is a separate provision under the civil code for execution and in the event of any conflict between the IBC and civil code, provisions of the IBC will override (the other). So, execution of such foreign order may come under the conflict," he added.

On Wednesday, State Bank of India sought to initiate insolvency proceedings against Jet Airways, before the dedicated bankruptcy court begins hearing the complaints of two operational creditors on Thursday.

The NCLT directed the state-run bank to file its written submissions and decided to hear the matter along with the pleas of the operation-

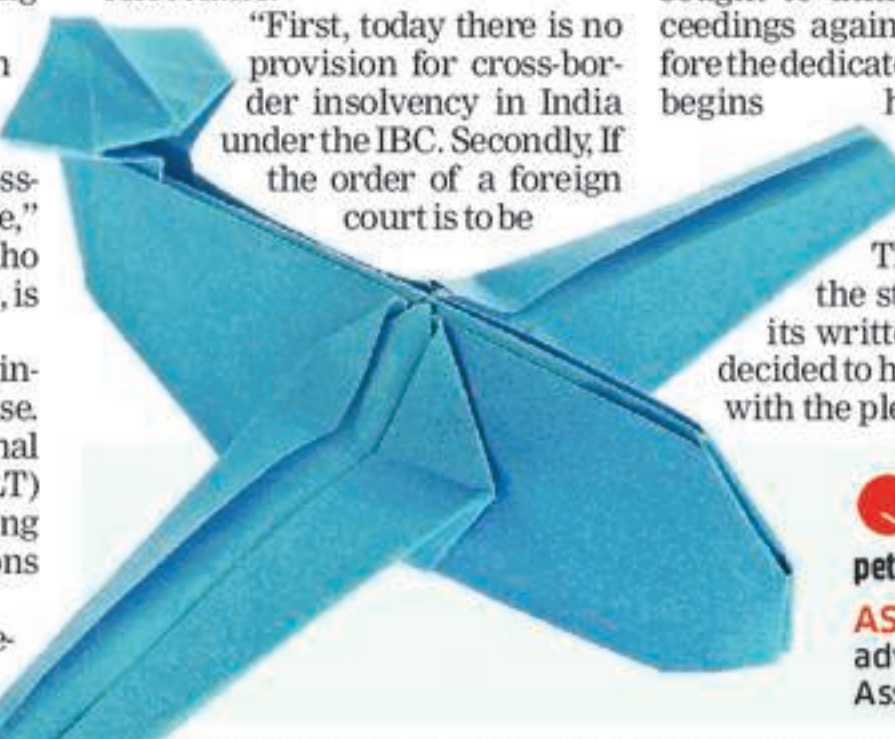
al creditors. "The board of directors of the company is non-existent and there is significant urgency on the matter," Animesh Bisht, a senior associate at Cyril Amarchand Mangaldas, who is representing SBI, told the NCLT. "We have filed a Section 7 application to initiate insolvency petition against Jet Airways."

Section 7 of the Insolvency and Bankruptcy Code gives financial creditors the power to file a plea against a corporate debtor.

However, the bench, presided over by VP Singh and Ravikumar Duraisamy, declined to immediately entertain any request. The counsel for Jet Airways pilots' union, who too sought to intervene, was also asked to be present during the proceedings on Thursday.

The two operational creditors — Shaman Wheels and Gaggar Enterprises — had earlier filed two separate insolvency pleas against the airline in the Mumbai NCLT. These cases were earlier listed for June 10, but were adjourned to Thursday. The lender's petition is most likely to be clubbed with these.

Grounded since April 17, lenders were unable to find a white knight for Jet Airways which has accumulated debt of ₹8,500 crore and total liabilities of more than ₹25,000 crore. The banks involved in the turnaround of what was India's second largest airline until last year stated that reversing its negative net worth and getting it back to the skies would be a big challenge for prospective investors.



The foreign court's order is unlikely to affect the other petitions before the NCLT
ASHISH PYASI,
 advocate, Dhir and Dhir Associates

The board of directors of the company is non-existent and there is significant urgency on the matter. We have filed a Section 7 application to initiate insolvency petition against Jet Airways
ANIMESH BISHT,
 senior associate, Cyril Amarchand Mangaldas

'Operational Creditors Get Fair Share of Claims Settled'

Settlement of their claims in line with that of financial creditors, says ICRA

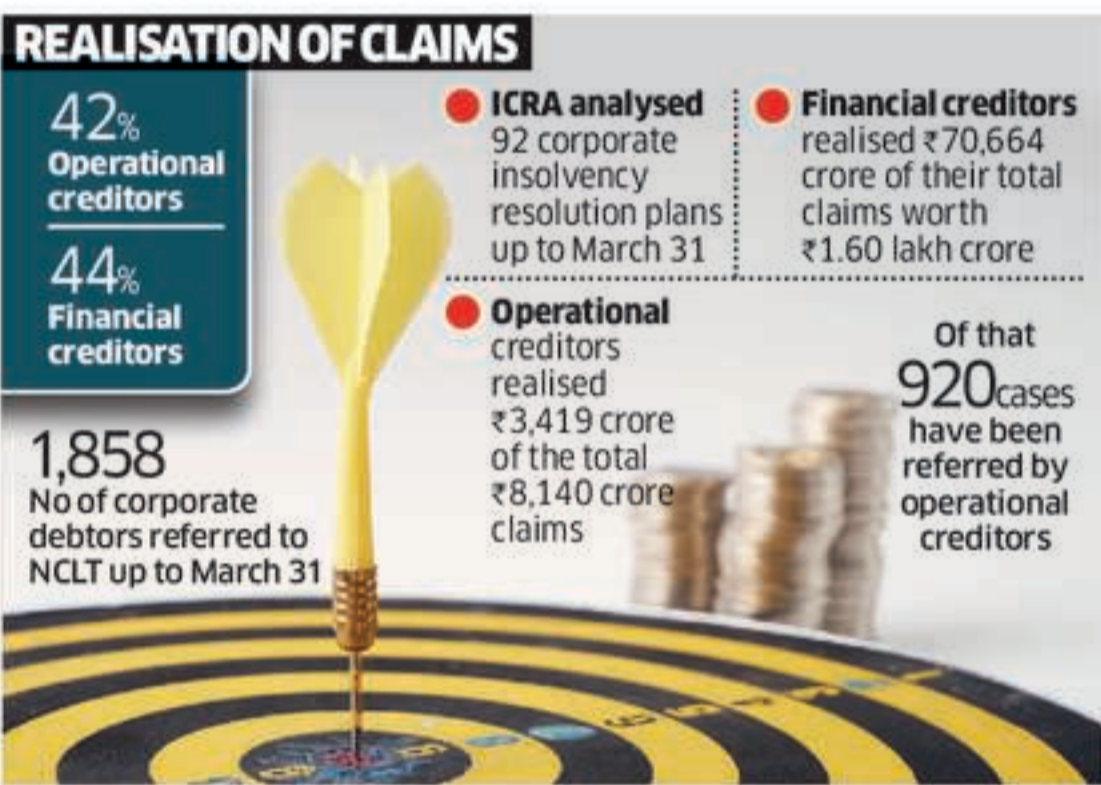
Our Bureau

Mumbai: Realisation for operational creditors has been in line with financial creditors in the 92 corporate and insolvency resolution plans that have yielded results until March 2019, rating agency ICRA said.

Operational creditors have realised 42% of their total claims compared to 44% realisation for financial creditors, the rating agency said.

ICRA analysed 92 corporate insolvency resolution plans (CIRPs) that have yielded a resolution plan up to March 31, 2019. The rating agency found that operational creditors realised ₹3,419 crore of the total ₹8,140 crore claims of operational creditors while financial creditors realised ₹70,664 crore of their total claims worth ₹1.60 lakh crore.

"The reason the operational creditors have not suffered significantly higher haircuts is on account of the criticality of certain creditors to the core operations of the corporate debtors. As a result, the resolution applicants have ensured that relationships with such creditors are



maintained. Among certain large size corporates, realisation by the operational creditors has been much higher than the average realisations such as that seen in the resolutions of Bhushan Steel Limited (81% of claims received by operational creditors) and Binani Cement Limited (86%)," said Abhishek Dafria, vice-president & co-head, corporate ratings, ICRA.

Of the 1,858 corporate debtors referred to the NCLT up to March 31, as many as 920 cases (49%) have been referred to by the operational creditors. Despite the delays in the application being accepted by the NCLT and then the CIRP itself, operational creditors have continued to show confidence in the process and remained at the forefront of pushing corporate debtors to the

NCLT. Dafria said that financial creditors have a responsibility to ensure that operational creditors get their fair share and maintain their financial health.

Operational creditors do not form part of the Committee of Creditors that evaluates the resolution plans unlike financial creditors. Thus, it is the responsibility of the CoC to ensure that the operational creditors receive a fair share of their claims to maintain their financial health, said Dafria.

"A short-sighted vision of financial creditors to enhance their own realisation from the resolution applicant could impact the sustainability of the businesses of the operational creditors which would thus have a bearing on the going-concern status of the corporate debtor itself in the long run," he said.

Gold Futures Discount Hints at Duty Cut

October futures trading at 2.5% discount over import prices indicates duty cut expectations

Sutanuka Ghosal & Saikat Das

Kolkata | Mumbai: If gold future contracts were an accurate pointer to what North Block might do with levies on the yellow metal, the odds in favour of a cut in import taxes should shorten.

Why so? October futures on India's traditional store of value are now at a 2.5% discount to current spot import prices, with the new administration due to unveil the Budget on July 5.

The discount reflects expectations from the upcoming budget, said Abhishek Bansal, chairman, Mumbai-based Abans Group. "Gold futures have rallied nearly 6% over the past month on account of a dovish tilt in global monetary policy and geopolitical risks," he said.

Gold October futures closed at ₹33,024 per 10 gm on MCX on Tuesday, while the imported gold was available at ₹33,820 per 10 gm indicating a 2.5% discount prevailing on gold for October futures. The rally in gold prices in last one month on the MCX has resulted in turnover for gold going up by 61.8% to ₹7,108 crore from ₹4,393 crore on May 20.

Global gold futures rallied after a dovish comment from ECB president Mario

Draghi and optimism over a Federal Reserve rate cut in its July meeting. But gains retreated later on expectations that the trade impasse involving the world's two biggest economies would be resolved.

At present, gold attracts import duty of 10%. The GST on gold is 3%. So, the total tax incidence on gold is 13%. The industry has been seeking a duty cut for quite some time now, although New Delhi has remained steadfast on its decision to impose a 10% total levy on gold.

"For the past five years, we have been seeking an import duty cut. But nothing has happened. This time too we are keeping our fingers crossed. The duty should at least come down by 4%," said Anantha Padmanabhan, chairman, All India Gem & Jewellery Domestic Council. Gold prices in India are currently getting support from strong global prices and depreciation in the rupee, despite weak domestic demand.

"We can expect some profit booking in gold as traders may sell the stock bought ahead of the summer wedding season. The upcoming budget session may keep new buying limited with expectations of a change in import duty," said Tapan Patel, senior analyst (commodities), HDFC Securities.



Copper Near 3-week High on Trade Woes

Copper prices held near three-week high on Wednesday on hopes that renewed talks between China and the US will defuse a trade dispute that investors fear will damage economic growth and metals demand



Benchmark Copper on LME

0.2%	1.8%
Fall on Wednesday	Intraday peak

0.3%
 Fall in LME lead on Wednesday

\$5,935 a tonne
 Price of benchmark copper on LME on Wednesday

0.1%
 Fall in aluminium on Wednesday

3,62,000 tonnes
 Estimated deficit of copper market this year

REASONS
 Worsening confrontation between Washington and Beijing
 Weak yuan
 Expectations of rate cuts

Source: Agencies

US Move to Hit Gem, Jewellery Exports Further

Fresh round of GSP withdrawal to trim exports by \$87m; total impact since 2007 at \$626m

Sutanuka.Ghosal@timesgroup.com

Kolkata: The fresh round of withdrawal of the Generalised System of Preference (GSP) by the United States will affect \$86.54 million in gem and jewellery exports from India. This will take the aggregate impact of withdrawal of GSP on gem and jewellery exports to \$625.94 million. The aggregate figure includes gem and jewellery worth \$539.4 million on which GSP was withdrawn by US in the period 2007-2009.

"Exports of 45 gem and jewellery commodities from India on which GSP benefit will be withdrawn by the US are pegged at \$86.54 million. Therefore, it is expected that this much quantum of exports from India will be adversely affected in terms of escalated prices of these products



\$12.22 billion
 India's exports of gem and jewellery to the US in calendar year 2018

GSP Withdrawn for...
 Silver articles of jewellery
 Gold rope necklaces
 Neck chains
 Gold mixed link necklaces
 Neck chains

GJEPIC ESTIMATES
 23.2% Fall in US imports of these commodities from India
 \$2.32 billion Imports in 2007
 \$1.78 billion Imports in 2018

and reduced export competitiveness in the US market," said a senior executive of Gem & Jewellery Export Promotion Council (GJEPIC).

The 45 items on which GSP is being withdrawn include precious stones (other than diamonds) and semiprecious stones, silver unwrought (other than bullion and dore), gold (including gold plated with platinum) in semi-manufactured forms

(except gold leaves) among others. Indian gem and jewellery exports suffered when US withdrew GSP in 2007, 2008 and 2009, and thereby started attracting most favoured nation (MFN) rate of around 5-6% at the USA customs territories. The products from which GSP was withdrawn were silver articles of jewellery and parts, gold rope necklaces and neck chains, gold mixed link neckla-

ces and neck chains among others.

The GJEPIC has estimated that US imports of these commodities from India fell by 23.2% from \$2.32 billion in 2007 to \$1.78 billion in 2018. India exported gem and jewellery worth \$12.22 billion to the USA in calendar 2018.

Colin Shah, chairman, GJEPIC, said apart from the GSP issue, the trade is unable to grow exports due to the challenges in India on interest costs and ease of doing business.

"The demand in the US is robust for Indian gem and jewellery, especially after the trade war with China," Shah added. To mitigate the impact of GSP, GJEPIC has asked the government to grant 4% benefit under the Merchandise Exports from India Scheme (MEIS) to key gem and jewellery export commodities to the US.

5% Drop in Funding

From Page 1

These entities are also not able to raise equity funds, as most venture capitalists (VCs) have turned their backs on digital startups in the NBFC space.

A recent ET report estimated a 5% drop in equity funding for digital lending startups. The number of companies that raised funds in 2018-19 stood at 60, against 73 in the previous year. The number of equity funding rounds dropped to 76 in 2018-19, from 91 in the year before, stated the report, quoting startup research platform Traxn.

"Fintech NBFCs were the darlings of the market until three to four quarters ago. A lot of players managed to get funding then. But now, things have fallen into a lull," says Jain of KredX. "VCs are taking more time to write the cheques. They're doing more due diligence and filtering now than ever before."

For fintech lenders, equity fundraising is anyway a limited option. For every funding round they pursue, they have to justify their higher valuation. This leaves only debt-funding options on the table for most.

"Prior to October 2018, none of us were under any stress. Our problems only started after the IL&FS collapse. October 2018-January 2019 was the toughest," says Mehrotra. EarlySalary was fortunate to have raised ₹100 crore prior to the crisis. It also managed to get an appreciable credit rating of triple-B stable-grade.

Mehrotra adds, "Players that have a sizeable equity cushion are able to raise funds. But then, debt (funding) is in short supply."

Illegal Bt Cotton: Farmers Fear Loss More Than Arrest

Jayashree.Bhosale @timesgroup.com

Pune: As an increasing number of farmers from Maharashtra and Vidarbha, under the aegis of Shetkari Sanghatana, defy the ban on specific varieties of Bt cotton, Vasant Mule, a farmer from Umarchhed village, became the first farmer to be arrested this year by the police for the possession of a banned variety of Bt cotton.

According to his lawyer, Mule has been charged under various sections of the Seeds Act 1968, the Essential Commodities Act, Environment Protection Act and the Indian Penal Code. The District Quality Control Officer has seized 21 packets of illegal Bt cotton seeds.

India allows cultivation of BGI and BGII varieties of Bt cotton. However, as these varieties have become prone to pink bollworm and other pests, seed companies have developed a herbicide-resistant (HT) Bt cotton. The Centre hasn't allowed its commercial release.

On Wednesday, the 40-year-old Madhav Kharat from Kasauli village, sowed illegal Bt cotton. Asked if he is not afraid of government action, Kharat said, "Facing the prospect of government action is better than pursuing loss-making farming. When I was sowing legally available Bt cotton seeds, I was getting only 2 quintal to 3 quintals of cotton per acre. Last year, I got 15 quintal/acre production from illegal Bt seeds."

₹ 136-cr Fine in 2018

From Page 1

In February 2018, the CCI had imposed a Rs 136-crore fine on Google India for search bias and abusing its dominant position on a complaint filed in 2012.

Google was asked to pay \$5 billion (Rs 35,000 crore) by European Union regulators last year after they found it guilty of abusing Android's market dominance on three counts — bundling the search engine and Chrome app into the OS; blocking phone makers from creating devices that run forked versions of Android; and making payments to certain large manufacturers and mobile network operators to exclusively bundle the Google search app on handsets.

Other details sought by CCI include the annual sale of devices by operating system (OS) for brands, smartphones and tablets between 2011 and 2019. It has also asked for information on mobile application distribution, anti-fragmentation, Android compatibility or any other agreement with Google or any of its units in the same period. Companies wanting Google apps have to sign an anti-fragmentation agreement, which means they can't pick and choose what apps to offer from the suite of products.

Handset makers will also have to share information on their own app stores, the number of apps they feature, yearly investment on R&D, maintenance and upgradation of app stores and yearly revenue in the same period. The CCI has also asked whether the app stores of rivals can be installed on smartphones and sought details on this.

'Industry to Benefit'

From Page 1

"This transaction will strengthen the HDFC group's commitment to the growing health insurance segment," Parekh said.

For the year ended March 31, 2019, Apollo Munich had reported gross written premium of ₹2,194.4 crore. The paid-up share capital of Apollo Munich is ₹358.41 crore.

The company in a statement said the proposed merger was expected to result in significant benefits to policyholders and other stakeholders with an enhanced product suite, touch points, technology innovation, as also via scale-based synergies.

India's largest standalone health insurer, Star

The Skeptic

MC GOVARDHANA RANGAN

WhatsApp forwards, by and large, would qualify as junk. Occasionally, however, some gems land in the inbox. One such came in recently from someone who must have been following the Mumbai markets rather closely. It did not contain a single sentence of wisdom. Neither did it have rows and rows of financial ratios to convey what's happening in the markets. All that it did contain was a table of companies divided into two. And it told a story that many are struggling to understand.

On the left-hand side were financial stocks — banks, NBFCs, and housing finance companies — trading near 52-week lows. On the right were companies that are trading at the other end of the spectrum — near 52-week highs. Those worried about the state of the economy need to go through that table.

Among banks that were on the left were: Yes Bank, IndusInd Bank, J & K Bank and Punjab National Bank. On the right side at year highs were the likes of HDFC Bank, Axis Bank, ICICI Bank, and City Union Bank.

For NBFCs, the list looked like this: To the left were Piramal Enterprises, Edelweiss, Aditya Birla Capital, and on the right were Bajaj Finance, Muthoot Finance, Sundaram Fi-

Winners & Losers: A Tale of Two Halves

This may be a period of great readjustment in fiscal markets sans a bailout

nance, and Cholamandalam. Mortgage lenders who were the toast for the past few years were arranged like this. Indiabulls, Reliance Home, DHFL and PNB Housing on the losing side, and HDFC, Aavas, and CanFin on the other.

It's a clear establishment that there are two sets of companies out there — good and ugly. Never mind that investors took years to figure this out, at least it has happened now. Yes Bank is exposed to governance issues and investors question its accounts. IndusInd made some imprudent lending decisions and is facing the music.

Troubles at J & K and PNB are also familiar. Those who are trading at record levels like ICICI and Axis have no such troubles, or have left their troubles behind.

Mortgage lenders like Indiabulls, DHFL and Reliance Home have similar troubles with governance questions, including a court petition alleging siphoning off of funds that was later withdrawn. Investors have differentiated between gold standard and shallow ones. Sundaram Finance, Bajaj Finance and Muthoot are rewarded for being prudent in managing their businesses instead of chasing saleable financial ratios.

The regulator's reluctance to pandering to demands of a bail-out in the form of liquidity is leading to course



correction for those with good businesses but facing asset-liability mismatches. Piramal Enterprises is a case in point of the heady cocktail of growth and financial engineering. Loans grew from ₹350 crore in March 2012, to ₹56,624 crore last fiscal. About a third of this was funded by commercial papers. Illiquid construction finance was 64% of real estate loans and home loans were about 9% of total.

Adjustments began after the IL&FS implosion. Commercial Papers are down to ₹8,900 crore from ₹18,000 crore. In two quarters, it raised ₹16,500 crore with instruments maturing beyond more than a year and is in the process of raising 7- to 10-year funds from state-run institu-

tions. Billionaire Ajay Piramal who wanted to sell his holdings in Shriram Group to a strategic investor couldn't wait and sold his stake in Shriram Transport for ₹2,300 crore this week. While companies like DHFL which have retail assets are raising money selling portfolios, the likes of Reliance Home and Reliance Capital are struggling beyond the sale of the group asset management business. This may well be a period of great readjustment in the life of the Indian financial markets, which is happening without administrative bailout, unlike in the past.

Dr Viral Acharya, deputy governor of RBI, in a Jan 2018 speech, in a different context, revealed the regulator's thoughts on risk management by intermediaries when they demanded forbearance.

"Recourse to such asymmetric options — heads I win, tails the regulator dispenses — is akin to the use of steroids," said Acharya.

"They get addictive and have long-term adverse effects in the form of frequent relapse even though their use may be justified to relieve occasional intense pain. Hence, it would be better for the banking system to build its own immunity and strength."

Monsoon Watch

The monsoon has not moved north from parts of Tamil Nadu and Kerala for the past six days

Strong winds in the Arabian Sea are expected to resurrect the weak monsoon system

A low-pressure area in the Bay of Bengal in the next 2-3 days will also prop up the monsoon



Monsoon rainfall across India since June 1 has been 43% below average

CURRENT WEATHER AND FORECAST



Heat wave likely to continue in Tamil Nadu, Vidarbha and coastal Andhra Pradesh

Thunderstorm with gusty winds likely in coastal Andhra Pradesh, and eastern parts of the country



Northern and western India have become hotter, with 3-5°C rise in day temperature



The hottest place in the country was Machilipatnam in Tamil Nadu at 43°C Celsius



Heavy rainfall likely over parts of Kerala, Karnataka, and north eastern states

Short Takes

UK Sinha Panel on MSMEs Submits Report to RBI

MUMBAI: The Reserve Bank has said the expert committee on the MSME sector, set up in January under the chairmanship of former chairman of Sebi UK Sinha, has submitted its report to the governor Shaktikanta Das. The eight-member committee was set up to review the framework for the micro, small and medium enterprises, and suggest long-term solutions for the economic and financial sustainability for the sector also to study the impact of the recent economic reforms on the sector and identify the structural problems impacting its growth. "The committee held its deliberations including consultations with various stakeholders and has submitted its report to the governor," RBI had said in a statement Tuesday. The central bank has not shared the report. One of the objectives of the panel was to examine the factors affecting the timely and adequate availability of finance to MSMEs. —PTI

Tax Body Seeks Extension of GSTR Filing by 4 Months

GUWAHATI: Tax and legal consultants Wednesday complained about the time-limit of three months given to file the GST returns for 2017-18 as hundreds of amendments, notifications and circulars have made the Act very complex. Officials of the Tax Bar Association, a body of over 400 members of chartered accountants, company secretaries, cost advocates and tax consultants, said that the government has made the entire GST procedure and filing of returns very "confusing with hundreds of changes in the rules and taxes". "The government made available GST annual returns 9, 9A and 9C for 2017-18 online in March, 2019 and offline in April, 2019, after nearly 20 months and they are giving only three months to understand and file the most complex return form in the history of Indian taxation," Tax Bar Association (TBA) president Gopal Singhania said. —PTI

Anti-dumping Duty on Bangla Jute Sacking Cloths

KOLKATA: India has imposed anti-dumping duty on the import of jute sacking cloths from Bangladesh which will have a positive impact on West Bengal's ailing jute sector. "Anti-dumping duty on sacking cloth from Bangladesh was our long standing demand to save the Indian jute sector. With active efforts of Union Textile Minister Smriti Irani, this has been achieved," jute industry veteran Sanjay Kajaria said in his reaction. "It will be applicable for 5 years effective from June 18, 2019," he said. This will help jute farmers and the jute mills of West Bengal which are ailing or running in a very low capacity, Kajaria said. The JMA had filed a plea for initiation of anti-dumping probe concerning import of the product exported from Bangladesh. —PTI

FINANCIAL STABILITY & DEVELOPMENT COUNCIL MEETING

Sitharaman Discusses Macro Situation, Budget Planning

TAKING STOCK Review of overall economy, global developments: RBI governor

Our Bureau
New Delhi: Finance minister Nirmala Sitharaman on Wednesday reviewed the current economic situation with all sectoral regulators and held discussions on the forthcoming budget at the Financial Stability and Development Council (FSDC) meeting. In a statement, the finance ministry said the current global and domestic economic situation as well as financial stability issues, including, inter alia, those concerning banking and non-banking finance companies (NBFCs), were reviewed. "All the regulators presented their proposals for the Union Budget 2019-20," the statement said. This was Sitharaman's first such meeting after she took charge as the finance minister. FSDC is the apex body of sectoral regulators, including the Reserve Bank of India, headed by the finance minister. The budget will be presented on July 5. After the meeting, RBI governor Shaktikanta Das said there was a general review of the current state of the economy, of the overall macro-economic situation, and

Preparing the Roadmap
RBI has projected 7% GDP growth for current year
I have personally elaborated on the risks to global growth. We have also flagged the other issues in the MPC resolution
Shaktikanta Das
RBI Governor

global developments. "There was a discussion on the forthcoming budget and various budget-related suggestions and proposals were discussed," he added. Das said RBI has already projected a 7% GDP growth for the current year and that the economic situation has also been spelt

out in the Monetary Policy. "In the post MPC (Monetary Policy Committee) press conference, I have personally elaborated on the risks to global growth. We have also flagged the other issues in the MPC resolution, and in the statement which I made after the MPC. Beyond that I have nothing to add," he said. On the liquidity crunch being faced by NBFCs, Das said he would not like to go into the specifics. When asked if there is a need for the government to give a stimulus package to drive fledgling growth, Das noted that it is for the government to decide, and it is the finance minister's prerogative. Das noted that the Bimal Jalan Committee, which is looking into the size of capital reserves that the RBI should hold, is likely to submit its final report by June end. On financial stability being a part of the RBI's agenda, Das observed that concern on financial stability has been the underlying theme of all monetary policy decisions. "It is not explicitly stated. Should it be explicitly stated, the jury is still out, and a view has to be taken," he said.

Customs Officials To Get More Powers

TACKLING FRAUDS Recovery, confiscation and arrest powers likely for IGBT-related cases

Deepshikha.Sikarwar@timesgroup.com
New Delhi: Indian customs officials could soon get more powers to effectively deal with growing tax frauds of integrated goods and service tax credits. The government is contemplating amending the Customs Act in the upcoming budget to enable this, an official privy to the development told ET. "We are examining what kind of changes need to be made to the law." The proposed changes could provide powers for recovery, confiscation and arrest, the official said. There has been a rise in integrated GST-related frauds with many exporters using IGBT credits to pay customs duty liability, prompting customs officials to initiate investigation. However, the authorities find themselves at bay as the law does not explicitly provide to deal with such frauds, and are now seeking stringent provisions in the law. IGBT replaced countervailing duty, which was levied in lieu of central excise on imports, under the customs framework. Section 5 of the IGBT Act, 2017 provides for levy of IGBT on imports. A rider to Section 5 states that IGBT on imports will be levied and collected in accordance with Section 3 of Customs Tariff Act, 1975. Section 3, in turn, seeks to levy additional duty as equivalent to the excise duties, sales tax, which are still levied on petroleum products and alcohol. Though, it is clearly implied that customs

Bracing for Action
Many exporters using IGBT credits to pay customs duty liability
This puts officials in a tight spot against rising frauds
Proposed changes could provide powers for recovery, confiscation & arrest
While customs law applies on all aspects of IGBT on imported goods, there is no explicit or direct reference to other provisions such as assessment or recovery

law is intended to apply on all aspects of IGBT imposed on imported goods, there is no explicit or direct reference to other natural provisions of imposition and collection of such customs duty such as assessment or recovery. This puts officials on a weak wicket in treating tax frauds. They are forced to refer cases to GST officials, which sometimes leads to delays in action. Tax experts said an enabling provision may be needed to back up the intent. "Since IGBT on import is paid along with basic customs duty and documents or processes are same, customs authorities should logically be empowered to administer and enforce it," said Kaustubh Sen, indirect tax partner at PwC India. "This was perhaps the intention right from the beginning, which may need enabling legislative provisions, introduction of which seem to

be contemplated now." To deal with the growing number tax frauds, the Central Board of Indirect Taxes and Customs has already put in place an alert system for such cases. It issued a directive to field officials late on Tuesday, apprising them about exporters availing input tax credit on the basis of ineligible documents, or fraudulently utilising that credit for payment of IGBT on goods exported out of India. The board directive also pointed at cases of variation between the freight on board value declared in the shipping bill and the taxable value declared in GST return, apparently to effect higher IGBT pay out, leading to encashment of credit.

CONFLICTING VIEWS

Govt Turns Down Traders' E-Comm Regulator Demand

Our Bureau
New Delhi: The government has ruled out the possibility of a regulator for the e-commerce sector as it prepares to finalise a national policy on e-commerce. Commerce and industry minister Piyush Goyal has told small traders and retailers to explore ways to benefit from e-commerce platforms but turned down their demand for a regulator for the sector. "Traders wanted a regulator or separate law for the e-commerce sector but the minister said that will not solve their problems," said an official aware of the details of the meeting that Goyal had with representatives of small traders on Wednesday. The Department for Promotion of Industry and Internal Trade (DPIIT) has made public a draft national e-commerce policy in which it has proposed regulating cross-border data flows, locating computing facilities within the country to ensure job creation and setting up a dedicated 'data authority' for issues related to sharing of community data. It has stated that the data generated in the country is a national asset, and citizens and the government have a sovereign right over it. However, it does not call for a regulator, unlike a draft policy released last year by the commerce department which did. The Confederation of All India Traders (CAIT), which participated in the meeting had proposed a regulatory mechanism to monitor the compliance of the policy. "The government has very little knowledge about the actual numbers of e-commerce portals working in the country since their registration with any authority is not mandatory," CAIT said in a statement. Representatives of the associations of kirana stores, traders and retailers discussed the need for a level playing field and the impact of anti-competitive practices like predatory pricing and other discriminatory methods that are being faced by them from foreign competition. "The government is working on a law on data and a policy for the e-commerce sector is also underway which will look at any malpractices," the official added. Goyal had met representatives of Indian and global e-commerce and

The Arguments

- Traders' View**
 - Regulator will aid e-comm policy compliance
 - Authority to help count actual number of e-commerce portals
 - Adequate powers to penalise offenders
- Govt counters**
 - E-comm policy, data protection bill will curb malpractices
 - Greater controls, laws to have short-term gains only
 - Traders have to bear short term pain

The draft national e-commerce policy states that the data generated in the country is a national asset
information technology companies on Monday and asked them to share their comments on the policy in ten days. He also suggested another meeting with them in case their lawyers sought. "Minister explained that by bringing in greater controls through rules and laws will only help up to a certain point, but for long term gain, short term pain will have to be borne and India cannot remain in isolation and will have to be part of the global value chain in order to become a \$5 trillion economy," the ministry said in a statement. Goyal further said that the aspect of data in the law is being addressed by the Ministry of Electronics and Information Technology (MeitY) and asked the representatives of associations of kirana stores, traders and retailers to send all suggestions for the draft e-commerce policy in the next five days.

EVs to Get Registration Charge Waiver

Our Bureau
New Delhi: India is proposing to exempt electric vehicles from registration charges as part of the Narendra Modi-led NDA government's agenda to promote electric mobility and cut country's dependence on fossil fuels. The exemption will apply to all categories of electric vehicles — scooters, motorbikes, autorickshaws and cars, says a draft notification issued by the road transport and highways ministry. The move comes in the backdrop of the government working out a roadmap for the transition from vehicles run on polluting fuels to electric vehicles in line with its plan to bring down its oil import bill and curb pollution. In the latest move, the ministry has sought public comments on the notification issued late Wednesday.

GREEN PUSH
Niti Aayog's draft rules propose strict and time-bound measures for penetration of electric vehicles

"In order to give a boost to Battery-operated or electric vehicles in the country, the ministry of Road Transport and Highways has initiated steps for providing differential registration fees under the Central Motor Vehicles Rules (CMVR) 1989," the ministry said. The ministry proposes to amend Rule 81 of the CMVR in this regard, whereby battery operated vehicles will be exempt

from the payment of fees for issue or renewal of registration certificate and assignment of new registration mark. Electric mobility weighs high on PM Modi's agenda. He had in September 2018 promised to take steps to promote electric mobility in the country. "We want to drive investments across the value chain from batteries to smart charging to electric vehicle manufacturing. We will soon put in place a stable policy framework for electric and alternate fuel powered vehicles. Policies will be designed as a win-win for all and will enable huge opportunities in the automotive sector," Modi had said at a Niti Aayog event. Separately, the Aayog has readied draft rules which proposed strict and time-bound measures for penetration of electric vehicles in the country's fleet. The roadmap envisages going all electric by 2030.

Panels to Review Ayushman Price Caps

Aman.Sharma@timesgroup.com
New Delhi: The government has set up committees of over 300 leading doctors from across the country to review the cost of nearly 1,300 medical packages under the Ayushman Bharat scheme. Hospitals and the Indian Medical Association have long complained of low package ceilings set under the insurance scheme. For instance, most cardiology surgeries are capped at about ₹1.5 lakh while ceiling for caesarean, or high-risk deliveries, is just ₹9,000. The 24 specialist committees, with 13-14 from each speciality, have doctors from AIIMS, PGIs in Chandigarh and Lucknow and major private hospitals. "Advice on appropriate cost of Health Benefit Packages (HBA) based on the results of costing study being undertaken," is cited as one of the Terms of Reference of the committees, as per an order issued by the National Health Authority (NHA), a copy of which is with ET. The Department of Health Research (DHR) has already done the 'costing study' and a presentation was made on

The Demands
Indian Medical Association has demanded a "reasonable & fair package rate"
₹1-1.5 LAKH Cap for cardiac surgeries
₹9,000 Ceiling for caesarean, or high-risk deliveries
PricewaterhouseCoopers had said Ayushman Bharat rates were not sustainable for quality healthcare

Wednesday at the first meeting of the committees. The medical industry was expecting movement on this issue after the Lok Sabha elections. The IMA had earlier demanded a "reasonable and fair package rate" under Ayushman Bharat while consultants such as PricewaterhouseCoopers had said the rates of Ayushman Bharat were not sustainable for quality healthcare.

"The committees would recommend which packages can be revised downward or upward. There are some packages which are priced on the lower side; some are on the higher side," a senior government official told ET. Many package rates under Ayushman Bharat were even less than the CGHS rates, raising the question if hospitals will be able to offer quality care to recover costs. Like, package for a knee replacement was just ₹80,000 and ₹90,000 for a hip replacement surgery. Other points in Terms of Reference for the committees are to "recommend regarding to remove aberrations/anomalies/inconsistencies/duplicates and unnecessary laterisation, if any, existing in the HBP, recommend what to include and what to exclude in the HBP, advise on mandatory documentation for admission and discharge for each of the package, enable preparation of disease specific questionnaire for medical audit purpose and explore whether India can adopt WHO's International Classification of Health Interventions (ICHI) or some other standard classification for coding its HBPs".

EAST CENTRAL RAILWAY TENDER NOTICE

e-tender Notice No. 15 of 2019-20 (Open)-Engg/MGS.
On line (through e-tendering) for the following work is invited by DR/Engg/MGS for and on behalf of the President of India from experienced and financially as well as technically sound contractors including those enlisted with the Railway, CPWD, BSNL, MES, PWD and other public sector undertakings.
Tender No. 20-MGS-Sr. DEN-II-19-20 (I) Name of work with its location: Transportation and stacking of different P.Way Materials in Yards under ADEN/Gaya. (II) Approx. cost of the work: ₹ 6801190.00 (iii) Earnest Money: ₹ 136000.00
Tender No. 21-MGS-Sr. DEN-II-19-20 (I) Name of work with its location: Provision of EI Building at CPBH under AEN/DOS. (II) Approx. cost of the work: ₹ 18792511.69 (iii) Earnest Money: ₹ 244000.00
* Date & time for submission of e-tender: 08.07.2019, Up to 12.00 hrs. * Website Particulars of e-tendering: www.ireps.gov.in
Divisional Railway Manager, East Central Railway, Mughal Sarai PR/527/MGS/ENGG/T/19-20/36

EAST CENTRAL RAILWAY TENDER NOTICE

सं. ईसीआर/सीए/कोन/उत्तर-ई. निविदा-23-19-20, दिनांक 17.06.2019
E-Tender Notice No. - ECR-CAO-C-N-ETN-38-19-20, E-tender is invited on behalf of the President of India for the under mentioned works:
SN 1, Name of work with its location: Unloading of ballast from BCN wagons, loading of ballast in BOBYN wagons, construction of one siding line, construction of approach road etc. in Garhara Yard. S.N. 2, Approx cost of the work: Rs. 4,22,70,972.19. S.N. 3 Earnest money to be deposited (Rs.): Rs. 3,61,400/-. S.N. 4 Date and time for closing of tender: 10.07.2019 at 14.30 hrs., S.N. 5, Website particular, Notice board location where complete details of tender can be seen and address of the office from where the tender form can be purchased etc.: The above E-Tender, E-Tendering document alongwith full information is available on website i.e. http://www.ireps.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.ireps.gov.in at least 15 days before last date of closing for latest corrigendum/corrections etc. in response to this E-tender. CAO/Con/North E.C.Rly, Mahendraghat, Patna PR/534/CON/ENGG/T/19-20/40

ASSAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED
(A Government of Assam Undertaking)
R. C. Baruah Road, Guwahati-781024
Ph. 0361-2201215, 2202216, Fax: 0361-2200060, Email: aidcldt@gmail.com

Ref: AIDC/Land/Phama/01/2547 Date: 18.06.2019
Request for Proposal (RFP)

Request for Proposal (RFP) is invited online in two bid systems from reputed consultant for "Engagement of Project Management Consultant for Preparation of Detailed Project Report, Bid Process Management and Supervision for Development of a Bulk Drug Park" at Sipajhar, Darrang District, Assam. The RFP document can be downloaded from the Assam Government e-Procurement Portal website www.assamtenders.gov.in and AIDC website at www.aidcldt.com from 20.06.2019. The last date of online bid submission at Assam Government e-Procurement Portal website www.assamtenders.gov.in is 10.07.2019 upto 13.00 Hrs. All Corrigendum / Addendum, if any, shall be hosted in Corporation's website: www.aidcldt.com as well as Assam Government e-Procurement Portal website www.assamtenders.gov.in

Janasanyog/CF/422/19 Sd/- Managing Director

NLC India Limited
"Navratna" - Government of India Enterprise
Regd. Office: First Floor, No.8, Mayor Srinivasamurthy Road, FSD, Esplanade Complex of Food Corporation of India, Ghosep, Chennai - 600 031
Corp. Office: Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu. CIN No.: L93890TN1956G0003507, Website: www.nlcindia.com

BRIEF NOTICE INVITING BID THROUGH e-TENDER
Online Bids in English are invited by NLC India Limited, Neyveli for ENGAGEMENT OF INSURANCE BROKER FOR INSURANCE POLICIES OF THE PRODUCTION ASSETS OF NLCIL, NTPL, NUPPL AND SERVICE UNITS FOR A PERIOD OF ONE YEAR. Bids are invited as per the details given below

Tender No.: CO/CONTS / 0018H/Insurance Broker/Conts./2019, Dt. 17-06-2019
B.G. Amount: Nil
Cost of tender document: Nil
Tender document sale period: 21-06-2019 to 24-07-2019
Last date & time of Registration: 23-07-2019 up to 17.00 Hrs.
Last Date & Time for receipt of Offer: 25-07-2019 up to 14.30 Hrs.
Date & Time of opening of Bids: 25-07-2019 at 15.00 Hrs.
Tender documents can be downloaded from NLCIL website: www.nlcindia.com / (CPP) Portal of Government of India website www.eprocure.gov.in and for any clarification contact O/o Chief General Manager / Contracts, Corporate Office, NLC India Ltd., Neyveli-607801. Telephone No.: 04142-252210/252215/251620. Fax No.: 04142-252026/252645/252646, e-mail id: gmconts_co@nlcindia.in, gmconts_co@nlcindia.in/gmconts_co@gmail.com within 10 days from the date of the tender.
NOTICE INVITING TENDERS FOR SUPPLIES (e-tender notices SI.No:1 to 3)
SI.No. Tender Ref./Scope of supplies & Qty.reqd
1. UNIT: M.M.COMPLEX: ENQ/19-20/00674/MM01(01) Dt:15-06-2019: Mild steel spiral weld pipe of size:914 mm OD x 11.5 mm wall thickness with edges bevelled to an angle of 30deg. and in length of 10m to 14m conforming to IS:3589/2001 FE 410 Gr. Short length pipes in the range of 4 metre to 10 metre can also be accepted up to 7.5% of the total length as per IS 3589-01 clause 12.4.3. Qty.: 980 metres
Due date of Opening: 10-07-2019
2. PTE.ENQ/19-20/000663/MM01(06) Dt:18-06-2019: 9 items of Cam Wheel Shaft & Return Wheel Shaft. Due date of Opening: 16-07-2019
3. PTE.ENQ/19-20/000663/MM01(06) Dt:18-06-2019: 4 items of Worm Shaft & Worm Wheel. Due date of Opening: 17-07-2019
FOR e-TENDER DOCUMENTS/DETAILS/CORRIGENDUM VISIT: www.nlcindia.com
Neyveli Book Fair 2019 - 5th to 14th July 2019.

EAST CENTRAL RAILWAY TENDER NOTICE

सं. ईसीआर/सीए/कोन-उत्तर-ई. निविदा-23-19-20, दिनांक 17.06.2019
E-TENDER NOTICE No.-ECR-CAO-CON-NORTH-ETN-23-19-20, E-tender is invited on Behalf of the President of India for the under mentioned work:
SN 1, Name of work : Fusion Welding of 13/39/130/260 meters length 60 Kg/52 Kg. rails by SKV process in Samastipur-Darbhanga Doubling Project. S.N. 2, Approx cost of the work : Rs. 1,98,73,002.74. S.N.3 Earnest money: Rs. 2,49,200/-. S.N. 4 Date and time for closing of tender : 12.07.2019 at 14.30 hrs., S.N. 5, Website particular, Notice board location where complete details of tender can be seen and address of the office from where the tender form can be purchased etc.: The above E-Tender, E-Tendering document alongwith full information is available on website i.e. http://www.ireps.gov.in and also can be seen in the office of CAO/Con/ECR, MHH, Patna. Note: In case of any discrepancies found in tender notice, English version will be final. Tenderers are requested to visit the website http://www.ireps.gov.in at least 15 days before last date of closing for latest corrigendum/corrections etc. in response to this E-tender. CAO/Con/North E.C.Rly, Mahendraghat, Patna PR/535/CON/ENGG/T/19-20/40

EAST CENTRAL RAILWAY TENDER NOTICE

Tender Notice No.- SNT-RE-DNR-113, Dt: 18.06.2019
Tender Notice, Open E-tenders in single packet system are invited by Dy. Chief Signal & Telecom. Engineer, Railway Electrification, Danapur for & on behalf of the President of India for the works of - S. No. : 1, Name of the work with its location : Work of trenching & laying of underground signaling cables/power cable, casting of foundations, supply of certain equipment / materials, erection of apparatus cases & fixing of equipment, wiring, testing & commissioning in connection with modification of Panel Interlocking at stations & MACLS at LC Gate in Muzaffarpur - Sitamarhi section over East Central Railway under Deputy Chief Signal & Telecom Engineer, Railway Electrification, Danapur to suit 25 K.V. AC Traction. S. No. : 2, Approximate Cost of work: Rs. 19444753.26 (Rs. One Crore Ninety Four Lakh Forty Four Thousand Seven Hundred and Fifty Three and Twenty Six Paise only), S. No. : 3, Earnest Money: Rs. 247200.00 (Rs. Two Lakh Forty Seven Thousand Two Hundred only) S. No. : 4, Tender closing date and time : 26.07.2019 up to 12.00 hrs., S. No. : 5, Website particular and notice board location where complete details of tender can be seen : (https://www.ireps.gov.in), Notice Board at the office of Chief Project Director, Railway Electrification, Danapur, Near Jagjeevan Stadium, PO: Khataula, District : Patna, PIN-801105, NOTE:- Original/revised bids are to be submitted online up to closing date and time on IREPS website only. Manual offers are not allowed against this tender and any such manual offer received shall be summarily rejected. Tenderer should get the digital signing certificate and register them on this website to participate in the tender. Dy. CSTE/RE/Railway Electrification, Danapur PR/532/RE/S&T/119-20/52

Continue to Consult, Despite the Boycott

Meetings for exchange of ideas are wholesome

It is a pity that several Opposition parties stayed away from the meeting convened by Prime Minister Narendra Modi to discuss his proposal to hold all elections, to parliament and to the state legislatures, all at one go, once in five years. Also on the agenda were celebrating Mohandas Gandhi's 150th birth anniversary this year and the NITI Aayog's plan to convert 117 districts across the country into so-called 'aspirational districts'. Mamata Banerjee stayed away saying that collapsing all elections to a single occasion once every five years was too complex a subject to be decided in one meeting. Entirely true. But the prime minister did not convene the meeting to take a decision on the matter, but to consult all parties and weigh pros and cons collectively.

To move to such convergent elections as the one envisaged by the prime minister, the Constitution would need to be amended. That would call for two-thirds majority of those present and voting in the Lok Sabha as well as in the



Rajya Sabha. It is possible that legal opinion might warrant this amendment, impinging on the rights of states, calling for ratification by at least 50% of the states, as well. All this would call for a prolonged exercise and building of consensus. Therefore, there was little fear of any such decision to

move to convergent elections being taken at one meeting. All that has transpired at the meeting is a decision to set up a committee that would examine the matter in all its aspects. The point here is not the merits of the proposal at hand, but the validity of a meeting convened by the prime minister of the leaders of all parties that have representation in the Rajya Sabha or the Lok Sabha. It is a welcome move to hold such a consultation. The sensible course is for political parties to attend the meeting and express their reservations at the meeting, rather than stay away from it.

Despite the experience of some key Opposition party leaders staying away, the prime minister should persist with holding such consultative meetings, to build consensus to the extent possible.

Engineering an End to Manual Scavenging

India can and must deploy engineering solutions to put an end to human death in the course of cleaning drains and septic tanks. Manual scavenging takes many forms, from clearing local garbage to 'cleaning' toxic sewers. Seven people died recently in one hotel property in Gujarat's Surat city. Delhi is probably India's most pampered city in terms of infrastructure and municipal governance, yet, in September 2018, five men were killed while cleaning out a sewage treatment plant in west Delhi. The obvious solution to this menace is to automate the cleaning of toxic sewage from drains and septic tanks.

Several engineering solutions exist, including Bandicoot, a robotic drain cleaner from a home-grown startup in Kerala.



The point is to deploy them in adequate numbers. Between 1993 and September 2018, the National Commission for Safai Karamcharis counted 676 'sewer deaths' across all states. This could be an underestimate as well. The issue of manual scavenging is complicated by India's caste system, which assigns it to dalits, outside

the pale of the varna system. Ironically, this obviously discriminatory system has enabled a type of reverse competition, where dalits compete for the hazardous job of manual scavenging, ensuring that the death of a sewer cleaner on duty is also simultaneously a caste atrocity. The goal should be to not just deploy engineering solutions to clean drains but also to render performance of the task a job without any stigma or caste dimension. India needs a cultural shift to see dignity in work, any work.

Engineering solutions must go beyond cleaning to urban planning, to locate drains in large pipes that run inside tunnels that also house other utility pipes such as for power, water and communications, to facilitate maintenance and repair.

But will the roadside 'bumper' crops be available for motorists to take home?

Herbal Highways are a Good Drive

A little haldi by the highway or ratanjot for the road, anyone? Herbal highways, the environmental initiative just announced by the Uttar Pradesh government, seems an ideal health drive. Who would not like to cruise along amid fronds of beneficial shrubbery drawn from the annals of Ayurveda rather than ugly concrete and metal railings? Of course, given the general nature of traffic on such roads, it would be safer for drivers and passengers to stay more focused on the nature of oncoming vehicles than the greenery on medians and road shoulders. Whether these traditional herbs will be able to survive constant bombardment by diesel fumes and other automobile emissions remains to be seen too; as, indeed, does the prospect of their intrinsic benefits after the daily dose of pollutants.

The biggest danger, however, is that gratified road users may want to stop and gather some of these herbal goodies to take home, which would be very good for health and safety on highways at all. Then there is the issue of who the herbs belong to: the highway authorities, local people or motorised itinerants? If these herbaceous central verges are meant for air purification and viewing pleasure only, the question arises about what will happen to those 'bumper' crops of haldi, ratanjot, brahmi, ashwagandha et al. The UP government must clear the air.

While holding simultaneous polls has its attractions, it holds serious concerns about India's federalism

One Poll, A Few Worries



Neeraj Chowdhury

One of Prime Minister Narendra Modi's early initiatives in his second term has been to flag off the idea of simultaneous elections, even though this isn't the first time he has spoken of it.

To truncate the term of some states or to prolong their life, to be able to hold all state and national polls together, would need a constitutional amendment. This requires a two-third majority in both Houses, and, as suggested by the August 2018 Law Commission Draft Report on simultaneous elections, should be ratified by at least 50% of the states. At the moment, BJP doesn't have the numbers in Rajya Sabha. But it has already started to woo regional parties.

The rationale for simultaneous elections is that it will cut down the humongous expenditure on elections. It would facilitate governance, without long and repeated spells of the model code of conduct holding government-functioning hostage to polls, and free the police and security forces, deployed during elections, to get on with their day job. It is also argued that Modi will be able to take 'hard' and 'unpopular' decisions, which frequent elections prevent it from doing, given the constant need for populist sops.

On the face of it, the reasons appear compelling. Till the late-1960s, electi-

ons to the Lok Sabha and state assemblies were held simultaneously. It was only when the then-dominant Congress began to erode, and regional parties started to take some of its space leading to coalitions and mid-term elections, that the delinking of national and state elections happened. Now, India is entering a new phase of one-party dominance, this time of BJP.

Simultaneous polls are bound to give a natural advantage to the more well-endowed national parties than to the smaller regional outfits. Many of the latter, therefore, understandably have a deep sense of disquiet about the move.

One Vote, Two Boxes

So, had the assembly elections in Rajasthan, Madhya Pradesh and Chhattisgarh been held along with general elections, would the Lok Sabha outcome have been different in the three states where Congress won state polls only five months earlier? It's quite possible. People voted for Modi in New Delhi, but opted for Congress in Jaipur, Bhopal and Raipur. The people of Karnataka brought Congress and Janata Dal (Secular) to power in their assembly while almost simultaneously opting for BJP at the Centre. So, it's not inconceivable that people want Modi as PM, but also want the checks and balances state governments provide (via the Rajya Sabha route, for one) against the possibility of unbridled power at the Centre.

Simultaneous polls could add to the confusion in the voter's decision-making process. Not every state, it goes without saying, will be like Orissa, where people have been able to make a distinction between the national and the local as it did this time. And, there too, it's not as if Biju Janata Dal (BJD) was wiped out in the Lok Sabha polls. Orissa's people prefer to trust Naveen Pat-



All together now?

naik at 'home' than risk an unknown, no matter how much of a 'stamp of approval' a chief ministerial BJP candidate may get from Modi.

Our present system provides for nuanced checks to nurture a federal spirit. It is this precious balance that keeps a country as diverse as India together. To protect and nurture India's diversity — its democratic functioning — is the first concern that should be kept in mind while considering simultaneous polls.

The second is the principle of majority, which determines the outcome in a parliamentary democracy. A candidate is a winner if she gets a majority. If a government loses its majority halfway through its term, and no alternative government is possible, it would result in central rule till the next polls. Once more, this is advantageous to the party in power at the Centre — it will rule the state till the next polls even though it may not have won state elections there. As for the possibility of the central government falling, say halfway into its tenure, there isn't even a provision for 'President's rule' at the Centre.

BJD, which has backed the PM's idea, has suggested that nobody be allowed to bring a no-confidence motion unless they have the numbers to form

an alternative government. Suppose you have a scenario where a government uses a heavy hand to control protesters, and parties via a no-confidence motion succeed in bringing it down — but can't form an alternative government. They will then have to continue to put up with an unresponsive government for the next 2-3 years without recourse to any remedy.

Fill in the Blank

Take an ordinary situation, like an MP dying. His vacancy can't be filled till five years are over, because the Election Commission has shut shop for 57 out of 60 months of its term. And this for a 130 billion-people democracy with its religious, linguistic, ethnic plurality, and which, despite its flaws, has been vibrant. And as far as governance goes, we all know that politicians are on their toes only when they have to face elections.

Ultimately, the simultaneous election idea is worrying because it may go to undermine democratic principles and, ultimately, could lead to a one-party system. Undoubtedly, finding solutions to the anarchic order of India's elections is not easy. But in all the reforms we seek today it is more — not less — democracy we need in our political parties, governments and institutions.

To protect and nurture India's diversity, its democratic functioning, is the first concern that should be kept in mind while considering simultaneous polls

TELECOM

Jio or Let Others Jio, India Wins



Dinkar Ayilavarapu

Indian telecom has moved a long way since 2015. It had over eight carriers, voice being the primary product, and few returning cost of capital. Today, three-and-a-half players survive: Vodafone Idea, Airtel and BSNL/MTNL. Customers now have access to unlimited, low-cost data underpinned by massive high-capacity wireless data networks. All this has not just reshaped the telecom market, but also powered a downstream boom in Indian digital ventures. This is, however, not the entire story.

Reliance Jio has driven this change. It built a super-sized data network — three times as large at its launch as all other networks put together — allowing it to offer 'all you can eat' plans at super low prices. The result was a dramatic decline in market revenues triggering the merger and bankruptcy mania.

But Jio is not a traditional carrier. It is a 'digital carrier', since it acquires, sells recharge and serves its customers disproportionately through digital channels, giving it a lower cost structure than others. It is also uniquely 'next-gen' in that it seeks to bundle digital content with its infrastructure. In addition, for the 60% of India that remains 'digitally dark', it offers the JioPhone, a low-cost locked proprietary device platform.

There is, however, a trade-off: consumers get a cheap device, low-cost usage, curated access to the internet in exchange for Jio being the keeper of their digital identity and playing gatekeeper to the internet. Airtel and Vodafone consumers pay only for connectivity, and choose what to do with it by themselves.

This offers Jio two possible streams of revenue: connectivity and (at least in theory) digital revenue streams. The digital revenue stream is not just transactions and advertising, but also potentially a wider ecosystem of applications. Jio's revenues are predominantly from telecom services right now. But the expectation of digital revenues becoming very large will allow it the option of keeping connectivity revenues low, making money through



Giant steps

digital and, in the process, putting pressure on incumbents.

This is audacious. But Jio is still not the runaway market leader. Its digital streams are not large enough to offset the damage low pricing is inflicting — to both itself and competitors. It also has a limited line of sight to return on capital, having gobbled capital of around \$35 billion before even a dollar of revenue came in.

So, what should the wider world learn from this dogfight? First, telcos are wasteful in what they do. Their product is the network, but only 30-50% of costs are spent on this. The rest is a waste (stores, call centres, etc). So, frankly, if only 30-50% of the cost is needed, then 30-50% of the revenue is also required. It's also unclear what telcos get

for their 50-70% non-network costs. Second, telcos are critical to digital providers. If the network is slow, telcos will face the music from consumers. But for Facebook or Google, it means fewer ads and less revenue. And, progressively, that space is getting consolidated, with a few of them accounting for most of the usage.

Third, digital players have an appetite for backward integration. They first came for data centres, then Google started making its own servers, followed by submarine cables. Now, they are increasingly getting into silicon design to provide services that power their customers' decision-making and serve ads faster. Could access networks be next?

If Jio wins the dogfight in India, there will be a playbook for digital players to own their networks. It will be cheaper to do so, requiring only half the telco costs. If the incumbents triumph, they will look different — more cost-efficient, with a content perspective, and they will write the playbook for the telco of the future. Either way, India may well shape the future of telecom.

The writer is a partner in Bain & Company, New Delhi

HEALTHCARE

A Prescription for Violence



Soham D Bhaduri

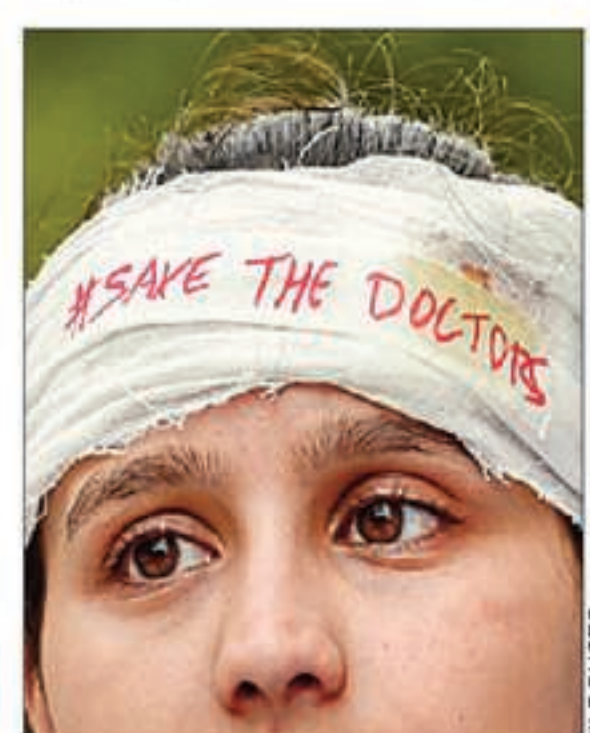
The uproar following attacks on junior doctors in West Bengal earlier this month quickly amplified into a nationwide agitation demanding two things: enhanced security at healthcare establishments and a law to curb violence on healthcare providers. This has led Union health minister Harsh Vardhan to ask GoI to make such attacks a non-bailable offence with a jail term of not less than 12 years.

In Bengal, the situation has simmered down after chief minister Mamata Banerjee relented and accepted the protesting doctors' demands. But a clear-headed look is now needed to stop violence against healthcare providers on a permanent basis across the country. Two broad approaches are needed: one, discouraging instant, violent retribution against perceived malpractice or negligence; two, facilitating redressal of grievances through proper modes. The former requires an effective law and adequate security arrangements in healthcare establishments, while the latter would call for medical practice reforms.

Many states, including West Bengal, already have a law protecting doctors from attacks in the form of state-level

ensuring this law's enforcement and timely conviction of culprits. Further, punitive measures should be supplemented with a disempowering provision to be more effective. Often, members of a patient's family take up violence while hoping that their complaint about medical negligence will be accepted later, at least partly vindicating their violent conduct. Any complaint or claim of medical negligence or compensation must be deemed null and void if violence has been resorted to. Such a 'patient party' must be debarred from registering any such complaint or claim with any court or tribunal. This, in addition to the enforcement of existing laws, can make for a stronger deterrent for would-be offenders.

But this alone won't suffice. Responsive redressal mechanisms to deal with perceived medical malpractice must also be put in place. There is a widespread perception among the public at large that laws dealing with medical negligence are weighed in favour of negligent doctors who mostly go unpunished. This itself is a significant contributor to violence. Many, especially small, healthcare establishments lack standardised procedures for handling consumer disputes and negligence. Extreme difficulty of proving negligence, inordinate delays in processing cases; the stultifying process of going through complex legal hassles and paperwork, often to little avail; and the inconsistency in awarding compensation create disillusionment with the system set up to tackle



Let's use our heads

malpractice.

Further, we have a poor track record of disciplinary action: between 2012 and 2018, only 167 erring doctors have faced action in the form of temporary suspension, with no permanent cancellation of licences. Reforms don't imply simply increasing the severity of punishment of errant doctors, but making the system more responsive, swift and accessible. This means creating widespread awareness about the grievance redressal apparatus itself.

Small and medium-sized hospitals with varying infrastructure levels and standards of care are highly prone to violence against their healthcare workers. These places find it hard to afford enough paramedical staff, let alone security personnel. India has 25,743 primary health centres (PHCs), 5,624 community health centres (CHCs) and 764 district hospitals. This entails a severe rationing of security services, given our meagre public health spending, and prioritising sensitive areas like ICU (intensive care unit) wards and casualty — even though a lower-level centre like a rural PHC is no less prone to violent incidents.

Finally, there's our perennial want of greater investment in public health, and stronger regulation of private and public healthcare. Like all roads eventually leading to Rome, the final prescription for violence is repairing India's broken health system and bolstering its law and order machinery.

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The writer is editor, The Indian Practitioner



THE SPEAKING TREE

Sahaja Yoga Could Help

R VENKATESAN

The reason why many turn to substance abuse is that they are unable to deal with life's problems. Or their expectations are unrealistic. Depression and anger, sadness and frustration, are further fuelled by drug-dependency, alcoholism or both.

Daniel Goleman, in 'Emotional Intelligence,' says that it is the lack of application of intelligence to emotions that makes one lonely and depressed, angry, unruly, prone to worry, more impulsive and aggressive. A scientific assessment of the emotional and spiritual mind has emerged more recently, trying to understand why we can be reasonable one moment and irrational the very next moment. Goleman attributed it to two minds: one emotional and the other rational; one that feels and one that thinks.

Spiritual quotient can be improved with Kundalini Yoga. Yoga and meditation could help in enhancing one's emotional intelligence and in managing stress. Sahaja Yoga, founded by Mata Nirmala Devi, is a simple way to achieve Self-realisation.

Sahaja Yoga is based on the principle that enlightenment and good health require proper balance between the seven major chakras. The dormant force within a person resides in the sacrum bone at the base of the spine. Mata Nirmala Devi sums up, "Sahaja Yoga is the spontaneous union of individual consciousness with the all-pervading power through the awakening of the residual power of the Kundalini." Just as an egg gets transformed into a bird or seed into plant, Sahaja Yoga helps transformation of a person to a higher awareness level.

Chat Room

Banks, Invest in Review Experts

Apropos the Edit, 'Jet to Jetsam: What It Teaches Lenders' (Jun 19), some of the recent adverse experiences imply that banks can no longer trust outside consultancy and rating. Instead, they have to intensify their 'direct' engagement. Improved management of the risk spectra would necessitate more specialised human talent, from project appraisal to resolution. Realising this crucial need, some banks have taken 'baby steps' to recruit specialist personnel, but their retention would be more important, as greener pastures for ready-made, trained staff are abundant.

MR DAS Pune

Ensure Aviation is Not Jet-Set

This refers to 'Jet to Jetsam: What It Teaches Lenders'. Jet Airways went down with almost 20,000 employees being rendered jobless and created a huge vacuum in the aviation sector that forced people to pay higher fares to other airlines. What a denouement for India's aviation where the two major airlines, Air India and Jet, which had about 40% market share, one is perpetually down and surviving on taxpayer benevolence and the other one is out. The government should ensure more airlines do not go the Jet way.

BHOLEY BHARDWAJ Mumbai

Make Healthcare National Priority

Apropos the Edit, 'Fighting Encephalitis is Elementary Duty' (Jun 19), the hospitals in Muzaffarpur are unable to cope with the rush of patients, with up to four children sharing a bed. Teams of top doctors should be rushed to Bihar to control encephalitis and, if required, patients should be shifted to neighbouring states for better treatment. Healthcare should be a national priority and the central government should ensure the Ayushman Bharat program filters down to the remotest parts of the country.

SN KABRA Mumbai

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

QUICK HITS

Evidence Suggests Saudi Crown Prince Liable for Khashoggi Murder: UN

Geneva: Saudi Crown Prince Mohammed bin Salman and other senior Saudi officials should be investigated over the murder of journalist Jamal Khashoggi since there is credible evidence they are liable for his death, a UN rights investigator said on Wednesday. There was no immediate response from the Saudi government communications office, but the kingdom has regularly denied accusations that the prince was involved. Riyadh was sent the 100-page report some three weeks in advance. Reuters

Google Pledges \$1 B for Housing Crisis in Bay Area

San Francisco: Google on Tuesday pledged to commit more than \$1 billion to help address the severe housing crisis in the region that includes its headquarters and Silicon Valley. Chief executive Sundar Pichai announced the initiative, saying the internet colossus wants to be "a good neighbor" in the area bursting with technology companies. The move comes with Silicon Valley firms under pressure over the spike in real estate prices, lack of affordable housing and growing homeless problem in the San Francisco Bay region. AFP

California Utility PG&E to Pay \$1 B over Wildfires

San Francisco: California utility PG&E has agreed to pay \$1 billion to 14 local government bodies for damage from wildfires blamed on the firm's equipment. The settlement announced on Tuesday covers claims stemming from the 2018 Camp Fire in Northern California, which killed 85 people and destroyed some 18,000 buildings, and the earlier 2017 North Bay and 2015 Butte fires. In May, California's fire protection agency determined that PG&E's electrical power lines sparked Camp Fire, the deadliest in the state's history. AFP

More Training Needed on 737 Max: Pilots to Congress

New York: US pilots called on Wednesday for enhanced pilot training on the Boeing 737 Max before the aircraft is returned to service after being grounded worldwide following two deadly crashes. The pilots — including Chesley "Sully" Sullenberger III, who famously landed a damaged plane on the Hudson River in New York in 2009 — pushed back against the aviation giant's assurances that pilots will only need to review the 737 Max modifications in a computer programme. Reuters

Trump Launches Reelection Bid, Calling US 'Envy of the World'

Expects strong US economy will help persuade the country to give him a second term

Orlando: President Donald Trump launched his 2020 reelection campaign on Tuesday, whipping up a crowd of at least 20,000 with a nationalist boast about the US economy being the "envy of the world" and warning that opposition Democrats want to "destroy" the country. Promising the packed arena in Orlando, Florida an "earthquake at the ballot box," Trump said: "We did it once and we're going to do it again — and this time we're going to finish the job."

"Our economy is the envy of the world," boomed the US leader, who is betting that strong job growth will help persuade the country to give him a second term. "We are going to keep America great again," Trump told the crowd. "Oh we will keep it so great. Better than ever before. And that is why tonight I stand before you to officially launch my campaign for a second term as president of the United States."

Striking a darker note, Trump repeatedly encouraged the crowd to boo journalists covering the event, calling them "fake news." The Republican then turned on the Democrats, accusing them of seeking to



US President Donald Trump speaks during a rally at the Amway Center in Orlando, Florida, to officially launch his 2020 campaign on Tuesday

"rip your country apart." "Our radical Democrat opponents are driven by hatred, prejudice and rage. They want to destroy you and they want to destroy our country as we know it," he said to roars of boos. "Not acceptable. It's not going to happen." Even if dismal early poll numbers show he faces a difficult race, Trump goes into the reelection fight buoyed by soaring GDP, low unemployment,

and confidence in the fierce loyalty of his right-wing base. Trump — himself accused by opponents of wide-ranging corruption — told the crowd that together they had formed "a great political movement" that had "stared down a broken and corrupt political establishment." Supporters lined Orlando's downtown sidewalks all day waiting in tents and chairs overnight to be the first in the door. AFP

Apple Plans to Move 15-30% of Production Out of China: Nikkei

Bengaluru: Apple Inc has asked its major suppliers to assess the cost implications of moving 15-30% of their production capacity from China to Southeast Asia as it prepares for a restructuring of its supply chain, according to a Nikkei Asian Review report on Wednesday.

Apple's request was a result of the extended Sino-US trade dispute, but a trade resolution will not lead to a change in the company's decision, Nikkei said, citing multiple sources. The iPhone maker has decided the risks of depending heavily on manufacturing in China are too great and even rising, it said. Earlier this month, credit rating agency

Fitch said it views Apple, Dell Technologies Inc and HP Inc as potential blacklist candidates if China blacklists US companies in retaliation for restrictions on Huawei. Key iPhone assemblers Foxconn, Pegatron Corp, Wistron Corp, major MacBook maker Quanta Computer Inc, iPad maker Compal Electronics Inc, and AirPods makers Inventec Corp, Luxshare-ICT and Goertek have been asked to evaluate options outside of China, Nikkei reported. Reuters

Facebook Triggers Fresh Washington Fury over Cryptocurrency Project

Washington: Facebook Inc's plans to create a new cryptocurrency that can be used for everything from commerce to money transfers is facing pushback from angry US lawmakers.

House Financial Services Committee Chairwoman Maxine Waters urged the company to halt development of the token until Congress and regulators can examine it. Other lawmakers demanded hearings and questioned whether the coin, called Libra, will have appropriate oversight.

The scrutiny shows the risks for a corporate titan like Facebook, which already faces deep skepticism in Washington, of moving into a controversial industry like cryptocurrencies. Still reeling from allegations that it failed to protect users' data, the Silicon Valley power is now entering a space that is known for its lax regulation

and resistance to oversight. "Facebook has data on billions of people and has repeatedly shown a disregard for the protection and careful use of this data," Waters, a California Democrat, said in a statement. "With the announcement that it plans to create a cryptocurrency, Facebook is continuing its unchecked expansion and extending its reach into the lives of its users."

Representative Patrick McHenry, the top Republican on the financial services panel, wants Waters to hold a hearing. He said Congress needs to go "beyond the rumors and speculations and provide a forum to assess this project and its potential unprecedented impact on the global financial system." Facebook intends to launch its coin in 2020. Senator Mark Warner, a Virginia Democrat, said he was concerned the company appears to be using its corporate heft to move into and try to dominate new industries. Senator Sherrrod Brown, the top Democrat on the Senate Banking Committee, made a point that was common in lawmakers' statements: regulators must make sure Facebook users are protected. But like others, he didn't identify a particular watchdog, perhaps signaling uncertainty over who might police Libra. Bloomberg



US Navy Presents Evidence of Iran's Role in Attack on Tankers

Dubai: A US navy investigator presented what he said was evidence of Iran's involvement in the attacks on tankers near the Persian Gulf, laying out the most detailed assessment that's been made public since the incident raised tensions in the region earlier this month.

Commander Sean Kido, an explosives expert at the Bahrain-based Fifth Fleet, said the attack on the Japanese-operated vessel, the *Ko-kuka Courageous*, was carried out by a limpet mine planted on the tanker's body above the water line.

Speaking to reporters on Wednesday at a US Naval Forces Central Command facility near the Port of Fujairah in the United Arab Emirates, Kido said his team of investigators was able to recover a magnet used to attach the limpet mine to the skin of the ship. It also retrieved a handprint as well as fingerprints from near the spot where the magnet was found.

"The limpet mine that was used in the attack is distinguishable and it's also strikingly bearing a resemblance to Iranian mines that have already been publicly displayed in Iranian military parades," Kido said. Bloomberg



Iran 'Categorically Rejects' US Tanker Attack Allegations

Tehran: Iran's defence minister "categorically rejected" on Wednesday accusations that Tehran was behind two tanker attacks in the Gulf of Oman, describing evidence presented by US as "unsubstantiated", official news agency IRNA reported. "Accusations levelled against Iran's armed forces and the published film with regards to the incident (that) happened to the vessels... are unsubstantiated and we categorically reject these accusations," IRNA quoted Defence Minister Brigadier-General Amir Hatami as saying. AFP

Dutch Authorities Name 4 Suspects in MH17 Crash

Nieuwegein: International investigators on Wednesday charged four people with murder over the 2014 shooting down of flight MH17 above rebel-held eastern Ukraine in which 298 people were killed. The Dutch-led team said it was going to prosecute Russian nationals Igor Girkin, Sergey Dubinskiy and Oleg Pulatov, and Ukrainian Leonid Kharchenko over the downing of the Malaysia Airlines plane.

Relatives of the victims said they had been told the trial of the men for murder would start in March 2020, although they are likely to be tried in absentia as Russia does not extradite its nationals for prosecution.

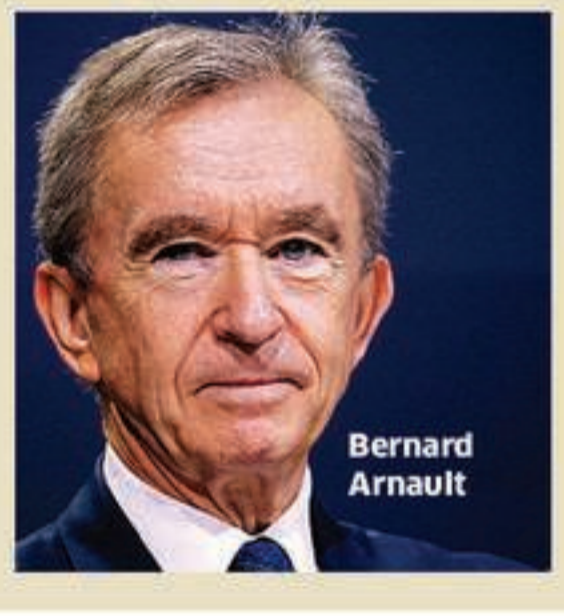
Russia has vehemently denied all involvement in the downing of MH17, while Girkin on Wednesday said Ukrainian separatists were also implicated. "Today we will send out international arrest warrants for the first suspects that we

will prosecute. They will also be placed on national and international wanted lists," said Wilbert Paulissen, chief constable of the Netherlands National Police.

Dutch prosecutor Fred Westerbeke said they were the "four who will be held accountable for bringing the deadly weapon, the BUK Telar, into eastern Ukraine."

The same investigation team said in May 2018 that the BUK anti-aircraft missile originated from the 53rd Russian military brigade based in the southwestern city of Kursk. The airliner travelling between Amsterdam and Kuala Lumpur was torn apart in mid-air after being hit by a missile on July 17, 2014, investigators say. AFP

The World Now Has Three People Worth More Than \$100 Billion Each



London: Bernard Arnault, Europe's richest person, just joined Jeff Bezos and Bill Gates in the world's most exclusive wealth club with a fortune of at least \$100 billion. Arnault, chairman of LVMH, entered the ranks of centibillionaires on Tuesday as the luxury-goods maker climbed 2.9% to a record 368.80 euros a share. His net worth has increased almost \$32 billion this year, the most on the 500-member Bloomberg Billionaires Index. France's multibillionaires have

added the most wealth among European members of Bloomberg's ranking in 2019, with Arnault, Kering SA's Francois Pinault and cosmetics heir Françoise Bettencourt Meyers tacking on more than \$40 billion between them. Meanwhile, the brothers behind the Chanel brand, Gerard and Alain Wertheimer, saw their fortunes soar \$9.8 billion this week after the Parisian fragrance and fashion house reported its 2018 results.

Arnault's fortune of \$100.4 billion now equals more than 3% of France's economy, underscoring the wealth

gap in his native country, where protesters have agitated this year for more benefits paid for by the rich. Even amid growing trade tensions, Chinese consumers' appetite for Louis Vuitton handbags and Hennessy cognac has bolstered results for LVMH, the owner of Dom Perignon Champagne and Tag Heuer watches. The company's shares have surged 43% this year, the third-best performer on France's CAC 40 Index.

Arnault, 70, and his family are among luxury tycoons who pledged more than \$650 million in April for

the reconstruction of Notre Dame Cathedral after the landmark church was ravaged by fire. He controls about half of Paris-based LVMH through a family holding company and also owns a 97% stake in Christian Dior, the fashion house founded three years before his birth in 1949. Arnault entered the luxury-goods market by acquiring a textile group that owned Christian Dior. He sold all of the company's other businesses and used the proceeds to buy a controlling stake in LVMH in 1988. Bloomberg

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

Sperm Donor is Legal Father, Rules Australian Court

A man who donated sperm so his gay friend could have a baby more than a decade ago must be recognised as the girl's father, Australia's High Court ruled on Wednesday. The court said because the man was listed on the birth certificate and had an "extremely close" relationship with the child, he was a parent and should have a say in whether she is taken to live in New Zealand. The man — known in court papers by the pseudonym "Robert Masson" — agreed to give his sperm to a friend of decades in 2006 via artificial insemination. Masson had expected to play a part in the girl's parenting and despite their not living together, he had "an ongoing role in the child's financial support, health, education and general welfare", the court said. Problems arose when the girl's mother and her same-sex partner wanted to move to New Zealand in 2015. Judge Margaret Cleary ruled that a lower court was wrong to rule against the father. AFP

US Teen Kills Pal After Online Friend Promises \$9 Million

An American teenager has been charged with conspiring to murder her "best friend" after a man she met online offered her \$9 million to commit the crime. According to investigators, Denali Brehmer, an 18-year-old from Alaska, was recruited to kill her friend by a man a few years her elder, 21-year-old Darin Schillmiller of Indiana. The pair had previously hooked up online, with Schillmiller assuming a fake identity and posing as a millionaire named "Tyler". Court documents say that during the course of their online relationship, they discussed a plan to rape and murder someone in Alaska. Schillmiller promised Brehmer \$9 million or more to send him videos or photographs of the macabre attack. Brehmer then proceeded to recruit four friends and the group settled on Cynthia Hoffman — described as one of Brehmer's best friends — as their victim. On June 2, authorities say 19-year-old Hoffman was lured to a hiking trail northeast of Anchorage where she was bound with duct tape and shot once in the back of the head before being pushed into a river. Her body was discovered on June 4. AFP

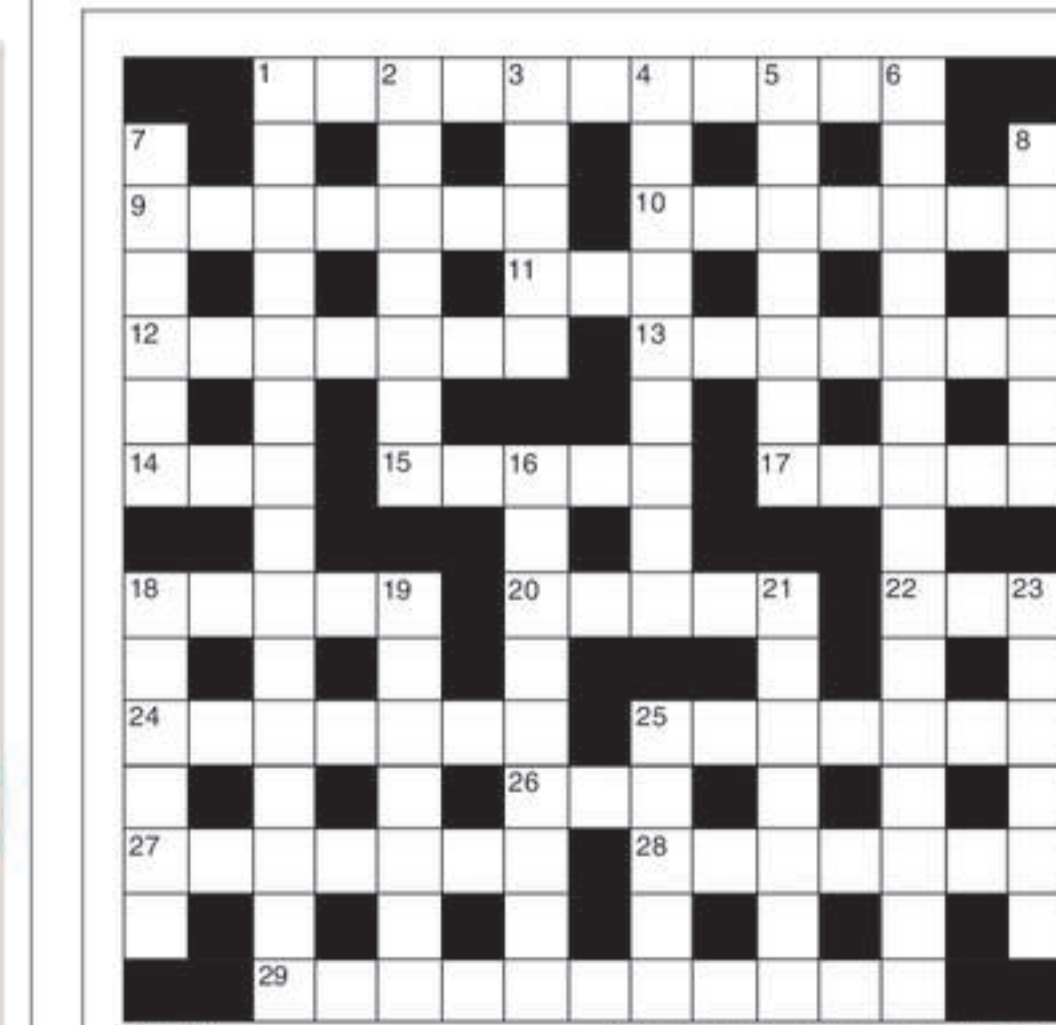
Indonesia Muslim Group Slaps Fatwa on PUBG

A hugely popular but brutal online game was slapped with a fatwa on Wednesday by an Indonesian Muslim group who say it insults Islam and makes addicted players violent. The religious edict, issued in conservative Aceh province, comes after officials in Iraq, Nepal and Gujarat banned PUBG over fears it incited real-world violence. PUBG pits marooned characters against each other in a virtual fight to the death, and has become one of the world's most popular mobile games. On Wednesday, the Aceh chapter of Muslim-majority Indonesia's powerful Ulema Council called on local residents to ditch PUBG, and said the local government should consider an outright ban. Breaking the fatwa would not result in sanctions, it said, but the group's national chapter has also been mulling a similar call to ditch violent games. "Our fatwa says that PUBG and other similar games are haram (forbidden) because they can trigger violence and change people's behaviour," said Faisal Ali, deputy chairman of the Aceh Ulema Council. AFP

Get Your Fax Right: Officials Spark Japan Nuclear Scare

Bungling Japanese officials sparked a nuclear scare after a violent, late-night earthquake by ticking the wrong box on a fax form — inadvertently alerting authorities to a potential accident. Employees of the Tokyo Electric Power Company (TEPCO), operator of the Kashiwazaki-Kariwa nuclear plant in Niigata — where the 6.4-magnitude quake struck — faxed a message to local authorities seeking to allay any fears of damage. But TEPCO workers accidentally ticked the wrong box on the form, mistakenly indicating there was an abnormality at the plant rather than there was no problem. One official filled out the form, and it was checked by a colleague before being sent. TEPCO's Tokyo headquarters noticed the mistake, and a correction was published 17 minutes after the original release, the firm's Tokyo-based spokesman told AFP. Kashiwazaki city mayor Masahiro Sakurai saw the incorrectly filled-out form and immediately directed staff to check what was happening. The mayor hit out at TEPCO, which also operated the crippled Fukushima nuclear plant — site of the worst nuclear accident since Chernobyl — when an earthquake and tsunami struck in 2011. "When a real earthquake is happening, not a drill, this is a massive error," Sakurai told local reporters, according to the Mainichi Shimbun daily. AFP

Crossword 7438



ACROSS
 1 Smart women's role model mad about golf (4-7)
 9 Understanding latest view (7)
 10 First woman receiving a hint, she's moved to safety (7)
 11 Royal couple make a mistake (3)
 12 Whistle-blower with Oz trucks proves to be false (7)
 13 Stage colleague acting within the law (7)
 14 Articles used in Europe give trouble (3)
 15 Republican is beside monarch for part of flight (5)
 17 Stroke a chopped salad plant (5)
 18 Girl releases special number (5)
 20 Ring a theatre back to obtain musical work (5)
 22 Couple broadcast excessively (3)
 24 Execute a Parisian who stole duke's weapon (7)
 25 New singer tackles melody at last that includes a sharp (7)
 26 Infection travelled through the air, I hear (3)
 27 NT book good man carried in European Mass (7)
 28 Back factory I'd installed in run-down part of town (4,3)

DOWN
 1 Women's Institute flush out item about family? Some hope! (7,8)
 2 Match perhaps not carrying as much weight (7)
 3 Entrances billionaire (5)
 4 Finished regal complex that's too big (9)
 5 Male moves cagily due to sore muscles (7)
 6 Model reddens with blue tone in such risqué puns (6,9)
 7 I go wrong in South American mountains (6)
 8 Australia's lyrebirds gather up these colourful stones (6)
 16 Small quiet ducks want to ingest fine spoil (5-4)
 18 Copied English-Chinese dictionary (6)
 19 Ridiculous target placed on a sailing event (7)
 21 Complain about a rule on air (7)
 23 Boxer's tactic carried by radio network (3-3)
 25 Organise shiatsu, but not at local meal (5)

SOLUTION TO No. 7437
ACROSS: 1 Demijohn, 5 Hawser, 9 Realtime, 10 Cicada, 12 Cote, 13 Pre-eminent, 15 Greenhouse gas, 19 Tongue-twister, 23 Derogatory, 25 Scar, 28 Inland, 29 Epilepsy, 30 Geysir, 31 Estrange.
DOWN: 1 Direct, 2 Meant, 3 Jute, 4 Home run, 6 Alibi, 7 Scavenger, 8 Road test, 11 Veto, 14 Beau, 15 Generally, 16 Hew, 17 Site, 18 Studying, 20 Ta-ta, 21 Irruptions, 22 Argyle, 24 Guise, 26 Capon, 27 Slur.

Dilbert by S Adams



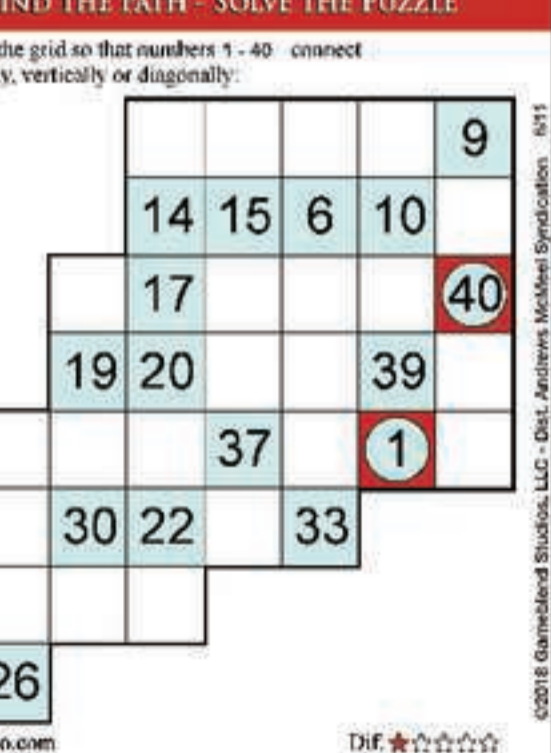
7 LITTLE WORDS

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 removed, as shirttails (8)
 2 sturdy draft animals (4)
 3 shampoo's counterpart (11)
 4 defying authority (10)
 5 stoppage (11)
 6 squabbling (8)
 7 in an observant manner (11)

SOLUTIONS
 TU UN OX ITI CO
 EN ONER ION LING IOUS
 NTIV ATTE CKED REB OBST
 ELY RUCT BRAW ELL ND

HIDATO FIND THE PATH - SOLVE THE PUZZLE



Complete the grid so that numbers 1-40 connect horizontally, vertically or diagonally.

Yesterday's puzzle solution.

Hidato Sol.

40	39	38	37	36	35	33	32	29
41	42	36	34	31	30	28		
43	44	15	10	27	26			
76	49	47	46	2	3	11	13	14
75	48	50	6	4	8	10	19	23
74	51	67	5	7	64		20	22
73	68	62	66	65	63			
69	72	71	53	58	59	62		
	70	54	55	56	57	60	61	

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Get The Most Out of Your Streaming Video Device



With multiple streaming services vying for your attention, it's no surprise that on-demand video is seeing a massive uptick in subscribers. If you already use a streaming service, chances are it's probably through a Chromecast, Fire TV Stick or Apple TV. These devices are a lot more powerful than we give them credit for. **Hitesh Raj Bhagat** shares some of his favourite tips & tricks for all three

Apple TV 4K ₹17,430 for 32GB, ₹19,480 for 64GB

Since Apple TV doesn't need to be visible to you (remote is RF, not infrared), you can place it inside a cabinet or purchase mounts to stick it behind the TV or on the wall in an inconspicuous place.

The beauty of AirPods is that you don't need to individually connect them to your Apple devices. This applies to Apple TV too. Just make sure you're signed in with your Apple ID and your AirPods will connect to Apple TV.

THE REMOTE'S TOUCHPAD IS GLASS WHICH MEANS IT CAN BREAK. IF YOU OR OTHERS IN THE FAMILY TEND TO DROP IT OFTEN, YOU CAN GET A SOFT SILICON CASE FOR IT FOR AS LESS AS ₹199.

In the tvOS 13 update (public beta in July, final coming later), Apple is going to add full screen video previews, picture-in-picture (watch videos while in another app), multi user support (each user gets their own custom interface & suggestions) and support for Xbox/PS4 game controllers.

Apple TV is powerful enough for big screen gaming. There are already games you can play with the remote or a third party controller. To extract this full potential, Apple Arcade is coming soon. This will effectively turn it into a proper game console with various exclusive titles.



Karan Bajaj@timesgroup.com

When we reviewed the Nubia Red Magic gaming phone last year, we loved the unique performance and design. Nubia went on to launch Red Magic Mars but never got it to India. The company has now launched the Red Magic 3; their latest gaming phone that has an actual cooling fan inside—a first for a smartphone.

In terms of design, this definitely feels and looks like a gaming phone. Nubia has included an RGB light strip on the rear which adds some cool gaming bling to the phone. The all-metal body has red accents plus interesting shapes around the camera module and fingerprint scanner. If that was not enough, there is a glowing Red Magic logo too. A pair of ultrasonic triggers on the side can be custom configured in games for an added advantage.

On the right side are the buttons along with the very visible air vent—this is the exhaust where the hot air is thrown out by the built-in fan. The fan starts automatically when you enable gaming mode and you can control fan speed via software settings. Put your ear to the vent and you can hear it running too. This is not a gimmick—it is actually working to actively extract heat from the hottest components inside. This will also have an impact on performance because we know that cooler components will perform at peak capacity for longer. Along with air cooling, the Red Magic 3 also has liquid cooling. The 7-pin accessory connector on the side can be used for external controllers and other accessories. We also liked that Nubia still offers a 3.5mm audio jack. However, this is a big phone with a 6.65-inch screen and metal body. And it weighs a hefty 215 grams. It is impressive that Nubia managed to make the device so well balanced in terms of weight distribution, but this is not something you will be able to use with one hand comfortably.

The Red Magic 3 is powered by the latest Qualcomm Snapdragon 855 processor and comes with 8/12GB RAM options with 128 or 256GB of non-expandable storage. These are top-end specifications for a smartphone. As expected, everything from intensive games to 4k videos run smoothly on the device without any visible lags or sluggishness. One of the big advantages the Red Magic 3 has is the large 5,000mAh battery—still a rarity in flagship devices. Thanks to this massive battery, we regularly got a full day of battery life

A Mobile Gamer's Delight

ET REVIEW Nubia Red Magic 3 ★★★★★

SPECIFICATIONS

6.65-inch AMOLED display (2340 x 1080 pixels) with 90Hz refresh rate, Snapdragon 855 processor, 8/12GB RAM, 128/256GB storage, dual SIM slot, 48MP f1.7 rear camera, 16MP f2.0 front camera, dual band WiFi ac, Bluetooth 5.0, rear fingerprint scanner, USB Type-C, 7-pin accessory connector, Android 9.0, 5,000mAh battery, 215 grams

+ Gorgeous 90Hz AMOLED display, stylish RGB light panel, built-in fan for rapid cooling, haptic buttons for gaming, top-end hardware and performance, fantastic battery life with fast charge support, good camera performance, stock Android with dedicated gaming zone, first phone with 8k video recording, air cooling + liquid cooling

with around 3 hours of gaming per day. If you use the phone normally without any gaming, you should get two days of battery life. There is also fast charge support and Nubia includes a fast charger in the box.

Since this is a gaming smartphone, we used it with various popular games like PUBG, Call of Duty Mobile and Asphalt Legends on the phone. Everything ran butter-smooth on the highest graphics setting with zero frame drops. A dedicated hardware key on the side enables Game Space, Nubia's dedicated console-style interface to launch games, tweak performance settings and block notifications while gaming. We liked the implementation of Game Space as it helped get the best possible performance from the device. Thanks to the combination of liquid cooling plus air cooling, the phone never became too hot to touch. Even after two hours of continuous gaming, it was only slightly warm. Also in its favour is the stock Android OS with zero preloaded bloatware.

The display plays an integral role when gaming and having a screen with a fast refresh rate can aid you during gameplay. Nubia clearly understands this and that is why the Red Magic 3 has

This is the most complete gaming phone we've seen. The cooling fan is a first too but you sacrifice water resistance in return for sustained gaming performance

a 6.65-inch full HD display with 90Hz refresh rate. It's only the second phone in India (after OnePlus 7 Pro) to get this high refresh rate display. The excellent blacks and vibrant colour offers an immersive gaming experience on the phone. The only thing we found odd was that the option to change the refresh rate is only available in Game Space and not in the general phone settings. Also, while the screen has slim bezels on the side, the top has a fatter bezel and there is a substantial chin. This adds to the overall size of the phone making it bulky to handle.

Even though Nubia chose to skip the dual/triple camera trend for their gaming phone, it is good to see that they offer the new 48MP IMX 586 camera on the Red Magic 3. This is a half-inch sensor

ROLI LUMI

The LUMI is a 24-key light up keyboard and companion app, designed to teach music to anyone. You've probably seen keyboards meant for children with light up keys or games like Guitar Hero that do something similar—guide your finger with lights. ROLI is not new to the game either—they have a very successful product in the market already (Roli Seaboard). The app will guide you through everything, from fundamentals and play-along sessions to advanced sheet music. In case you think 24 keys is too little, you can join up two or more LUMI together to create a 48 or 72 key keyboard—they just magnetically snap together. The LUMI is currently live on Kickstarter with bids starting at US \$185 at the time of writing.



Google Chromecast ₹3,498

Chromecast can play games. Search for 'Chromecast games' on the Play Store using your phone and you'll find games like Tankcast, Doodlecast, Dino Family Games and Just Dance Now. These games are designed to cast, so you'll be looking at the TV and using the smartphone as a controller.

Sharing your Chromecast with friends while watching video is easy. Just make sure they're connected to your home WiFi and they can use their own phone to cast. There's also a guest mode on Chromecast itself. With this active, devices can connect directly to Chromecast instead of your WiFi network.

When you want to cast something at home without disturbing others, you can use an app called Local Cast. This will cast the video to your TV and keep the audio on your phone. Then just use your headphones paired with your phone to continue watching.

If your TV has HDMI-CEC (Consumer Electronic Control), it can be controlled by Chromecast. Make sure the HDMI-CEC feature on your TV is enabled and you can wake the TV from sleep and switch to the correct input source by starting a cast.

The tiny Chromecast is the perfect companion if you regularly spend a lot of days in hotel rooms. You'll need a separate WiFi hotspot (dedicated hotspot or phone) so that you can connect both your phone and Chromecast to it. Then you can cast videos to the hotel TV just like you do at home.



ILLUSTRATION: ANIRBAN BORA

If you have an older Fire TV stick and don't want to upgrade to the 4K version, you can still buy the new voice remote separately for ₹1,999. This gives you the advantage of Alexa voice control and infrared features to control your existing TV/sound system. You will only need to pair the remote with your Fire TV Stick before first use by holding down the Home button.

Your Fire TV Stick supports Bluetooth headphones. Just head to the settings to pair your headphones and you can continue watching without disturbing anyone else. Make sure to put your headphones in pairing mode so that Fire TV Stick can see and connect to them.

Apart from the multiple sales and offers you get on Amazon India, you can score an ever better deal on Fire TV Stick from Amazon USA. We've seen prices as low as US \$29 for the regular version. Just get someone to carry back one for you and it will work just fine after signing in to your Amazon India account.

Fire TV Stick

₹3,999, Fire TV Stick 4K ₹5,999

If you find the built in app store limited, don't worry because you can easily install Android apps. Get the free Easy Fire Tools app on your Android phone and enable app installs from unknown sources and ADB debugging on Fire TV (find it in Settings > System > Developer options). Check your Fire TV's IP address (Settings > Network > System Info) and enter it into the app. Then you can install any app from your phone straight to your Fire TV Stick.

Can't find the remote? Amazon offers an official Fire TV remote for both iOS and Android (it's called Amazon Fire TV). Make sure the phone and Fire TV are on the same network and the remote app will automatically connect. It also includes gesture control, voice search and a keyboard for much easier text input.

Black Shark 2

★★★★★

SPECIFICATIONS

6.39-inch AMOLED display (2340 x 1080 pixels) with 19.5:9 aspect ratio, Snapdragon 855, 6/12GB RAM, 128/256GB storage, 48MP f1.8 + 12MP f2.2 (telephoto) dual rear camera, 20MP f2.0 front camera, dual SIM slots, stereo speakers, USB Type-C, in-display fingerprint scanner, 4G with VoLTE, WiFi ac, Bluetooth 5.0, 4,000mAh battery, Android 9.0, 205 grams

+ Built like a tank, gorgeous OLED display, fantastic performance, game-focused software features, fast in-display fingerprint scanner, loud stereo speakers, dual RGB LED light strips, good battery life, 27W fast charge support, stock Android OS

- Large top/bottom bezels make the phone bigger, non-expandable storage, camera tends to over-sharpen images, no OIS for camera, phone gets hot after 45 minutes of gaming, no headphone jack

PRICE

₹39,999 (6/12GB), ₹49,999 (12/256GB)

Karan Bajaj@timesgroup.com

It was in 2018 that we first heard the name Black Shark—a gaming focused smartphone backed by Xiaomi. It offered top-of-the-line specs at an unbelievable price and got rave reviews from a majority of the tech media. Now the company is launching a second generation which has upgraded hardware and new software features.

Gaming smartphones tend to be large and heavy and the Black Shark 2 is no exception. It weighs a hefty 205 grams and even though the 8.8mm thickness seems normal, it feels bulky when held in the hand. The primary reason for this is the cooling tech inside the body: they have included a large copper plate, liquid cooling pipe and a layer of graphene to keep the phone cool during gaming. Even though it is, the phone scores on the cool quotient with its build quality and appearance. It has a metal unibody with RGB light strips on both sides and stylish sections of glass to break up the monotony. Most people who saw and held it could immediately call it out as a gaming device.

Up front is a gorgeous 6.4-inch, full HD AMOLED display with HDR support. It has an aspect ratio of 19.5:9 without a notch. This means it has a chin at the bottom and a fat bezel on top which makes it taller compared to other smartphones with similar size displays. Thankfully it's well-balanced but the size might be a turn off for some. Saving grace is the AMOLED display. It offers vibrant colours and perfect blacks making it a joy to play games and consume content.

Black Shark claims this phone has the world's lowest latency touch at 43.5ms and a 240Hz touch report rate. This does make a visible difference during FPS shooter games. Your touch input is received faster which can give you a split-second advantage. In addition, the phone also has a pressure sensitive display—it can differentiate between a tap and a press (similar to 3D Touch on iPhone). With this feature, you can map two extra buttons in your game to the pressure sensitive area and get the benefit of extra virtual buttons during gaming. It's a neat feature to have but we would have preferred ultra-sonic trigger buttons like Asus' ROG or Nubia Red Magic 3.

Hardware specifications are top notch as expected: Snapdragon 855, 6/12GB DDR4X RAM, 128/256GB UFS 2.1 storage and a 4,000mAh battery. We faced no problems playing any of the available games at highest possible settings. Thanks to stock Android interface, navigation and multi-tasking is also a breeze. Battery life is good too. With an hour of gaming, it will last you a full day with around 15% battery to spare. It supports 27W fast charging and a fast charge

ET REVIEW

Optimised For Mobile Gaming



er is included in the box. It goes from 0 to 60% in 30 minutes of charging.

Software optimisation is where the Black Shark 2 shows off gaming skills. A dedicated hardware key launches 'Shark Space', the gaming area. Shark Space lets you organise and launch your games, manage incoming notifications as well as view phone performance. You even get options to optimise frame rate, lock brightness and improve in-game audio. You access a Game Dock by swiping in from the right corner—the dock lets you enable floating windows for frame rates and temperature, manage notification prompts and setup Master Touch (their name for pressure sensitive touch). When you start a game, you can access advanced features with Gamer Studio. Gamer Studio lets you manage performance levels, display settings (HDR, custom colours), screen touch sensitivity, speaker output, manage network (set game to priority, limit background traffic), vibration feedback and strength. There is also a Ludicrous Mode in performance settings which can be used to push the processor to deliver the maximum possible performance. Access to such a wide variety of features is any mobile gamer's dream come true.

Trouble is, even with all the cooling tech inside, Black Shark 2 heats up significantly after about 45 minutes of gaming. Any phone becomes hot after gaming but we had to put this one down after 45 minutes because it was alarmingly hot.

Camera performance is mixed bag. While it has a 48MP primary camera, the software tends to over-sharpen the photos resulting in a loss of detail. The presence of telephoto lens and 2x optical zoom is great, but the lack of optical image stabilisation is a big letdown. In our usage, we concluded that the rear camera is good enough only in a well-lit environment. Front camera was a pleasant surprise—the 20MP sensor took crisp photos with natural colours and the portrait mode delivers great edge detection. Considering that gamers use the front camera while streaming, having a good front camera is a big benefit.

Some of the other features that impressed us include the unbelievably fast in-display scanner (one of the best we have seen), loud stereo speakers and fast face unlock. What we didn't like was the lack of expandable storage and missing headphone jack.

At the asking price, Black Shark 2 definitely impresses on its performance and we love the gaming software features. Trouble is, it's no longer the only gaming phone in this price segment. For a lower price, the Nubia Red Magic 3 offers similar specifications, larger display with 90Hz refresh rate, 5,000mAh battery, ultra-sonic shoulder buttons and runs cooler thanks to the built-in fan + liquid cooling.

SPOTLIGHT



One of the major problems with electric vehicles is range anxiety—because you know you'll be stranded or at the very least will have to spend time recharging the battery.

Tesla is hoping to take some of the boredom out of the 45 minute wait while you recharge—by letting you play video games on the company's trademark gigantic touchscreens inside the car. You'll be using the car's steering wheel and pedals for input so it's no surprise that they're going to be showing off a special version of Beach Buggy Racing 2—and you'll be racing a tiny Tesla in the game. If you're not into racing games, there's an entire library of classic games such as Atari Missile Command and Asteroids too. Arcade will land as an OTA update for Tesla Model 3, S & X vehicles and will only work when the vehicle is parked.

MOJIPIC

Unless you're yelling, it's hard to communicate with other drivers while on the road. The Mojipic will help you communicate better by using emoji—the universal language for anyone that uses computers and smartphones. It's a blocky, battery-powered, Bluetooth connected gizmo that you mount inside your car. The grid of 32 x 32 multicolour LEDs (1024 LEDs in total) will display any emoji you deem fit using the companion app. It's also voice controlled, in case you don't want to take your hands off the wheel. Note that this is a crowdfunding project on Indiegogo so there are inherent risks involved. Prices start at ₹4,800 with shipping estimated in August 2019.



Noise App on Apple Watch

If you have Apple Watch Series 4, the upcoming watchOS 6 update is going to add something interesting—the Noise app. The basic aim of the app is to protect your hearing. Studies have shown that prolonged exposure to loud sounds can damage hearing so the Noise app uses the microphones on Apple Watch to monitor ambient noise and notifies you if the sound pressure is at dangerous levels. The Watch will also be able to notify you of dangerous volume levels if you're listening to music on headphones, provided you're using one of the certified, calibrated headphones that Apple recommends. A full list of compatible headphones will be released closer to the date of the final software release.



Mastercard Wants to Be a Lifestyle Brand

Q&A RAJA RAJAMANNAR
CMO, MASTERCARD

On the sidelines of the Cannes Lions Festival of Creativity, Brand Equity met with one of the key marketers present at the world's largest ad and marketing industry gathering - Raja Rajamannar, chief marketing and communications officer and president, healthcare business for Mastercard. Edited excerpts from an exclusive interview with Amit Bapna:

What's your view on the Indian market's potential and Mastercard's brand play here?
The opportunity is huge here in India, but we are at the beginning. We are extremely committed to make it a success. We recently got into tier-2 towns for the first time with our brand campaign with MS Dhoni. We have identified 10 areas of passion points that people care about. We are trying to identify what kind of passion points work most in India and we will get deeper into each of them. Cricket, Bollywood and music would be the three identified points in India.

One of the brand's biggest assets, the logo, was dramatically altered earlier this year. What convinced you that it was the right decision?
It was a well-considered decision. I had thought about it for two years. Our research in more than 26 countries showed that 80% of people recognised the brand without the name but just the logo. That gave us the confidence. The other reason is that we want to be a lifestyle brand and not a credit card brand. Removing the logo helps in that direction too. We have launched our first restaurant called Bistrot by Mastercard at Rome airport.

We are launching the second restaurant at upscale Manhattan (New York City). We are curating experiences that money can't buy. Two months ago, we launched sonic branding across the globe. We have created 20 different versions and by the end of year we



PLAYING THE CARDS
Cricket, Bollywood and music would be the three identified passion points that work the most in India

will have 200 versions.

At Mastercard you've created new roles in brand safety and risk management that sit within the marketing function. How well is this strategy working, and can this be the way forward across categories?
There are countless factors which are emerging that influence the reputation of a brand. One ill worded tweet or a wrongly timed campaign could have a long-lasting impact to the image. Marketers have to be always on a lookout for any possible risk to their

brands. This is not only about making sure that the brand is not seen at an undesired place. It is a more holistic approach regarding identifying and addressing any threat before it becomes a real challenge. We can completely ban a platform or pay a premium to leverage it, just to safeguard image.

We don't view risk as a four-letter word. We're embracing it and bringing the risk discipline to the forefront of all decision making, planning, resource allocation and execution. The new roles and responsibilities around risk management go beyond brand safety

to also include brand health and visibility, brand reputation, data privacy and protection, compliance and organisational training in these areas. The approach has helped the brand make informed decisions. This is the way forward for future forward marketing organisations.

How important is the protection of consumers' data and privacy in brand building today?
Every marketer must remember that he is a consumer himself. Think about your own preferences and how you want to be treated. The core tenets of GDPR: accountability, transparency, consent and individual rights are principles every marketer should be aligned with and think through as they develop and activate programs. With the rise in the number of connected devices, there is an imperative and opportunity to protect the digital ecosystem. We recognise that earning and maintaining the trust of our customers, cardholders and consumers is critical for our future. That's why we have incorporated privacy and security in the design of everything we do.

India Adds 4 Silver Lions to its Cannes Scorecard

Amit Bapna & Priyanka Nair

Cannes: A few Lions sauntered into India's kitty at the halfway mark of the five-day mega festival of creativity in Cannes. After a sluggish start at Cannes Lions 2019, Indian agencies won metals in competitive categories and the first-ever Creative Strategy Lions. Campaigns for Hindustan Unilever's Lifebuoy - "The Infection Alert System" by Mindshare and Lowe Lintas' #HelpTheChildReach5 programme - fetched the brand two Silver Lions.

Mindshare also bagged a Bronze Lion for Lifebuoy in Creative Data. Harman Dhillon, GM - marketing, Hindustan Unilever, shares more on the campaign that won over judges in a tough category: "The purpose of our brand Lifebuoy is to help millions of mothers stay one step ahead of infections so that their children fall sick less often. We were able to do this through 'our infection alert system', by leveraging data and the reach of mobile phones in traditionally media dark geographies, to ensure we live our purpose."

M A Parthasarathy, CEO, Mindshare-South Asia calls it "a great illustration of how data can be leveraged in media to drive a business solution."

Talking about why #HelpTheChildReach5 was entered in the brand new creative strategy category, Sagar Kapoor, CCO, Lowe Lintas, says, "In #HelpTheChildReach5's case, it is more than just a campaign. It is a programme that's deeply rooted in on-ground activities, and communication is just a part of it. The core idea is to bring behavioural change, and there are very few initiatives that have had visible results. We thought we had a solid case."

One of the strongest Indian contenders at the Lions this year is not the usual, large legacy agency "Digital agency" Dentsu Web-

chutney that's got the highest number of shortlists thus far across categories, picked up a Bronze Lion for Swiggy's 'Voice Of Hunger' in the Social & Influencer category. The campaign also won a Silver Lion in Direct. The campaign for the food delivery app had a mix of influencer re-

ality with a twist. Rajdeepak Das, MD India and CCO, Leo Burnett South Asia, says, "One of the biggest reasons why this campaign has won is because 'we did a blood donation drive to stop someone from giving blood.' This is the story of Mr. Mithani who has donated blood 151 times and has just turned 65 - an age post which donating blood could be fatal. We actually got the entire nation to save him by donating blood in his place - 3,50,000 people pledged to donate blood to stop him."

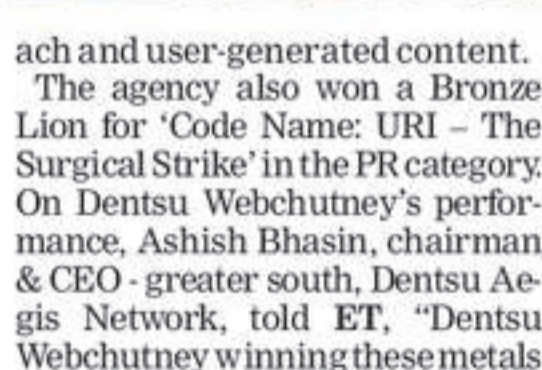
Publicis Singapore's 'Touch Of Care' campaign for P&G's Vicks that ran in India won a Bronze Lion in creative strategy category.

On day three, Indian agencies bagged a total of 12 shortlists across Brand Experience & Activation, Creative-Commerce, Creative Effectiveness, Film, and Mobile categories. Dentsu Webchutney's 'Hagglebot' campaign for Flipkart got four shortlists. The agency also picked up two shortlists for Swiggy's 'Voice Of Hunger' campaign. In Creative Effectiveness, FCB Ulka is shortlisted for The Times of India's 'Sindoor Khela - #NoConditionsApply'.

ach and user-generated content. The agency also won a Bronze Lion for 'Code Name: URI - The Surgical Strike' in the PR category. On Dentsu Webchutney's performance, Ashish Bhasin, chairman & CEO - greater south, Dentsu Aegis Network, told ET, "Dentsu Webchutney winning these metals

today further endorses our view that three-five years from now, there won't be anything like a digital agency. Old world creative agencies will vanish."

The fourth Silver went to Leo Burnett India for HDFC Bank's #StopMithani campaign that scaled-up a blood donation acti-



Foreign PE Funds Pump In \$200M into Logistics in B'uru, Chennai, Pune

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Bengaluru: Logistics and warehousing is a bright new spot on the Indian real estate heatmap, with private equity funds investing nearly \$1.1 billion in logistics and warehousing sectors between Q1 2017 and Q1 2019 as against zero investments during 2015 and 2016 combined, said Anarock Research.

The logistics sector had a massive jump-start in the first quarter of 2019 when private equity players like Morgan Stanley, Warburg Pincus and LOGOS India pumped in nearly \$200 million into cities like Bengaluru, Chennai and Pune.

"Infrastructure status, the multi-modal logistics park policy and implementation of GST has caused private equity firms to take greater interest in logistics and warehousing sector," said Shobhit Agarwal, MD & CEO, ANAROCK Capital.

The southern cities of Bengaluru, Chennai and Hyderabad saw maximum interest by investors, followed by Mumbai and Pune, driven by favourable government policies, strong economic fundamentals and growth in organised retail and e-commerce.

Large institutional and logistics developers are betting big on the growing demand for warehousing in India either by forming joint ventures with local partners or by investing in the sector.

"The Indian logistics and warehousing space is seen as a promising high-growth real estate sector. Given the strong interest and growth in this market, there is a risk that inexperienced investors and developers will focus on non-strategic locations with low demand," said Mehul Shah, CEO of LOGOS India.

LOGOS is seeing strong institutional interest in this sector, and in 2017 it launched the first venture in India, the LOGOS India Logistics Venture with Assega Property, which has up to \$800 million in investment capacity to develop and own high-quality modern logistics facilities in targeted cities across India.

Some of the top deals in 2019 include LOGOS India's investment of nearly \$100 million into Casagrand Distripark in Chennai, Morgan Stanley Real Estate's investment of about \$50 million in KSH Infra Ltd in Pune and Embassy Industrial Parks' investment of \$50 million in DRA Projects in Bengaluru.

ITC Wants to Buy Hotel Leela's Assets for Song: JM Financial ARC

Maulik Vyas & Dipti Sharma

Mumbai: JM Financial Asset Reconstruction Company (ARC) has opposed ITC's petition against Hotel Leela, arguing that the Kolkata-based tobacco-to-hotel chain major has just filed the case of oppression and mismanagement to kill the competition and to acquire the company from insolvency resolution process at highly discounted price.

On Wednesday, JM Financial ARC argued that the petition filed by ITC is nothing but an attempt to acquire the distressed company for a song.

"ITC is pressing that JM Financial ARC's insolvency petition against Hotel Leela should be admitted because they want to acquire those assets for songs," argued Janak Dwarkadas, a senior counsel who is for JM Financial ARC. "This is a company with a deep pocket and they realised that there is a hotel company in distress and they can acquire those assets."

The Mumbai bench of the National Company Law Tribunal (NCLT) was hearing a petition filed by ITC against Hotel Leela for oppression and mismanagement. ITC holds around 8.27% stake in the BSE-listed hotel chain and opposing the sale of its assets to Canadian fund Brookfield.

According to the JM Financial ARC, ITC acquired around 13% stake in Hotel Leela between 2008 to 2013, fully aware of the fact that the company is in



LEGAL TANGLE

ITC pushing plea against Hotel Leela because it hopes to buy the hotel at a discount under insolvency process, JM Financial ARC tells NCLT

distress. "During the time when ITC had purchased shares of Hotel Leela, the company was making losses and it hasn't declared any dividend since 2011," argued Dwarkadas in the tribunal, adding that at that time until now the company went into Corporate Debt Restructuring (CDR) and

later the lenders had assigned their debts to JM Financial ARC but ITC acquiesced to all that.

"Now, when there is a buyer who wants to acquire the assets which will help the company to be debt free, suddenly ITC is approaching the tribunal thinking they might take over when the company stumbles," said the JM Financial counsel.

The counsel for JM Financial ARC also informed the court that if ITC is willing to pay the debt of ₹7,000 crore, the JM Financial ARC is willing to sell its 26% to it. "The lenders assigned their debt to JM Financial ARC for 6% and it will get only that much money from the sell proceeds, while rest of the money will go to its lenders, mostly 14 public sector banks," said Dwarkadas.

In March, Hotel Leela venture announced that Canadian alternative asset management company Brookfield had agreed to purchase its key hotel properties in Delhi, Bengaluru, Udaipur and Chennai for ₹3,950 crore.

JM Financial Asset Reconstruction Company has filed an insolvency resolution plea at the Mumbai bench of the NCLT against Leela after it failed to repay its dues. JM Financial, the parent of JM Financial ARC that holds 26% in Hotel Leela venture after conversion of debt into equity, had acted as an exclusive financial advisor for the deal. However, soon after the announcement of the deal, ITC has opposed the transaction citing oppression of its rights as a minority shareholder.

Fresh Proposal for Air India Sale

New Delhi: The Finance Ministry is preparing a fresh proposal for sale of Air India, incorporating issues like crude oil prices and exchange rate volatility, flagged by EY last year on possible reasons of the government failing to attract bidders for the national carrier. The ministry's proposal, to be placed before Air India Specific Alternative Mechanism (AISAM), will also

include option of selling either 100% or 76% government stake in Air India.

The AISAM, which is basically a Group of Ministers, have to be reconstituted as Arun Jaitley and Suresh Prabhu are no longer ministers in the new government. They will be replaced by Finance Minister Nirmala Sitharaman and Civil Aviation Minister Hardeep Singh Puri. —PTT

Tax Holiday, Customs Duty Exemption, GST Cut on Handset Cos' Budget Wishlist

Domestic cos seek govt's policy intervention to stay competitive and push exports

Gulveen.Aulakh@timesgroup.com

New Delhi: India's handset industry has sought a special package to help home-based companies be competitive in a market increasingly dominated by the Chinese companies and the South Korean Samsung, besides tweaking of the local manufacturing policy to push exports from the country, as part of its budget recommendations to the government.

The industry has also sought a decade-long tax holiday on profits from manufacturing devices or parts in the country to stimulate fresh investments. The industry has also suggested that printed circuit boards assembly (PCBA) of feature phones up to ₹1,200 should be exempted from basic customs duty till the year end, and that goods and services tax (GST) rate on bat-



teries and chargers be reduced to 12% from the current 18% to 28%.

"There's a compelling need to make a comprehensive strategic support framework of building large domestic companies in order to have a desired level of control on technology in the strategic areas," the Indian Cellular and Electro-

ronics Association (ICEA), said in its recommendations to the government.

The association which counts companies such as Apple and Google among its members, said that Indian companies must be supported to tap into sub-\$200 devices global market which is worth over \$250 billion.

"A 10-year tax holiday may be granted on a block of 15-20 years on all profits and gains under Section 80 IA, for manufacturing or rendering of service or in relation to mobile handsets, its parts, components, accessories and various core components... so as to bring fresh investments in plant and machinery in SEZ, EOU and DTA," the association said.

Mobile phone manufacturing has been the bedrock of growth of the government's Make in India programme. In 2018-19 financial year, about 290 million phones were produced valued at ₹1.7 lakh crore.

ED Arrests Two Former IL&FS Execs Under PMLA

Both executives were involved in various 'illegal activities detrimental' to the IL&FS group

Our Bureaus

New Delhi | Mumbai: The Enforcement Directorate (ED) on Wednesday arrested Arun Kumar Saha, former joint managing director and CEO of Infrastructure Leasing & Financial Services (IL&FS), and Karunakar Ramchand, the former managing director of IL&FS Transportation Network (ITNL).

The arrests stem from defaults by IL&FS in September last year that triggered a liquidity crisis for nonbanking finance companies (NBFCs) and roiled the country's financial markets.

Investigations under the Prevention of Money Laundering Act (PMLA) revealed that Saha and Ramchand were involved in "various illegal activities detrimental to the IL&FS group," the ED said in a release. They were involved in "sanctioning and disbursement of loan without taking proper security, to the Groups which were already in financial distress and unable to pay earlier loans."

The two were also involved in "routing indirectly the funds from IFIN to ITNL through a third party who were contractors of ITNL, in flagrant violation of RBI norms," it said.

They were arrested under Section 19 of the PMLA, 2002, since both of them were not cooperating and were evasive in their responses on the said issues. There were concerns that they may seek to influence witnesses and destroy evidence.

The Serious Fraud Investigation Office (SFIO) had earlier arrested former IL&FS executives RC Bawa and Hari Shankaran. Both of them are currently in judicial custody and lodged in Mumbai's Arthur Road jail. The SFIO's chargesheet filed last month accused 30 entities and individuals of fraud and criminal conspiracy including financial bungling. Bawa and Shankaran were erstwhile directors of IFIN.

At the end of March 2018, the IL&FS group's debt burden was estimated to be more than ₹90,000 crore.

The SFIO filed the first chargesheet after inspecting accounts of nearly 400 entities, an extensive forensic audit, examination of data collected from desktops and laptops seized from various IL&FS offices as well as emails extracted from IL&FS servers. Be-

side this, RBI inspection reports, minutes of meetings, assessment reports from the government-appointed IL&FS board and other documents were also taken into consideration.

The ED had registered a case in the IL&FS case on February 19, following which searches were conducted at various locations. The agency claimed to have recovered several incriminating documents.

The former top management members of IFIN, as per the SFIO charge sheet, stand charged with committing fraud with intent to injure the interest of the company, its shareholders and creditors, resulting in wrongful loss to the company.

The government replaced the board of IL&FS with a new one in October as part of a cleanup plan.

The ED registered the case in February under PMLA against 19 entities including IL&FS Rail Ltd, its parent, ITNL, former IL&FS chairman and managing director Ravi Parthasarathy and former IL&FS director Hari Shankaran. After registration of the offence, the agency conducted searches in Mumbai and Delhi. ED's case was based on the predicate offence registered by Delhi Economic Offence Wing (EoW).

"PMLA investigation has revealed Saha and Ramchand and also one of the members of Committee of Directors of IFIN were involved in various illegal activities detrimental to the IL&FS group. They were involved in sanctioning and disbursement of loan without taking proper security, to the Group which were already in financial distress and unable to pay earlier loan," read the ED press release issued on Wednesday.

They will be produced before a special PMLA court in Mumbai on Thursday with the ED expected to seek custodial interrogation.

Referring them as members of a "co-terry," the SFIO had chargesheeted them along with 28 individuals and entities under certain sections of the Companies Act and those of the Indian Penal Code (IPC).

Earlier this week, the ED had summoned former Deloitte India CEO Udayan Sen for the second time on Tuesday. The statutory auditors, who have been accused of fraud and criminal conspiracy by the SFIO and against whom the government has sought a ban of five years, were quizzed by the ED on the reports prepared by them when they were engaged by IL&FS or their subsidiaries.

FORM G INVITATION FOR EXPRESSION OF INTEREST (Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)	
RELEVANT PARTICULARS	
1. Name of the Corporate Debtor	Brys Hotels Private Limited
2. Date of incorporation of Corporate Debtor	11 th June, 2010
3. Authority under which Corporate Debtor is incorporated / registered	Registrar of Companies, Delhi
4. Corporate Identity Number / Limited Liability Identification Number of Corporate Debtor	U74899DL2000PC103752
5. Address of the registered office and principal office (if any) of Corporate Debtor	Registered Office as per ROC Company Master Data: 305, Anunach Building, 19-Barakhamba Road, Connaught Place New Delhi-110001, India
6. Insolvency Commencement date of the Corporate Debtor	18 th March, 2019
7. Date of invitation of expression of interest	20 th June, 2019
8. Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:	Details can be obtained at www.primusresolutions.in under Primus Public Announcements
9. Norms of ineligibility applicable under section 29A are available at:	Details can be obtained at www.primusresolutions.in under Primus Public Announcements
10. Last date for receipt of expression of interest	10 th July, 2019
11. Date of issue of provisional list of prospective resolution applicants	15 th July, 2019
12. Last date for submission of objections to provisional list	20 th July, 2019
13. Date of issue of final list of prospective resolution applicants	25 th July, 2019
14. Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	20 th July, 2019
15. Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	Shall be shared in electronic form to all the Prospective Resolution Applicants eligible to receive the same under Regulations 36B(1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
16. Last date for submission of resolution plans	20 th August, 2019
17. Manner of submitting resolution plans to resolution professional	Details will be provided at the time of issue of Request for Resolution Plan.
18. Estimated date for submission of resolution plan to the Adjudicating Authority for approval	31 st August, 2019
19. Name and registration number of the Resolution Professional	Mr. Sandeep Goel Reg. No. IBB/PA-003/IP-N00073/2017/18/10583
20. Name, Address and e-mail of the Resolution Professional, as registered with the Board	Mr. Sandeep Goel Address Registered with the Board: 410, PratapBhawan, 5, Bahadur Shah Zafar Marg, New Delhi 110002 Email Registered with the Board: cnsandeepgoel@gmail.com
21. Address and email to be used for correspondence with the Resolution Professional	Address for Correspondence: Primus Insolvency Resolution and Valuation Pvt. Ltd. 311, Beshch Chambers, B Block, Sushant Lok Phase I, Sector 27, Gurgaon, Haryana - 122002. Email: bryshotels@primusresolutions.in
22. Further Details are available at or with	This can be obtained by sending a request email at bryshotels@primusresolutions.in
23. Date of publication of Form G	20 th June, 2019

Sandeep Goel
Resolution Professional-Brys Hotels Pvt. Ltd.
Reg. No.: IBB/PA-003/IP-N00073/2017/18/10583

OFFICE OF PATHYA PUSTAK ADHIKARI, U.P., VIDYA BHAWAN NISHATGANJ, LUCKNOW

Letter No.-B/3024/2019-20 Dated - 19 June, 2019

Short Term e-Tender Notice

Online Bids are invited from Security Printers for the Supply of Covers of nationalised textbooks of classes 1-8 of U.P. Basic Education Board for 'Market Sale' for the academic year 2019-20 vide e-Bid reference no. DIR_BASIC_EDU_BOOKCOVERS_2019. Bid documents with detailed terms and conditions has been uploaded on the State Government e-Tender portal <https://etender.up.nic.in> and the office website of Sarva Shiksha Abhiyan www.upefa.com and www.basiceducationup.com Bids must be submitted online only at e-Tender portal <https://etender.up.nic.in> up to 1200 Hrs. on 27.06.2019.

The Technical e-Bids shall be opened on 27.06.2019 at 1300 Hrs or afterwards in the Directorate of Basic Education, Vidya Bhawan, Nishatganj, Lucknow. The details of submission of e-Bids are available in the tender document uploaded on e-Tender portal and the office website of the department, as mentioned above.

Pathya Pustak, Adhikari,
Utter Pradesh, Lucknow



We've obviously put our time into Shikhib (Al Hasan). He's in probably career-best form with the white ball. So we sort of know the areas and line and length we want to bowl to him
ALEX CAREY Australia wicket-keeper

WORLD OF CRICKET

HEAD TO HEAD				
Mat	Aus	Ban	Tied	NR
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@ICCWorldCup				
2	2	0	0	0

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

Thumb injury rules Shikhar Dhawan out of World Cup, Rishabh Pant to replace him

Opportunity Knocks



Anand Vasu Southampton

On Sunday, July 14, Rishabh Pant could swing for the skies, hitting the six that seals India's third World Cup win, emulating what his hero did at the Wankhede Stadium in Mumbai on April 2, 2011. Two weeks ago, Pant had reconciled himself to missing out on the World Cup squad, and might have allowed himself a bit of a sulk.

To his credit, though, Pant did not do an Ambati Rayudu, taking to Twitter to make a joke about getting 3D glasses after MSK Prasad, the chairman of selectors, explained that Vijay Shankar was preferred over Rayudu as he was a three-dimensional player.

Pant is one dimensional when it comes to this tournament. MS Dhoni is going to be behind the stumps for every game, unless he is so badly injured that he cannot walk to the position. And, in the event that he is injured, Desh Karthik is already in harness as reserve keeper.

So why should we talk about Pant? The fact is that India are looking for a left-hand batsman to break the monotony of their top order. The injury to Shikhar Dhawan, who is a master at turning it on in global events, has left the team with only one left-hand option, in Ravindra Jadeja, who would anyway bat in the lower order. What's more, the success of Yuzvendra Chahal and Kuldeep Yadav means that Jadeja is unlikely to get a look in unless one of these was ruled out through illness or injury.

Pant also brings to the table the kind of X factor that the Virat Kohli-Ravi Shastri combine love. He plays a brand of fearless cricket that comes from youth and the cricket environment he has grown up in. Young cricketers of today think little of crease occupation but more about what level of destruction they can achieve while at the crease. In a way it is only fitting, for Pant has the opportunity of a lifetime, but he also needs to make it count in the lifetime of that opportunity.



Shikhar Dhawan (L) and Rishabh Pant

The Indian team arrived in England wearing a settled look, save for the No. 4 position. That seemed to have been settled when KL Rahul made a century in the warm-ups. And then came the Dhawan injury, necessitating Rahul's move to the top of the order, opening up No. 4 again. It is in this churn that Pant has his best shot. He could be a left-for-left replacement at the top of the order, if not a like-for-like one, in Dhawan's place, sending Rahul back to No. 4.

At the heart of the matter though, is that India have lost, conclusively, one of the bedrocks of their limited-overs success in recent years. After much secrecy over the Dhawan injury, the BCCI confirmed on Wednesday that his World Cup was finished. "Dhawan has been diagnosed with a fracture of the first metacarpal on his left hand following a ball impact injury during the team's match versus Australia," said the BCCI. "He will remain in a cast until the middle of July and therefore will not be available for the remainder of the 2019 ICC CW." When Dhawan travelled to Leeds with physio Patrick Farhart soon after the match in which he was struck on the hand, and underwent

Shikhar Dhawan sustained a fracture of the base of the first metacarpal on his left hand. Following several specialist consultations, he has been advised to keep his hand in a cast until mid-July. The opening batsman will not be available for the remainder of the tournament

BCCI STATEMENT

extensive tests, it is safe to assume that the diagnosis for a fracture was made then and there. But, the BCCI and the Indian team, did not reveal this information then, perhaps hoping against hope that he might be able to recover in time.

When the clock finally ran down, and there was no chance of Dhawan being fit in time for the knockouts of this tournament, the BCCI bit the bullet and brought in Pant.

At his best, Pant can steal a game away from any of the opposition. His hand-eye-coordination is stunning, to say the least, his ability to put risk at

the back of the mind and play freely is reminiscent of Virender Sehwag. What he has been forced to learn, in his short international career, however, is how to tackle situations. There was a time when a decent off spinner, bowling to a well-set field, could tie Pant up in knots, forcing him to play a big release shot because he was not accustomed to having to work hard for his runs. Through the Test cricket he has played, Pant has shown that he can be a quick learner.

India will be reassured that they have one more serious missile in their armoury, despite having lost a big gun in Dhawan.

Afghanistan's World Cup campaign was plunged further into crisis on Wednesday as coach Phil Simmons promised to lift the lid on simmering tensions with chief selector Dawlat Ahmadzai.

Ahmadzai has laid the blame for Afghanistan's five defeats in as many matches at the door of former West Indies all-rounder Simmons and his coaching staff. The former bowler has accused Simmons of failing to prepare the team properly for their

Death of a Great Contest

Amit Chaudhary

In these times of 24x7 promotion aided by sophisticated communication techniques and a deeply connected world, anything and everything is hyped. That's the nature of the beast.

Otherwise, how would you explain the hyperbole around an India-Pakistan match in 2019? You could justify it in 1990s or 2000s, when both teams had an equal chance of beating each other. India still used to bring out something special to in World Cups, but outside of it, Pakistan used to land as many blows to maintain the balance of power.

But this (today's) Pakistan is not that Pakistan. That Pakistan was courageous, confident, innovative and full of match-winners. This Pakistan is weak — on paper and on the field; in batting, fielding and bowling; in physical and mental abilities; in experience as a team. In short, they are nowhere near the horizon where a small group of elite teams — India, England and Australia — are operating. Even among the second-rung teams, they don't look dominant. In fact, Bangladesh have better chances of progressing to the knockout rounds than Pakistan. And it's not an exaggeration. India proved as much on Sunday.

Since the 2015 World Cup where they lost to Australia in the quarter-final, Pakistan's win-loss ratio is a meagre 0.833 (80 matches, 35 wins, 42 losses, 3 no result). Majority of their wins came against teams like Zimbabwe, Sri Lanka and West Indies. Against top teams like England, Australia, South Africa and New Zealand, they lost all but one bilateral series (drawn after a match was washed out) and their win-loss ratio plummeted to 0.258 (41 matches, 8 wins, 31 losses, 2 no result).

On the other hand, India as a team has grown leaps and bounds in the last decade. They still bat around a superstar batsman and depend a lot on their top order but a significant improvement in the bowling department has made them a dominant force. For the first time ever, they have a genuine fast bowling superstar in Jasprit Bumrah. India's record since the 2015 World Cup



India captain Virat Kohli (R) and Pakistan captain Sarfaraz Ahmed

is impressive, to say the least. In 86 matches, India ended up on the right side of the result 56 times (27 losses) conjuring up a win-loss ratio of 2.074.

The matches between India and Pakistan are few and far between as the two nations don't engage in bilateral contests. But they occasionally meet in multi-nation events like World Cup and Asia Cup. Since the 2015 World Cup, India and Pakistan have squared up only four times, with the latter recording victory only once — in the 2017 Champions Trophy final. Though some hailed that as the new dawn for Pakistan cricket, it was more of an exception, the law of averages catching up with the Indians, not renaissance of some sort.

So, coming back to the point, how could such a mismatch be accorded such importance? It can't be. Not in an ideal world. But it happened and the two teams played their once-in-a-blue-moon match in Manchester amid much fanfare.

Now that it's done and dusted, it's probably time to sit down, take a sip of water and think: was it really the game that was sold to us by the broadcasters and their team of 'cricket experts' as 'The Match'? And were they really selling a cricket match or hoopla?

The rhetoric peddled through the TV commercials and newsrooms was more about the unpleasantness that exists between the two nations than the game of cricket. The political and cultural narratives clearly overshadowed the contest. There was more jingoism than love for the game. And, to be fair, it's not new or unique. The international sport feeds on such rivalries. However, all this is usually an add-on to the main product, not the other way round. In the case of India-Pakistan 2019, the gulf between the qualities of the two teams was the size of the Indian Premier League — one of the reasons cited for the decline of Pakistan cricket is their exclusion from the tournament.

"Pakistan is more dangerous on our imagination than actually on the field," Aisi Taisi Democracy a satire collective, tweeted after the India-Pakistan match failed to live up to all the hype. And it couldn't be put more appropriately. For India, Pakistan is not a challenge as we were constantly asked to believe before Virat Kohli & Co pumelled them to kill the last remaining doubts.

India versus Pakistan as a great cricket contest is realistically dead, at least for now. What remains is the memories of what once was a gripping engagement of two skillful teams egged on by passionate fans. Now, one team has become a behemoth and the other is struggling to stay relevant. And fans, well, they have social media to vent their jingoistic frustrations.

Cracks Appear in Afghanistan Camp

second appearance at the global showpiece event.

But now Simmons has promised to shine a light on troubles within the camp, including revealing details of the controversial decision to replace Asghar Afghan as captain less than two months before the start of the World Cup. "I am in the middle of a World Cup and trying to get our team to perform to the level we expect,"

Simmons, who is standing down as Afghanistan coach at the end of the tournament, wrote on Twitter. "But at the end of the World Cup I will tell the Afghanistan people about the part that Mr Dawlat Ahmadzai had to play in our preparation and his part in the dismissal of #AsgharAfghan."

Asghar was replaced as captain of the team in all three formats in April, with Gulbadin Naib picked to

skipper the side at the World Cup. Afghanistan were hit by more off-field problems on Monday when some members of their squad were involved in a late-night altercation that saw police summoned to a restaurant in Manchester.

England defeated them by 150 runs on Tuesday — inflicting a fifth straight defeat. Rooted to the bottom of the 10-team table, Afghanistan next play India, one of the title favourites, at Southampton on Saturday. —AFP

Impossible to Replicate Virat's Intensity: Kirsten

Gary Kirsten coached India to a World Cup win and remains one of the most loved coaches around. Recently Yuvraj Singh identified him as his favourite cricket coach. Kirsten talks to BORJA MAJUMDAR about the strengths of the current Indian team, Virat Kohli and India-Pakistan contest. Excerpts:

India is playing like the Australians did in 2003. And Virat Kohli is leading from the front in every sense. Your thoughts?

Absolutely he is. He is great for the world game in every sense. In the match against Australia his gesture in standing up for Steve Smith for example was a great one. That's what a leader should do. His use of his bowlers, his decision to move (Hardik) Pandya to the No. 4 in upping the rate have all worked for him and his team. As a batsman he is peerless. I have played international cricket for a decade and more and I can tell you from experience that it is impossible to turn up every single day with the same intensity. You just can't. If you have scored a big hundred one day, there are occasions when you just don't have the hunger to go out and do it again the next day. But great players don't have that problem. They will turn up every single day and do it every single day or rather want to do it every single day. Virat is like that. You see him and you wonder how is it even possible to do it day in day out. But he does that and that's why he is a modern day great.

And he is getting fantastic support from



Rohit Sharma, isn't it?

Without a doubt. Rohit is controlling the innings at the top of the order and has looked brilliant right through the tournament. Against South Africa he played a truly uncharacteristic innings and that's what has set the tone for him. It was a very good hundred and you could see he was just doing that extra bit to be out there and do the job for his team. That's what desire to do well is all about.

You were the coach when India faced Pakistan at Mohali in 2011. Nowadays many feel that India vs Pakistan is getting really one-sided. Can you explain what are the pressures you felt in 2011 or every time the two teams played each other?

Look, India versus Pakistan will always be a very special game. Results notwithstanding it is always going to be an event in its own right.

There is a World Cup being played but India-Pakistan is separate from the World Cup. It is a global event and the pressures are massive. Everyone you meet tells you how important this one match is and how you can't lose this game. And Mohali 2011 was a semi-final where the stakes were even higher. Whatever the players may say, each of them feel that extra pressure and know this is different from every other game.

I will never forget the semi-final for another reason too. I remember going down to breakfast and they had shut the hotel down for the Pakistan Prime Minister. The players couldn't even order room service. So we went to the ground not having eaten anything. And then our food truck carrying our lunch got stuck behind the cavalcade and no one managed to get lunch! That's the intensity of this game and I will always fondly remember the Mohali encounter

ET Q&A

GARY KIRSTEN

Former South Africa opener and India cricket coach

Is India now the team to beat in this tournament?

Absolutely they are. They have a number of match-winners in the team. I was listening to Virat's press conference on the eve of the Pakistan game and he said if they played to potential they would win the game and he was spot on. It's not about individuals. It is about eleven players making a contribution and that's what is happening with this Indian team. Yes, there will be one or two special performances, but as long as your eleven players make contributions you will do well in big games.

It Hurts: Platini Says of Police Questioning

Former France star midfielder and UEFA president has been released from custody after being questioned as part of a corruption investigation into the awarding of the 2022 World Cup

After a day of police questioning centering on his former role as a top decision-maker in football, Michel Platini was released from custody without charge in the early hours of Wednesday and said he found the experience painful given "everything I've done" in the sport.

Summoned Tuesday morning to testify in a French corruption investigation of the 2022 World Cup in Qatar, the former head of European football governing body UEFA said he had been expecting to be questioned only as witness, as he'd also done 18 months previously. "I arrived and was immediately taken into custody. It hurts. It hurts for everything I can think of, everything I've done. It hurts. It hurts. But after all, they did their job and then we tried to answer all the questions," he said.

The former star midfielder for France and Juventus said investigators quizzed him about an array of tournaments, including the 2016 European Championship, the

World Cups in Russia in 2018 and in Qatar in 2022, that he had a hand in deciding where they would be played, when he presided at UEFA and served as a vice-president at world football governing body FIFA. The investigators also asked about French club Paris Saint-Germain, bought by Qatar in 2011. "It was long, but given the number of questions it could not be different," Platini said, adding that he felt "at peace." "I feel totally foreign to any of these matters. This is an old affair; you know it, we explained it. I have always expressed myself with full transparency in all the newspapers. That's it, it goes on, they investigate, they search."

Also detained Tuesday for questioning and later released was Sophie Dion, a sports adviser in former French president Nicolas Sarkozy's administration. Claude Guéant, the former secretary general of the Elysee presidential palace under Sarkozy, was questioned as a free witness and

not detained. Their involvement added a layer of political intrigue to the investigation of the hugely controversial decision to hold football's showcase tournament in Qatar, a desert country so scorchingly hot in June and July that matches will be played instead in November and December.

Platini's lawyer, William Bourdon, called the day-long detention "a lot of noise for nothing" and said Platini "gave his testimony by answering as sincerely and precisely as he could, to all the questions put to him."

Associated Press

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*7-day English daily
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CHANGE Begins Here



Apple Explores Moving 15-30% of its Production Out of China: Nikkei Report

AROUND THE WORLD >> 13

₹1,347 CRORE ALL-CASH DEAL FOR 51.2% STAKE

HDFC to Buy Apollo Munich, Bring it Under Ergo Umbrella

Health Cheque

HDFC to acquire majority stake in Apollo Munich Health Insurance

DEAL MATRIX

Acquisition from Apollo Hospitals Group in all-cash ₹1,336 cr deal

To shell out additional ₹10.84 cr to employees for their 0.4% holding ₹2,672 crore

Deal value company at ₹2,672 crore

Apollo had invested ₹300 cr & got back ₹1,600 cr in 12 years

THIRD-BIGGEST PLAYER

HDFC Ergo will become third-biggest private general insurer after the deal

Combined entity will have ₹10,807 cr gross written premium

Apollo Munich had a gross written premium of ₹2,194.4 crore

Illustration: ANIRBAN BORA

Apollo to exit; staff to sell stake; Germany's Munich Health to retain holding, become partner in Ergo

Our Bureaus

Mumbai | Chennai: Housing Development Finance Corp agreed to acquire 51.2% of Apollo Munich Health Insurance, paying ₹1,347 crore in cash for the stake held by the Apollo Hospitals Group and a few employees of the insurer.

The nation's largest mortgage lender, which runs general and life insurance businesses through subsidiaries, will pay ₹1,336 crore to the Apollo Hospitals Group for its entire 50.8% stake and ₹10.84 crore to the employees for their 0.4% holding.

Germany's Munich Health Holding, which owns nearly 49% of the health insurer, will continue to hold the investment and become a partner in HDFC Ergo. Munich Health will pay ₹294 crore to

Apollo Hospitals Enterprise and Apollo Energy for the termination of their joint venture agreement.

After the completion of the deal, HDFC will merge Apollo Munich with HDFC Ergo General Insurance, making it the third-largest private sector general insurer behind ICICI Lombard and Bajaj Allianz General Insurance.

The entity will have combined gross direct premium of ₹10,807 crore, a market share of 6.4% of the non-life insurance industry and 308 branches. In the accident and health segment, it will become the second-largest after Star Health, with a 8.2% market share. A member of the family running the

Apollo Group and a top executive at one of its divisions told ET that the deal has a three-year non-compete condition. "We may collaborate with them to jointly bring out products as the case may be, but won't compete," said the family member, speaking on condition of anonymity.

The group will deploy the proceeds into its core business, the person said, adding: "We invested ₹300 crore and got back ₹1,600 crore. The JV had unlocked great value and we exited at a great price."

"Health insurance penetration in India is still at a very nascent stage compared to the global average, but is expected to drive growth of the general insurance industry in the times to come," HDFC chairman Deepak Parekh said in a statement.

'Consolidation to Benefit Industry' >> 10

JURISDICTION OVER FRAUDULENT DEPOSIT CASES

Sebi Moves SC after NCLT Order on CIS

Markets regulator Sebi and National Company Law Tribunal await clarity over who deals with fraudulent deposit cases, where entities have raised cash but failed to meet repayment obligations, reports Pavan Burugula. >> 7

GST Fraud: Customs May Get More Teeth

Customs officials could soon get more powers to effectively deal with growing fraud of integrated goods and service tax credits. The government is contemplating amending the Customs Act in the budget, reports Deepshikha Sikarwar.

Goyal Rejects Demand for Ecomm Regulator

Commerce and industry minister Piyush Goyal told small traders and retailers to explore ways to benefit from ecommerce platforms while turning down their demand for a regulator for the sector at a meeting held on Wednesday.

Registration Charge Waiver Likely for EVs

All categories of electric vehicles may be exempt from registration charges to promote electric mobility. The road transport and highways ministry issued a draft notification on this late on Wednesday and has sought public comments on it.

FULL REPORT >> PAGE 11

MORE TROUBLE FOR CHANNEL FOUNDERS

ITAT Upholds Case Against NDTV's Roys

Tax department had alleged the Roys concealed income of more than ₹117 cr each; Prannoy Roy refutes charges

Raghav.Ohri@timesgroup.com

New Delhi: The Income Tax Appellate Tribunal (ITAT) has upheld the income tax department's contention that New Delhi Television (NDTV) founders Prannoy Roy and Radhika Roy concealed income of more than ₹117 crore each over two assessment years in a June 14 ruling. Following this, the I-T department is likely to move against the Roys and file a prosecution complaint, akin to a chargesheet, in a competent court, said people with knowledge of the matter. This may also set the ball rolling for enforcement agencies to probe charges of alleged money laundering, they added. ET has seen the ITAT order.

"There is absolutely no question of concealment of income," Prannoy Roy told ET in an email. He said the ITAT ruling was to do with classification of the capital gains involved — whether short-term or long-term. Stating that the case involves "legal issues and technical tax law issues", Roy said an appeal against the tribunal's findings will be filed once courts reopen in July.

Taxing Time

Setback for Prannoy & Radhika Roy

ITAT RULING

Income Tax Appellate Tribunal (ITAT) upholds I-T's allegation of tax evasion by Roys

Says assessee failed to explain by credible evidence motive was not to evade tax

WHAT NEXT

Tax sleuths may file prosecution complaint against Roys

Besides penalty of ₹14 cr each, additional ₹17 cr penalty likely to be levied

Roy denies, says no question of concealment of income

ED Arrests Two Former IL&FS Execs Under PMLA

The Enforcement Directorate on Wednesday arrested a former joint MD of IL&FS, and the ex-MD of IL&FS Transportation Network. >> 15

According to the I-T department, the Roys purchased shares of NDTV at ₹4 apiece in August 2009 when they were trading at ₹140.

'Shares Transferred at Face Value' >> 9

Digital Payments Zoom Past FY19 Target Driven by Private Lenders

Online transactions rise to 31.34 b compared to 20.7 b in FY18; Yes Bank, IndusInd, ICICI Bank lead the charge

Pratik.Bhakta@timesgroup.com

Bengaluru: The government said digital transactions rose to 31.34 billion in the last financial year, exceeding the target by 4% and signalling a boost for the payment channel in the country. The Ministry of Electronics and Information Technology (MeitY) told bank bosses that digital transactions rose 51% from FY18 in a June 12 letter that was reviewed by ET.

The ministry ranked Yes Bank, IndusInd, ICICI Bank, Paytm Payments Bank and Axis Bank as the top five, in that order, based on various criteria. These include volume of transactions, number of terminals for Aadhaar-based merchant payments deployed by them

and the average success rate of transactions. The government has set a target of 40 billion digital payments for the current financial year. Digital payments in FY18 amounted to 20.75 billion and the FY19 target was 30.13 billion transactions. MeitY is the nodal ministry driving digital payments.

Public sector lenders such as SBI stood at 27, Bank of Baroda at 22 on digital payment rankings

"Yes Bank has facilitated 432 million digital transactions during FY19, which is around 80% growth from what we have facilitated last year," said Ritesh Pai, chief digital officer at Yes Bank. "We aim to grow at about 45-50% over next

year, primarily through focus on instruments such as cards, Immediate Payments Service and Unified Payment Interface (UPI)." The bank is also understood to be one of the largest players in the merchant payments space on the UPI platform, where it works in partnership with Flipkart-owned digital payments platform PhonePe.

Public sector lenders were lower down in the rankings. State Bank of India, the country's biggest lender, was at 27, below Bank of Baroda (BoB), also state-owned, at 22. The targets are assigned based on the size and reach of banks, so some large banks could have scored high on transaction numbers without making the top of the list as other MeitY criteria influence the rankings. The report only refers to volumes and not the amounts that are being moved through the channel.

Paytm Payments Bank, owned by Vijay Shekhar Sharma, was the only one from that segment in the top five. Airtel Payments Bank and Fino Payments Bank exceeded targets more than twice over, according to ministry data.

Digi Payments Race

Digital payments have grown at a fast pace

FY20 target: 40 b



CHART TOPPERS

Bank	% Of Digital Payments Target	% of Aadhaar Terminals Deployed	Score*
YES BANK	127.0	100	84
INDUSIND BANK	103.3	100	79
ICICI BANK	103.4	37.9	78
PAYTM PAYMENTS BK	122.9	NA	77
AXIS BANK	117.9	Data not shared	75

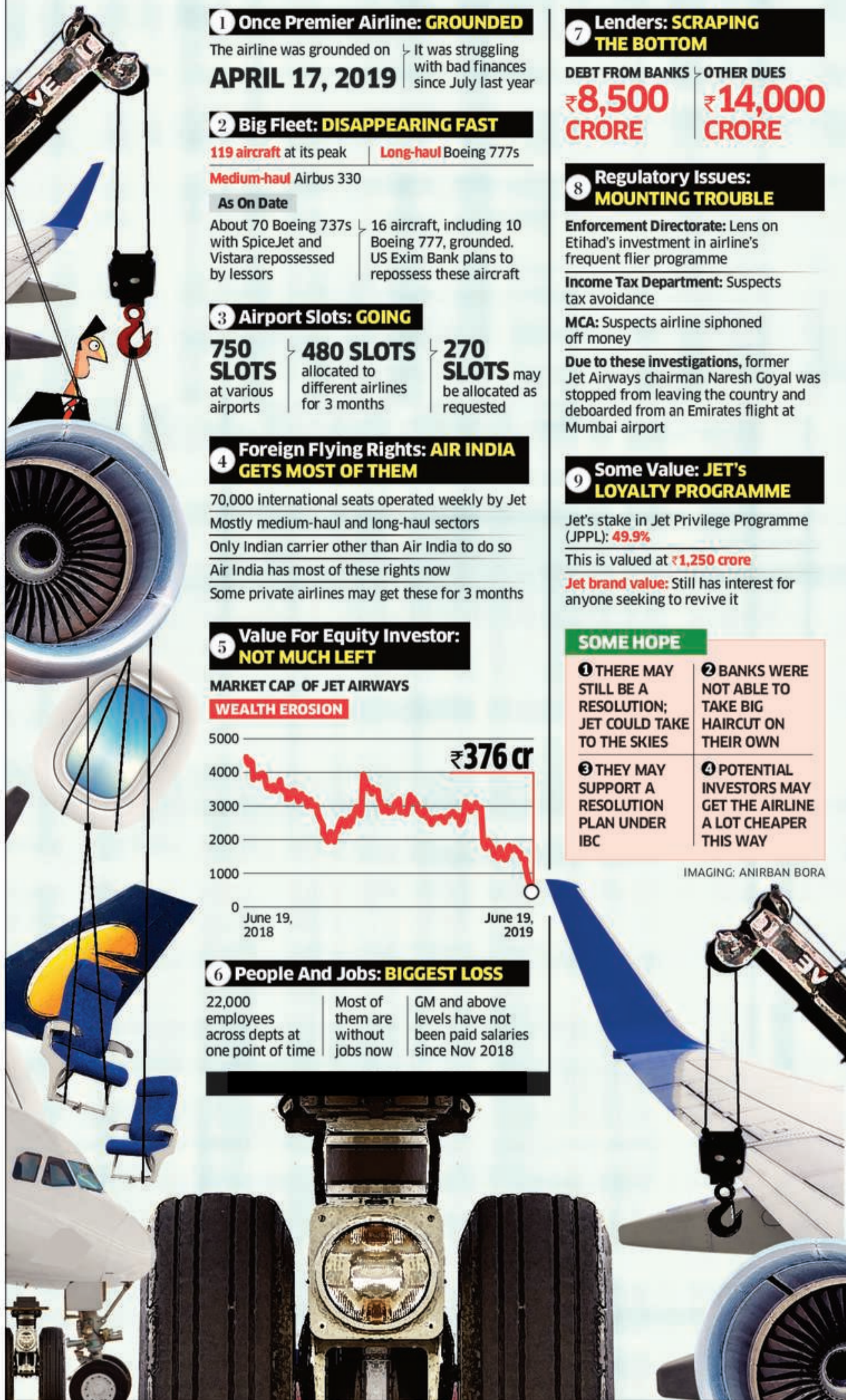
*The score includes volume of transactions, number of terminals for Aadhaar-based merchant payments deployed by them and the average success rate of transactions

'PoS Deployments' >> 9

JET, SET, GONE...

How To Sell What's Left Of The Airline

Jet Airways' lenders, led by State Bank of India, gave up on efforts to revive the airline that has been grounded for two months. The lenders have started bankruptcy proceedings. **Mihir Mishra** looks at the consequences:



1 Once Premier Airline: GROUNDED
The airline was grounded on **APRIL 17, 2019** as it was struggling with bad finances since July last year

2 Big Fleet: DISAPPEARING FAST
119 aircraft at its peak | Long-haul Boeing 777s | Medium-haul Airbus 330
As On Date
About 70 Boeing 737s with SpiceJet and Vistara repossessed by lessors | 16 aircraft, including 10 Boeing 777, grounded. US Exim Bank plans to repossess these aircraft

3 Airport Slots: GOING
750 SLOTS at various airports | 480 SLOTS allocated to different airlines for 3 months | 270 SLOTS may be allocated as requested

4 Foreign Flying Rights: AIR INDIA GETS MOST OF THEM
70,000 international seats operated weekly by Jet | Mostly medium-haul and long-haul sectors | Only Indian carrier other than Air India to do so | Air India has most of these rights now | Some private airlines may get these for 3 months

5 Value For Equity Investor: NOT MUCH LEFT
MARKET CAP OF JET AIRWAYS
WEALTH EROSION
Line graph showing market cap from June 19, 2018 (approx. 4000 cr) to June 19, 2019 (₹376 cr).

6 People And Jobs: BIGGEST LOSS
22,000 employees across depts at one point of time | Most of them are without jobs now | GM and above levels have not been paid salaries since Nov 2018

7 Lenders: SCRAPING THE BOTTOM
DEBT FROM BANKS: ₹8,500 CRORE | OTHER DUES: ₹14,000 CRORE

8 Regulatory Issues: MOUNTING TROUBLE
Enforcement Directorate: Lens on Etihad's investment in airline's frequent flier programme
Income Tax Department: Suspects tax avoidance
MCA: Suspects airline siphoned off money
Due to these investigations, former Jet Airways chairman Naresh Goyal was stopped from leaving the country and deboarded from an Emirates flight at Mumbai airport

9 Some Value: JET'S LOYALTY PROGRAMME
Jet's stake in Jet Privilege Programme (JPPL): 49.9%
This is valued at ₹1,250 crore
Jet brand value: Still has interest for anyone seeking to revive it

SOME HOPE

1 THERE MAY STILL BE A RESOLUTION; JET COULD TAKE TO THE SKIES	2 BANKS WERE NOT ABLE TO TAKE BIG HAIRCUT ON THEIR OWN
3 THEY MAY SUPPORT A RESOLUTION PLAN UNDER IBC	4 POTENTIAL INVESTORS MAY GET THE AIRLINE A LOT CHEAPER THIS WAY

IMAGING: ANIRBAN BORA

₹35,000-Cr Question: Can Digital Lending Survive Liquidity Squeeze?

Small-ticket online lenders can only hope positives like low borrower defaults help when funding revives

Shailesh.Menon@timesgroup.com

Mumbai: Till about a year ago, LoanTap, a Pune-based 'digital non-bank' specialising in personal loans, could run a ₹250-crore loan book with credit lines from just five wholesale lenders. But things changed with the IL&FS default in August 2018. The liquidity squeeze that ensued did not even spare non-banks that offered microloans online.

"We now partner with 13-15 lenders. New sanctions per lender have dropped 25-30% since October. That is why we have to approach more banks and wholesale NBFCs to meet funding requirements," says Satyam Kumar, cofounder and chief executive, LoanTap.

Smaller non-banking finance companies (NBFCs) rely on credit lines from banks and larger NBFCs to structure their liability — borrowing to give retail loans. A smaller NBFC lends at 300-500 basis points higher than the rate at which it borrows and this differential forms its gain spread.

"Lenders across size and product categories have been impacted because of the credit squeeze. We talk to multiple banks and NBFCs for funds now," says Pallav Jain, country head, PayU Finance, a digi-lender primarily focusing on consumer and personal loans. "We're getting funds only because of our portfolio-performance track record."

Even though some of the better-managed digital NBFCs are able to raise debt from larger lenders, it now comes at a higher cost. Banks and large NBFCs are

demanding 100-300 basis points higher (at 11-14%) than what they charged a year ago. "Cost of funds has gone up for everyone. Documentation and covenanting of loans has also gone up. Debt fund-raising involves a lot of legwork now," says Kumar. "One good thing is that family offices have started lending to digital

lenders now. They give us shorter-duration loans, often 18-24 months. But they expect 13-16% return per annum."

The top 10 — including Kissht, Capital Float, LoanTap, KreditBee and CASHe — account for over 60% of fintech NBFCs. They disburse small-ticket loans (₹10,000-2.5 lakh) totalling ₹800-1,200 crore every month.

If you add non-NBFC players, the total small-ticket loans disbursed by digital lenders could be ₹35,000 crore, industry sources say. Non-NBFC players could be aggregators such as Paisabazaar, or loan enablers who refer prospective borrowers to partner banks and NBFCs.

"One of the biggest positives for this industry is the penetration of smartphones. This has enabled several business models to play out well," says Anurag Jain, secretary, Digital Lenders Association

of India (DLAI) and founder of KredX, an invoice-discounting platform.

Close to 60% of loans disbursed by digital lenders are in tier I cities, with a majority of borrowers in the 20-35 years age bracket. Two of three borrowers are males and 50% new to credit when they apply. Nearly 70% of the borrowers (from digital lenders) have an annual income of ₹1-5 lakh.

"In a way, digital lenders are helping financial inclusion. These companies are also moving people from a cash economy to a digital economy," says KredX's Jain.

Digital lenders attach a lot of importance to the recovery of loans. Often, these companies manage to recoup 98-99% of what is loaned out. "We cannot have a bleeding business here. We keep our operating expenses and delinquency rate really low," says Akshay Mehrotra, chief executive, EarlySalary, a lending platform with a peak book size of ₹250 crore. "We disburse 70,000 loans a month with just 205 people working for us."

NO EASY CHEQUES
Now, cash-strapped digital lenders do not have much choice but to shrink their loan book, conserve capital and pray for good times to return.

Estimated 5% Drop in Funding >> 10

Collateral Damage

Digital lenders feel the heat from NBFC crisis

FUNDS SQUEEZE Debt funds are not easily available Negotiations with VCs for equity funding	PROFILE SHEET Nearly 60% of loans by digi-lenders are in tier I cities Majority of their borrowers in 20-35 years age group	50% of the borrowers are new to credit Most such borrowers have ₹1-5 lakh annual income Large digi-lenders disburse ₹800-1,200 cr per month
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