



**KFC to Divest 61 More Stores to Devyani Int'l**

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- ICAI seeks auditor's response on CSR fund use in RIL-run hospital
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- EV ecosystem needs huge investments to meet government targets
- Dianrong to shift strategy after fundraising

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**Inside story**

**Realty, Pharma, Mining Sectors Generating Black Money: Report**

Real estate, mining, pharmaceuticals, pan masala, gutkha and tobacco industry among the sectors with highest unaccounted income. The government on Monday tabled the report titled as 'Status of Unaccounted Income/Wealth both inside and outside the country - a critical analysis (a preliminary report) in both the houses of the Parliament. The report was prepared by the Standing Committee on Finance of the 16th Lok Sabha.

Pure Politics >> 2

**CureFit Closes \$120-m Funding Round led by Existing Investors**

Health and fitness startup CureFit has closed a \$120 million round in what is a mix of equity-and-debt funding with new investors like Unilever Ventures, Epiq Capital, Innoven Capital and Kotak Mahindra Bank coming on board. The round was led by existing investors which include Chiratae Ventures, formerly IDG Ventures, Accel Partners, Kalaari Capital, and Oaktree Capital.

Disruption: Startups & Tech >> 6

**TikTok, Bigo Live Turn the Page with Educational Content**

Short-video apps such as ByteDance's TikTok and Bigo Live are increasing the quantity of educational content for Indian users after facing censure for inappropriate content on their platforms. Bigo Live, a Singapore-based live streaming platform, launched education channels earlier this month, for which it hired broadcasters, while TikTok's #EduTok has become a trending hashtag with over a billion views.

Disruption: Startups & Tech >> 6

**Indian IT Firms Eye Niche Cos for Growth in Emerging Areas**

Wipro's decision to acquire US-based International TechneGroup Incorporated for \$45 million earlier this month is not a one-off. More IT services firms are buying niche firms to grow in emerging areas.

Disruption: Startups & Tech >> 6

**Market Tracker**

	LAST	% CHANGE
Nifty	11,699.65	-0.21
Sensex	39,122.96	-0.18
BSE Midcap	14,578.30	-0.32
BSE Smallcap	14,063.45	-0.15
Re/US \$	69.35	0.32
Gold Std*	33,600.00	0
Silver (₹/kg)	38,500.00	0
Brent (\$)	64.68	-0.23

\*₹/10gm

Compiled by ETIG Database

**ET INSTA POLL**

Is it right to blame auditors alone for India's accounting mess?

43% YES, 55% NO, 2% CAN'T SAY

TODAY'S QUESTION

Do you think it's time for India to end reliance on foreign educated economists?

www.economictimes.com

**PULOK PRASAD THROWS IN THE TOWEL**

## Nalanda to Exit Mindtree after Sebi Questions Role

Largest institutional shareholder in the tech co could make 276% return on its 10-yr bet

Arijit Barman & Reena Zachariah

Mumbai: Nalanda Capital is exiting Mindtree, having tendered its entire 10.6% stake in the open offer by Larsen & Toubro on Monday, said sources aware of the development. Nalanda founder Pulok Prasad had opposed the takeover and held out against it for months. The fund will make a four-fold return on its investment if it sells all its shares.

The turnaround was attributed to the regulator having written to the Singapore-based public market fund, asking if it was acting in concert with the founders of

### Final Countdown

- JUNE 7** L&T launches open offer for Mindtree shares
- JUNE 10** L&T, Mindtree shareholders complain to Sebi against Nalanda
- JUNE 20** Ingovern also complains, says Nalanda provoking minority investors to spurn L&T's offer
- JUNE 21** Mindtree induces 3 new board members from L&T; cofounder Subroto Bagchi steps down
- JUNE 24** Nalanda tenders shares in open offer



Seeks to cash out its entire 10.6% stake

**JUNE 28** L&T offer window closes

**JULY 16** AGM called for shareholder approval of L&T offer and to vet new board inductees

Mindtree without triggering an open offer, sources said. This came after a handful of institutional investors in L&T and Mindtree wrote to the Securities and Exchange Board of India (Sebi), complaining against Prasad for allegedly provoking minority investors of Mindtree, ET reported on June 11. The investors asked Sebi to investigate if Prasad was acting in concert

with Mindtree's promoters and other investors opposed to L&T's takeover. If so, according to the letter, their combined shareholding as persons acting in concert exceeded the regulatory threshold of 25%, beyond which they needed to make an open offer to counter that of L&T. Proxy advisory firm Ingovern also wrote to Sebi earlier this month on the same issue.

### Promoters Offload 10% More in Emami

Emami promoters sold 10% of equity holdings on Monday for ₹1,230 crore to pare debt, bringing down promoters' holding in the company to 52.74%. >> 7

## Piramal Cap Looks to Raise \$400 m Via Offshore Loan

Domestic lenders hesitant to lend to sector; pricing of loan yet to be finalised

Saloni Shukla & Saikat Das

Mumbai: Piramal Capital and Housing Finance is looking to raise as much as \$400 million

through external commercial borrowings (ECBs) and ease liquidity pressure as domestic lenders are hesitant to lend to the sector, said two bankers familiar with the matter. The company is in talks with a group of bankers that are helping to syndicate the offshore loan, said one of the people cited above. The pricing of the two-to-five-year loan is yet to be finalised. Typically, such debt has a markup or spread of 200-300 basis points over the dollar-linked

London Interbank Offered Rate (Libor), dealers said, citing past deals. However, global investors have turned risk averse with many countries yielding less than zero for their benchmark bonds, said an investment banker. "Under the current circumstances, any Indian company with a fair share of builder loans has to walk the extra mile to raise overseas credit," the person said. Piramal Capital didn't respond to queries.

### 'Vedanta Eyes 1k MW Solar Power Generation'

Vedanta Group plans to invest heavily in solar energy to generate 1,000 MW in a couple of years, and will bid aggressively for government projects, chairman Anil Agarwal said.

## Huawei Offers to Sign No-backdoor Agreement

Pact would stipulate no snooping on its network or handing over of data; co urges rivals to do the same

Danish Khan & Romit Guha

New Delhi: Huawei has offered to sign a 'no-backdoor agreement', which will stipulate that it will not allow any snooping on its network or handing over of data, with the Indian government and mobile phone companies and has urged its rivals such as Nokia and Ericsson from Europe to follow the same approach. "I would like to propose to the industry, no matter which country you are from, let's sign the 'no backdoor agreements' with our customers and the Indian government to give the commitment, confidence and trust. We encourage other vendors and OEMs (original equipment makers) to sign these pacts," Huawei India chief executive Jay Chen told ET. "I

**Huawei's 5G Pitch**

**MAJOR INVESTMENTS**

Huawei says ahead of rivals by 12-18 months in 5G development

**Warns without Huawei, prices of 5G deployment will rise, hurt consumers**

**Will gradually store all mobile data of Indian consumers within country**

**AS THINGS STAND**

India yet to take a call, formed panel to examine Huawei issue

**Telecom secy says decision strategic, with trade, geopolitical implications**

am ready to sign one today." Last month Huawei chairman Liang Hua had said his company was willing to sign 'no spy agreements' with governments to meet the no spy, no backdoor standard. There have been widespread concerns that the Chinese government can misuse the company's products and equipment for surveillance and espionage, a charge the company has repeatedly denied.

### DoT may Move SC on Airtel, Tata Tele Deal

DoT is likely to move Supreme Court next month, against the telecom tribunal's order that mandated it to clear Bharti Airtel-Tata Teleservices merger, reports Gulveen Aulakh.

### Mobile Users Base Grows to 1.16 B in April

Mobile subscribers base increased to 1.16 billion in April, with Bharti Airtel and Vodafone Idea seeming to have mostly purged inactive customers.

## Young Bosses Go Extra Mile for Staff

Offer flexi hours, sabbaticals & nap room facility to create a productive culture for millennials

Sreeradha D Basu & Brinda Sarkar

Kolkata | Bengaluru: Startup founders, who face long hours, huge workloads and a relentless pursuit of revenue and profitability, have another Key Responsibility Area of sorts—coming up with policies that keep young employees engaged and on their toes. Young CEOs at startups are getting as involved as their HR teams in rolling out initiatives as diverse as ESOP repurchase plans that unlock value to letting employees design their own work hours/ places and learning allowances to nap rooms, to keep the workforce hooked and happy. "A startup by design calls for innovation, agility, and dynamism, and to manage a workforce in such a culture, the HR practices need to be one step ahead in these attributes," says Rajesh Yabaji, CEO of logistics tech startup

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**THE ECONOMIC TIMES**

**YOUNG LEADERS**

Knowledge Partner: SIL

**Young CEOs/CXOs Personally Spearheading Initiatives**

**Major Initiatives**

- ESOP repurchase plans
- Letting employees design their own work hours/ places
- Learning allowances
- Boosting transparency

**Driving Logic**

CXOs believe being hands-on and open resonates with the millennial employees

**2<sup>nd</sup> Anniversary**  
In Loving Memory of

**DOB: 08.03.1960** **DOD: 25.06.2017**

**Shri RAGHUV EER MYADAM**

*your life was a blessing, your memory a treasure, you are loved beyond words and missed every moment.*

**Deeply mourned by**

- Wife: ANITA MYADAM
- Son: KARTEKEYA MYADAM
- Daughter-in-law: SRIDIVYA
- Daughter: SHIRISHA MYADAM
- Mother: MYADAM SUGANDHA BAI
- Father: MYADAM KISHAN RAO
- Mother-in-law: AKULA SHAKUNTHALA
- Father-in-law: AKULA PANDURANGA RAO

**RICHMOUNT CAPITAL**

**BAMBINO**

OPPOSITION AND TREASURY BENCHES TRADE BARBS OVER THE MODI GOVERNMENT'S PERFORMANCE AND UPA'S GOVERNANCE

# Govt and Opposition Spar During Motion of Thanks

Our Political Bureau

New Delhi: Opposition and treasury benches traded barbs over the Modi government's performance and UPA governance on Monday when MPs spoke on the motion of thanks to the President's address to the joint sitting of Parliament.

Animal husbandry minister Pratap Chandra Sarangi moved the motion of thanks in the Lok Sabha and alleged failure in governance during 10 years of UPA, which ended in 2014. "As I stand here, my mind goes back to those days of UPA misrule, which was synonymous with governance failure. Policy paralysis was the new normal of the time," Sarangi, known as 'Odisha's Modi', alleged. Speaking in Hindi, English, Oriya, Bengali and Sanskrit, he referred to the alleged corruption in 2G spectrum allocation, Adarsh Housing and Commonwealth Games to target the Congress. He alleged governance had been "surrendered" to the Congress leadership to the extent that the PM was called 'accidental prime minister'. Sarangi alleged "even the first family of the Congress turned a blind eye" and minister Kapil Sibal made claims of zero presumptive loss.

Congress floor leader Adhir Ranjan Chowdhury retorted and took swipes at Prime Minister Narendra Modi. However, many of his remarks were expunged as the chair found them unparliamentary. "Our prime minister is a very big salesman. We have been unable to sell our product, that is why we lost the elections," Chowdhury said.

Accusing the BJP government of "political plagiarism", Chowdhury said that many schemes were programmes launched by the Congress-led UPA but renamed. Chowdhury retraced history to say, be it green revolution or white revolution, 'everything' was authored by the Congress.

In the Rajya Sabha, BJP working president JP Nadda moved the motion of thanks, seconded by party MP Sampatiya Utkay. Both praised the NDA government for various welfare schemes for the poor. Nadda underlined the significance of 'one nation-one election', floated by Modi. The BJP leader said "nothing substantial was done" for farmers before the Modi government took over. He named schemes such as PM-Kisan, crop insurance, e-NAM.

Nadda asked the Opposition to cooperate in the smooth functioning of Parliament as it would help them by making the government accountable. "Is the Opposition moving in the right direction? I have been in the Opposition for a long time... we can agree to disagree. At times, arrogance puts a veil on one's wisdom," Nadda said, and quoted a proverb to allege the Opposition had not learnt any lessons despite decimation.

On his part, Leader of the Opposition Ghulam Nabi Azad slammed the government over 'growing' intolerance, high unemployment, crimes against women,

REALTY, MINING, PHARMACEUTICALS, TOBACCO INDUSTRY AMONG SECTORS WITH MAXIMUM UNACCOUNTED INCOME

## Black Money Report Tabled in House

Our Political Bureau

New Delhi: The government on Monday tabled 'status of unaccounted income/wealth both inside and outside the country—a critical analysis (a preliminary report)' in both houses of Parliament. The report was prepared by the Standing Committee on Finance of the 16th Lok Sabha and was presented to former Lok Sabha speaker on March 28. A copy of the report was put up on the Lok Sabha website on the directions of the committee.

The report on black money takes note of the efforts—GST, enactment of Black Money and Imposition of Tax Act, 2015, amendment to Prohibition of Benami Property



**GOVT EFFORTS NOTED**  
Report takes note of the efforts government has made to curb illegal wealth generation

Transactions Act, 1988, Fugitive Economic Offenders Act, 2018, and making Aadhaar compulsory for I-T returns—made by government to curb illegal wealth generation.

In 2011, the then UPA government had asked Delhi-based National Institute of Public Finance and Policy, National Council of Applied Economic Research and the National Institute of Financial Management in Faridabad to make an estimate on black money.

According to the report, the studies conducted by the three institutes had found that real estate, mining, pharmaceuticals, tobacco industry, bullion and commodity markets, film industry and educational institutes were among the sectors with maximum unaccounted income.



Adhir Ranjan Chowdhury



PM Narendra Modi

'suppression' of crucial data and for 'too much publicity instead of work'. Without naming Pragya Singh Thakur, who had praised Mahatma Gandhi's assassin, Nathuram Godse, Azad said while the government wanted to celebrate 150th anniversary of the Mahatma, the PM has

not reprimanded his party MP. "I expected more from the prime minister. Gandhi is the Father of the Nation. His assassin has been called a patriot by a ruling party MP," Azad said, adding she has not been admonished or suspended. He alleged while the government

slogan was 'sabka saath, sabka vikas, crimes against women had increased. Government has not made NCRB data public since 2016 and suppressed data of government agencies, he alleged. "In 2016, crimes against women had increased by 83%. 39 crimes are committed against women every hour in the country...56% funds for Beti Padoos, Beti Bachaos was spent on advertisement and another 20% was not utilised. So 76% of funds were wasted," he alleged. He asked the Modi government to pass the women's reservation bill in the Lok Sabha, where it has been pending for several years, and said the government should "stop shedding crocodile tears" for women.

Azad said there was a ray of hope from the PM after his 'sabka vishwas' slogan. "It was all dark in the last government but now there is a hazy ray of hope. It should not be hazy but black and white. You cannot have a policy where your cadre do what they are doing while you keep speaking about taking all along," he said.

MOBILE APP AND CD

### Birla has a Suggestion to help New LS Members

Lok Sabha Speaker Om Birla has an interesting suggestion for helping newly elected members. With 265 new members, the Speaker is of the view that a mobile app be developed or a CD be made so that these lawmakers can know about the rules of the House. The new members can get educated about Parliament, its functioning, their duties, the dos and don'ts through this app. While he has thrown up the idea, it is not clear if the Lok Sabha secretariat is working on it.



ANIRBAN BORJA

BEFORE MINISTER AMIT SHAH'S KASHMIR VISIT... MHA Official to Visit J&K to Assess Situation



Rahu.Tripathi@timesgroup.com

New Delhi: Ahead of the maiden visit of Union home minister Amit Shah to Jammu and Kashmir, a secretary level officer is being deputed by his ministry to assess the ground situation and identify security challenges.

The special secretary (internal security) at MHA is likely to visit for two days starting Tuesday and is expected to hold discussions with all the stakeholders including the state government officials, an official told ET. The state is under president's rule.

The visit of a senior home ministry functionary assumes significance after Jammu and Kashmir governor Satya Pal Malik's statement to end dialogues with Kashmiri separatists.

Some second rung separatist leaders have been locked up in jail in connection with a terror funding probe by National Investigation Agency (NIA). They have been accused of orchestrating stone pelting at the behest of Pakistan-based terror outfit Lashkar-e-Toiba (LeT).

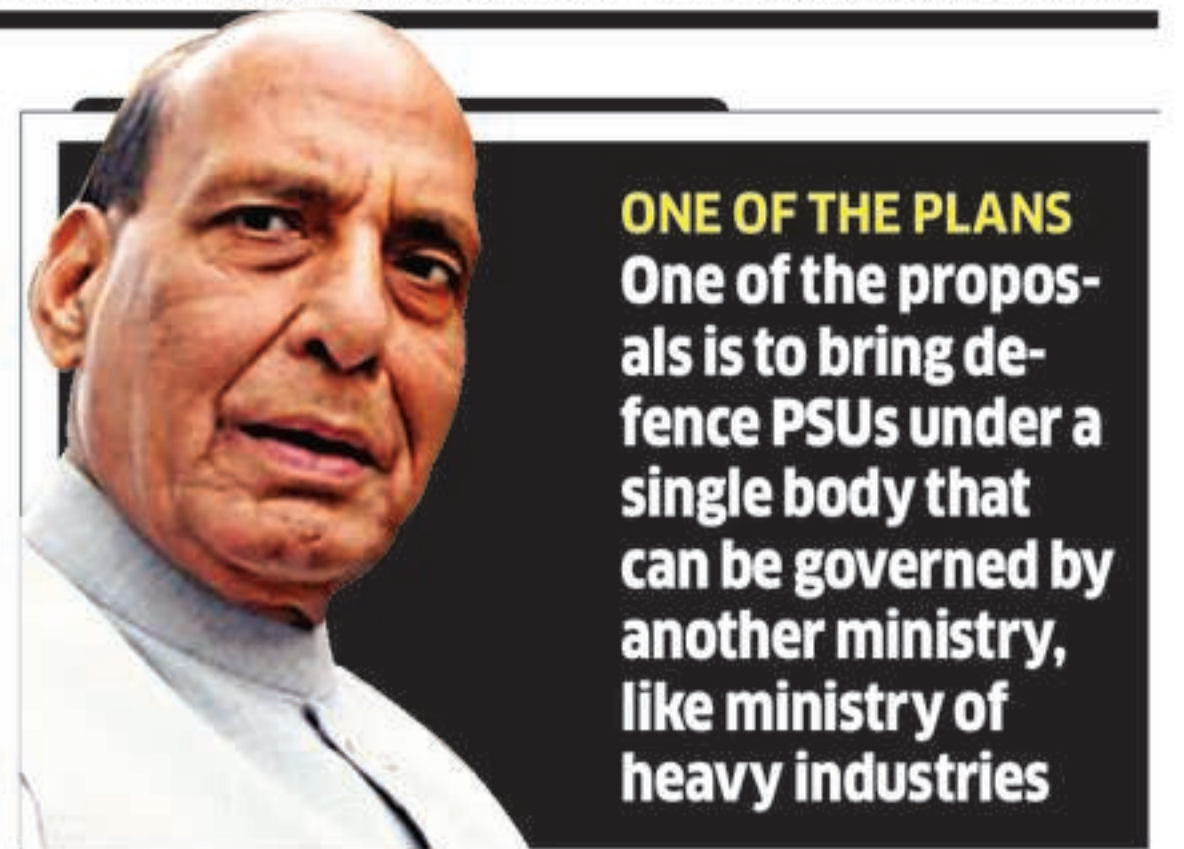
While the date of Shah's visit to the valley has been kept under wraps, sources said he may visit the hill state towards the end of this month and may also perform the annual Amaranth yatra. "Being a religious person, Shah has a strong bond with Somnath jyotirlinga. He became trustee of the Somnath Trust, Gujarat in 2016," according to the home minister's official profile.

This will be Shah's first visit to Jammu and Kashmir after BJP's landslide win in the recent general elections.

Shah, officials said, was invited by governor Malik after he took charge as the home minister early this month.

Shah is expected to hold a detailed security review for Amarnath Yatra and likely to conduct his first briefing with the governor. He may also showcase the Centre's scheme and development works in Jammu and Kashmir under the Prime Minister's package, successful completion of panchayat and municipal polls, officials said.

The home minister will also be briefed about the security situation in Kashmir where unabated violence has killed nearly 70 security personnel and 116 militants so far this year, according to MHA officials.



**ONE OF THE PLANS**  
One of the proposals is to bring defence PSUs under a single body that can be governed by another ministry, like ministry of heavy industries

INHERENT 'CONFLICT OF INTEREST'

## Govt Considering Putting PSUs Out of DefMin Range

Both Niti Ayog, NSAB have recommended restructuring to promote Make in India

Manu.Pubby@timesgroup.com

New Delhi: The government is examining recommendations by top two advisory bodies to move public sector units out of the defence ministry, pointing out that there is an inherent conflict of interest that prevents full unlocking of the 'Make in India' initiative.

While defence PSUs are fairly autonomous, they come under the authority of the Department of Defence Production and there have been frequent complaints that they are given undue preference by the ministry for large orders.

Both the Niti Ayog, which advises the government on economic policy, and the National Security Advisory Board (NSAB), which is tasked with special projects by the top echelons of the government, had recommended a restructuring of the defence ministry to promote Make in India.

One of the proposals being considered is to bring all defence PSUs—nine of which are under the administrative control of the ministry—under a single body that can be governed by a different ministry, like the ministry of heavy industries and public enterprises.

An expert, who contributed to the Niti Ayog recommendations, told ET that the defence ministry faced a dilemma while dealing with the private industry as its competitors in the public sector were also under its control. "PSUs are dealt with a different hand as they are part of the ministry and get a lot of leeway when it comes to payment terms, delays and nomination for big projects," the expert said.

NSAB, which was tasked with recommendations to promote Make in India, also came to a similar conclusion, pointing to the conflict of interest where one department of the ministry is the customer and the

other department is the vendor that supplies the same.

In a recent talk on national security structures, NSAB chairman P Raghavan also touched on the subject. "If you say that defence PSUs are part of the ministry of defence, there is an obvious conflict of interest there. There have been many reports on this as well and what I hope now is that we are looking to cut through this," he said. Explaining the depth of the issue, an official pointed to the ongoing strategic partnership programme that was originally designed to promote the private industry by earmarking identified big military contracts to be reserved for them.

In the pioneering project—a ₹21,000 crore plan to make 111 naval utility helicopters in India—the Hindustan Aeronautics Ltd insisted on putting in a bid for its under development helicopter

**An Expert**  
PSUs are dealt with a different hand as they are part of the ministry and get a lot of leeway when it comes to payment terms, delays and nomination for big projects

and even wrote to the defence ministry that it had invested ₹400 crore in the programme.

Last year, India's top shipbuilder Larsen and Toubro had written to the Niti Ayog for an intervention over concerns that the government is considering a proposal to move the ₹60,000 crore project to build submarines to the public sector on a nomination basis, unlike original plans to reserve it for the private industry. The project has now been kept on a competitive basis, in which both PSUs and private industry are participating.

LOCALS AGAINST PROPOSED US MILITARY BASE IN LANKA

## Pompeo Cancels Sri Lanka Visit Over Anti-US Base Sentiments

US mission in Colombo says 'scheduling issues' responsible for Secy of State's trip cancellation

DipjanRoy.Chaudhury@timesgroup.com

New Delhi: US secretary of state Mike Pompeo's decision to cancel his visit to Colombo on Thursday has more to do with rising local sentiments against a proposed American military base in Sri Lanka than scheduling issues, people tracking the developments said. The US mission in Colombo cited "scheduling issues" over cancellation of the June 27 trip that was aimed at showing solidarity with victims of terror attacks. It said



the secretary of state "hopes to travel to Sri Lanka at a later date."

Pompeo was to travel to Sri Lanka on a short visit, scheduled between his Delhi trip and a visit to Osaka, accompanying President Donald Trump for the June 28-29 G-20 summit. He was hoping to discuss issues relating to counter-terrorism, freedom of navigation in the Indian Ocean and the Indo-Pacific region,

and the use of \$480 million American Millennium Challenge Corporation Fund with Prime Minister Ranil Wickremesinghe.

The United States is keen to have a strategic presence in Lanka amid China's growing role in the Indian Ocean Region, including wide-ranging support for Colombo's infrastructure projects under the Belt and Road Initiative. There are fears that the Hambantota port may be used for the People's Liberation Army Navy in future as Chinese submarines had docked in Lankan ports during the Mahinda Rajapaksa regime.

ET has learnt that members of President Maithripala Sirisena's Sri Lanka Freedom Party are opposed to the presence of any American troops or base in the island nation. The rising sentiment against US plans is understood to have shaped Pompeo's decision to cancel the Lanka leg of the visit, sources in Colombo indicated.

LEADERS TO CARRY FORWARD DISCUSSIONS THEY HAD DURING SCO SUMMIT

## Modi-Xi Meet on G-20 Sidelines to Focus on Boundary Issue, WTO, Bilaterals, Indo-Pacific

DipjanRoy.Chaudhury@timesgroup.com

New Delhi: Prime Minister Narendra Modi will meet Chinese President Xi Jinping on the sidelines of the G-20 summit in Japan later this week where the talks will focus on the vexed boundary issue, global economic stability, WTO reforms, bilateral economic partnership and the Indo-Pacific region in the run-up to the second informal summit in India later this year.

The two leaders will carry forward the discussion they had in a bilateral meet on June 13 during the Shanghai Cooperation Organisation (SCO) summit in the Kyrgyz capital Bishkek.

Modi and Xi will have a couple of occasions to meet in Osaka—the Japanese city that is hosting the G-20 summit from June 27 to 29—during the Russia-India-China summit and the informal Brics summit on the sidelines of the G-20 meet.



These back-to-back meetings will lead up to the second edition of the informal India-China summit later this year in India, according to people familiar with the developments.

There was a general discussion on the global situation and, in that context, the China-US relationship was discussed at the June 13 meeting by Modi and Xi.

Besides exploring measures to con-

front geoeconomic challenges amid Sino-US trade war and vexed bilateral issues, Modi and Xi are keen to open a dialogue on the Indo-Pacific region as a confidence-building measure amid China's growing strategic profile in the region that has compelled Delhi to take countermeasures, ET has learnt.

In Bishkek, the meeting was originally scheduled for 20 minutes but

went on for longer and both the leaders "had a very warm and a very cordial discussion on a range of subjects".

There were some discussions on the issue of bilateral trade also, including wider market access to reduce the trade deficit.

There has been simplification of the regulatory processes for export of Indian products to China, which included non-Basmati rice, sugar, certain agricultural products and pharmaceuticals, and there is hope in the Indian establishment that now that these regulatory issues are out of the way, there will be a significant uptick in Indian exports of these products to China, ET has learnt.

China will also be taking further steps to reduce the trade deficit over the next few months, ET has learnt. But simultaneously, Beijing, on its part, is seeking long-term visas to expand its businesses in India amid China's ongoing trade tensions with the US.

THIRD EYE



### Growing With Demand

The Ayushman Bharat scheme is growing and so is its office in the heart of Delhi. The National Health Authority is now looking at hiring another floor in 'Jeevan Bharati Building' at Connaught Place, given its increasing staff strength and work load. The health authority is already using two floors—9th and 7th—and has now entered into a contract with LIC to hire 10,235 sq ft of space on another floor to be used as office.



### What's in a Surname? A Lot

The bard had said 'what's in a name?' Looks like, there is a lot in a surname these days. Two days back, Union minister DV Sadananda Gowda kicked up a storm on social media with his controversial comment. According to him, Gowda became Karnataka CM and later Union minister because of his surname. In fact, when he first contested polls his name was DV Sadananda and he lost. On friends' suggestion, he added his surname and has never looked back since then.



### Modest Numbers

Though the Union tourism ministry is yet to release tourist numbers for 2018, the UP government has revealed figures for Taj Mahal and Agra Fort, the two most visited monuments in the country by foreigners. According to the data, Taj Mahal received 65.59 lakh tourists in 2018, including 8.83 lakh foreign tourists, and Agra Fort had 25.55 lakh visitors, including 5.2 lakh foreigners. The overall numbers are a modest 1% increase over 2017.

Poliloquy R PRASAD



Non-Gandhi can lead Cong but family key to party, says Mani Shankar Aiyar  
Rahul is free to leave Gandhi behind!

**SEXUAL HARASSMENT CHARGES AGAINST CHIEF JUSTICE OF INDIA** Retired SC Judge AK Patnaik is probing the conspiracy angle deeper after some fresh material came to light

# Report on Larger Conspiracy Against CJI will Take Time

Samanwaya.Rautray  
@timesgroup.com

New Delhi: Retired Supreme Court judge A K Patnaik's report into the alleged larger conspiracy behind levelling of sexual harassment charges against Chief Justice of India Ranjan Gogoi will take some time, people in the know of things said.

There's no deadline for Justice Patnaik to file a report, they pointed out. His probe will be comprehensive and will cover in detail all the material that has so far come out regarding the allegations.

Justice Patnaik will submit the report in a sealed cover to the top court as directed. Hence it may not be available to the press, the sources said.

The first set of documents alleging a larger conspiracy, submitted to the court by Chandigarh-based lawyer Utsav Bains, had claimed that there was an attempt by vested interests to frame the CJI for acting against erring court staff.

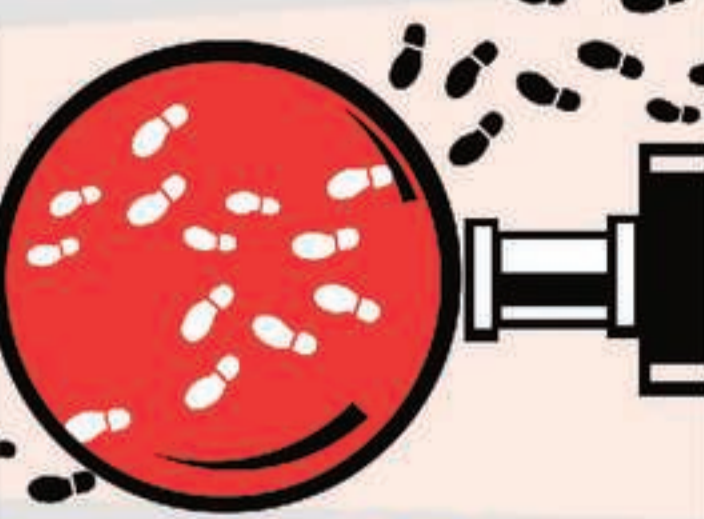
He had adduced evidence by way of call records and video-recordings to support his claims.

## Case Report: In Waiting

Justice Patnaik doesn't have a deadline to file a report on the matter

His probe will be comprehensive and will cover in detail all the material that has so far come out regarding the allegations

The report will be submitted in a sealed cover to the top court



### CONSPIRACY EVIDENCE

The first set of documents alleging a larger conspiracy, submitted to the court by Chandigarh-based lawyer Utsav Bains, claim that there was an attempt by vested interests to frame the CJI for acting against erring court staff

These documents claim that unnamed corporate houses and vested interests who had been fixing judgements and benches were behind the move

Bains claims they had offered him crores to be party to it but as a young lawyer he had turned it down

He has adduced evidence by way of call records and video-recordings to support his claims

Acting on the judicial side, a bench led by Justice Arun Mishra had ordered the security agencies to take a look at the materials handed over by Bains.

Since then, more materials have come to light, necessitating a deeper probe into the claims, sources said. These are now being looked at by the top officials of the country's security establishment, they said.

Any report can only come after all this has been examined thoroughly, sources said, ruling out the probability of the Justice Patnaik report coming out any time soon.

Gogoi, who demits office in October this year, has already been given a clean chit on the sexual harassment allegation charge by an in-house panel probing the case.

The charge was levelled by a former lady staff of the Supreme Court who had alleged that she was victimised after she resisted an alleged attempt to sexually harass her. She also claimed that not only was she sacked, but her husband and her brother-in-law were dismissed, too.

The complainant, after initially joining the in-house probe, refused to appear before it, expressing lack of confidence in the process. She had also refused an offer by the committee to reinstate her and make amends.

Delhi Police has since taken a decision to reinstate her husband and her brother-in-law.

## Govt Spends Crores on CM's Village Stays, Alleges BSY



Our Bureau

Bengaluru: Opposition BJP leader BS Yeddyurappa hit chief minister HD Kumaraswamy where it would hurt the most — by mocking his village stay programme that he alleged has led to government spending crores of rupees. The CM's "lavish lifestyle", he said, was evident even at Chandraki village in Yadgir district, where the government had to spend ₹1 crore to arrange for his stay.

The CM, in a detailed rebuttal to Yeddyurappa's charges, said some of them were poor in taste and personal in nature. The CM said his expenditure was limited to only travel and minimum facilities provided for his stay at the government school. His expenditure wo-

### MINIMAL EXPENDITURE

Kumaraswamy said his expenditure was limited to only travel and minimum facilities provided for his stay at the govt school

uld not include the money spent on the inauguration of development works and laying of foundation stones. In Chandraki village, Kumaraswamy said, he has started projects worth ₹58 crore.

In his previous 20-month stint as CM, he stayed at 47 villages, the CM said, and provided to the state BJP president a list of the development works implemented there.

Yeddyurappa, in his interaction with the media, took potshots at the CM saying that credit for running the state's administration from a five-star hotel should go to Kumaraswamy. The CM, according to him, started visiting villages as he was unable to implement his government's decisions from Bengaluru and does not trust his own ministers.



Rajya Sabha MPs with Amit Shah and JP Nadda after joining BJP. They were earlier members of the TDP

## BJP Now Looking Defections of TDP MLAs in Andhra

Views TDP MLAs shifting loyalties to be a smooth affair after recent raids

CR.Sukumar@timesgroup.com

Hyderabad: Days after engineering defection of four of six TDP Rajya Sabha members and merging them with its parliamentary party, BJP is now looking to encourage defection of two-thirds of TDP MLAs in Andhra Pradesh, said saffron party leaders.

This comes amid media reports that many of the TDP leaders, mainly those who were raided by the central regulatory agencies such as ED, CBI and income tax for alleged irregularities, were looking to join the BJP to protect their interests.

All the four turncoat TDP Rajya Sabha members — YS Chowdary, CM Ramesh, TG Venkatesh and G Mohan Rao — are businessmen and the first two have faced many raids by regulatory agencies and charges running into thousands of crores. The defection by its Rajya Sabha members came as a rude shock to TDP, which suffered an embarrassing defeat in the recent general elections, by winning just 23 out of 175 Assembly seats and 3 of the 25 Lok Sabha seats.

N Chandrababu Naidu, former CM of Andhra Pradesh and TDP president, is currently on a foreign tour with this family when the defections of Rajya Sabha members took place.

The BJP national brass views the episode of majority TDP MLAs shifting loyalties to be a smooth affair given their vulnerable condition and chances of facing vindictive actions by the ruling YSR Congress in AP and the central regulatory agencies, said a local BJP leader, who did not want to be named.

### VULNERABLE CONDITION

TDP leaders look to protect their interests after being raided by central regulatory agencies

"The central BJP leaders are in constant touch with most of the 23 TDP MLAs and the defection could be executed over the next couple of weeks," said the BJP leader quoted above.

BJP's Andhra Pradesh president Kanna Lakshminarayana said more defections from the TDP were expected in the coming days as many of its MLAs and former lawmakers were looking to shift loyalties towards the saffron party.

### BIHAR ENCEPHALITIS OUTBREAK

## SC Seeks State's Explanation on Kids' Deaths

Wants to know state's preparedness on nutrition, sanitation & medical facilities to deal with an outbreak

Samanwaya.Rautray@timesgroup.com

New Delhi: The Supreme Court on Monday sought an explanation from the Bihar government on its preparedness on three crucial fronts — nutrition, sanitation and medical facilities — to deal with an outbreak of encephalitis in the state which has led to the deaths of hundreds of kids.

This is not the first such outbreak in the country. Uttar Pradesh has had its own share of deaths due to this disease as well as the impoverished areas of Odisha. Encephalitis combined with acute malnourishment and poverty have been blamed for the deaths.

Inadequate medical facilities and administrative lethargy have made it worse. A top court vacation bench, comprising Justices Sanjiv Khanna and BR Gavai, took note of the problem and expressed concern over the state of things.



The court demanded an explanation in a week from the state on whether it had addressed issues such as malnutrition, medical help and hygiene issues to check such deaths. Justice Khanna said nutrition, health facilities and sanitation were "basic rights", expressing his anguish over the continuing deaths. He also sought to know if any governments had any policy initiatives in place to deal with the situation. He wondered what UP had done when faced with such a situation earlier and whether the steps undertaken to ameliorate the situation had worked to improve the situation. The top court was acting on a PIL filed by some lawyers from the state demanding that the court step in to put together an urgent high-level medical team to try and check the casualties.

## SC Refuses to Stay 16% Maratha Quota

New Delhi: The Supreme Court on Monday refused to stay a Maharashtra ordinance which had set the stage for implementing a 16% Maratha quota in admissions this year in the state saying it did not want to create chaos in the process. "We do not want to create chaos in admissions," Justice Sanjiv Khanna said sitting alongside Justice BR Gavai. He refused to give immediate relief to a few students who were opposing the ordinance.

— Our Bureau

### BENGAL VIOLENCE

## 8 Killed, More Than 50 Injured in Past 3 Weeks



Madhuparna.Das@timesgroup.com

Kolkata: An increasingly volatile political situation in West Bengal's suburban town Bhatpara in North 24 Paraganas district, only 33 kms away from state capital Kolkata, threatens to turn into one of the major stumbling blocks for the Mamata Banerjee government in its second term, barely a month after her Trinamool Congress's tally in the state plummeted from 34 to 22 in terms of Lok Sabha seats. In last four days, since June 20, Bhatpara has witnessed 24 cases of rioting and arson, two deaths and subsequent arrest of 40 persons and seizure of 120 crude bombs, 20 kg of highly explosive material, eight sophisticated fire arms and 15 rounds of ammunition.

Political clashes at Bhatpara in Barrackpore Lok Sabha constituency claimed eight lives and left more than 50 people critically injured in last three weeks.



Section 144 was enforced, schools and local markets were closed and internet services remained suspended for last 2 days

ducting route marches and also several confidence building measures have been taken. Schools and markets are also opening," said Verma.

## Lalremsiami Plays On Despite Dad's Demise

Sports minister Kiren Rijiju lauds Mizoram player's commitment to play a crucial match

Bikash.Singh@timesgroup.com

Guwahati: Indian hockey team striker Lalremsiami has been playing hockey for eight years now. Daughter of farmer in Mizoram know that her father is not keeping well despite that she went with the team to play for the country.

On Friday last Lalremsiami was informed that her father Lalthansanga Zote is no more for he died of massive heart attack. That was time she was preparing for the Indian women hockey team's semifinal match against Chile.

He father's funeral was organised in Kolasib, around 80 kilometres from Mizoram's capital city, Aizawl. The striker decided to stay back and give a tribute to her father by playing the match.

Lalremsiami has five sisters and two brothers. Her sister Rebecca Lalthuaremi told ET, "Lalremsiami has been passionate about playing hockey and she is playing the game since 2012."

She said, "We informed her about the death of the father. However she decided to stay back and play for the Indian hockey team which was about to play crucial semi-final match. Our father always wanted her to be a good and successful hockey player and our sister has made us proud. She played and played well."



Rebecca said, "It was sometime back that she had spoken to the father."

Mizoram is fast emerging as the sports hub of India with several players making names in football.

Union sports minister Kiren Rijiju lauded Indian women hockey team's striker Lalremsiami. Rijiju on his Twitter handle stated: "Here comes the great news! India clinched the Women's FIH Series Finals hockey tournament by beating Japan 3-1 in the finals at Hiroshima. What an amazing games displayed by Indian Women team. CONGRATULATIONS GIRLS!"

Rijiju stated, "Indian women hockey player Lalremsiami's father expired when India was to play a crucial semi-final at Hiroshima that would determine if India's Olympics dream would be alive. She told coach, I want to make my father proud. I want to stay, play and make sure India qualifies".

## Infighting Plagues Maharashtra Congress

Krishna.Kumar@timesgroup.com

Mumbai: The Congress Party in Maharashtra, which lost all but one of the 26 seats in Maharashtra that it contested in alliance with the NCP in the recent Lok Sabha elections, seems to be drifting further into chaos.

Two weeks ago, the party appointed Balasaheb Thorat as leader of the Congress Legislative Party (CLP) and Vijay Wadetiwar as leader of the opposition, a move that was seen as more of a compromise formula to placate both of them.

Congress officials said both Thorat, a veteran Congress leader, and Wadeti-

### UNRULY DIVIDE



The decision to create two power centres has not gone down well with the Congress leaders in Maharashtra

tiwar wanted the post of Radhakrishna Vikhe Patil who was the CLP leader before he quit to join the BJP.

A headless Congress Party, unable to choose between Thorat and Wadetiwar, decided to work out a compromise pact and made Thorat the CLP leader and gave Wadetiwar the opposition leader's post.

But Congress leaders claimed that

both have been bickering and fighting with each other. "One is claiming that since he is the CLP leader, he should be leading the charge against the government, while the other is saying that since he is the opposition leader, he should be leading the show," said a Congress leader who had seen many such fights between the two.

Congress leaders said that Vikhe Patil was both the CLP leader and opposition leader, so there was no such problems in the past. "Ideally they should have either given Thorat or Wadetiwar the two posts — dividing the posts is not going to help. This is not good for the party," they said.

Sources said that the decision to create two power centres has not gone down well with the Congress leaders who believe that the party should have shown tactical acumen, especially with three months to go for the Maharashtra assembly polls.

"If the party can't take a decision with conviction and logic, then one wonders where the party is heading to," said a Congress leader.

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# Young Leaders are Finding Ways to Make Fitness Pay Off at Work

## Fit for the Job

**How Fitness helps leaders**

- ↳ Gives time to think, plan
- ↳ Motivates team to stay fit, productive
- ↳ Lessons from fitness can be applied to work

**FITNESS MANTRAS**

- Intermittent fasting • Cycling
- Yoga • Running • Cricket, squash
- Strength training



Fitness is more than just personal health and productivity for these young leaders

Anjali.Venugopalan  
@timesgroup.com

**New Delhi:** Inspired by humble entrepreneurs on an early morning cycle ride and devising strategies to solve problems at work after a bout of weightlifting, founders of startups and corporate honchos are finding ways to make fitness pay off at work, too.

When he first started going to the gym a few months ago, it was quite disheartening, says Tamay Sakena, chief operating officer of online pharmacy Img, especially when he saw other, fitter people.

In two months, however, he found he could lift twice as much load than what he could at the start.

"I used this outcome as an example with my teams to solve a hairy problem we were grappling with. The journey wasn't pleasant—just like waking up and going to the gym is hard

— but 1% progress in every session begins to stack up quickly," he said.

**THE ACTIVITY ITSELF IS THE REWARD**  
Kabeer Biswas, CEO of delivery app Dunzo, says his 20-30km early morning cycle rides are the "most enlightening moments" of his day.

"Every small business has a story to tell, and some of my most interesting conversations have been with entrepreneurs who started from scratch, during my rides through the city," he says. These long rides—sometimes going up to 70km on weekends—give him time to think, he says.

"I usually plan my day and tasks ahead while running," says Ruchir Arora, co-founder, CollegeDekho. Arora is an ace table tennis and badminton player, and has been a regular at corporate cricket tournaments.

Team sports like these are a good way to engage with people, says Pari-

jat Garg, senior vice-president of credit rating bureau CRIF High Mark. It also taught him about accepting failure and understanding that others could do better, and apply this in the work environment.

**MEASURING RESULTS IS IMPORTANT**  
Varun AV, cofounder of diagnostic devices startup Inito, says he doesn't get much time to exercise, but has lost 20kg in one year, ever since he started on a low-carb diet and started closely monitoring his hormone, glucose and vitamin levels using his own diagnostic devices.

Varun also goes on intermittent fasts, a practice in which all meals are eaten within a narrow window of 8-12 hours. Keeping abreast of fitness also means he can offer better solutions to his consumers, he says, like busting myths such as 'a low-fat diet is good for you' and 'eating small meals is good'.

**INSPIRING TEAMMATES TO BEFIT**  
Varun's team is involved in measuring their health trackers—some young team-mates got to know they were pre-diabetic ever since they started measuring their glucose levels, and have changed their diet as a result.

Amit Tiwari, vice-president (marketing) of Havells, plays squash at least four times a week and had once inspired a bunch of colleagues and team members to take it up. "The best part of it is, most of them are still continuing after so many years," he says.

**MINDFULNESS ON MINDS OF LEADERS**  
Garg has 'no-meeting Mondays' to help him de-clutter while Sakena has downloaded a meditation app on his phone.

Arora says he is always mindful of the mental well-being of his team, and believes it has an effect on their personality and work.

## 5 WAYS TO DEAL WITH CRITICISM AT WORK

Criticism at work can be both difficult and embarrassing to handle, but it is something no professional can avoid dealing with. Handling criticism the right way—especially if it is constructive—can make you a better, more efficient performer at work. **Sreeradha D Basu** gets you tips from experts on how to handle criticism like a pro.



### 1 DON'T GET DEFENSIVE

When a mistake is pointed out, the first instinct of most people is to get defensive and attempt to justify it. This deters growth and self-improvement, says Sudeep Singh, CEO and chief evangelist at co-working operator GoWork. So, when someone criticises your work, try to listen and absorb what's being pointed out. "For you to respond to the criticism accurately, and even get your point across, it is imperative you first listen carefully to what is being said," says Singh.

### 2 USE IT AS AN OPPORTUNITY

Request for one-on-one feedback where you can sit across the table and talk it out candidly. "Discussions can work wonders in any situation and can let you into the thought process of the other person, which you are likely to have no insight into otherwise. An unbiased one-to-one discussion can help you and your colleague/reporting head put forth mutual concerns and areas of challenge and you can strive to do better as a team," advises GoWork's Singh.

### 3 DO NOT FEEL TARGETED

One must learn to use hardships as a platform to build, and not burn bridges, says Rohan Bhargava, co-founder of cashback website CashKaro. "Keep negative thoughts at bay and accept feedback graciously before you draw conclusions. Don't assume that the other person is deliberately trying to deter your spirit. On the flip side, if a person criticises you, probe for a constructive thought," Bhargava says.

### 4 DO NOT TAKE IT PERSONALLY

Criticism at work may not always be a true reflection of one's performance. "It could also stem from factors such as critical deadlines, ambitious targets and pressure that 'flows' down," says GoWork's Singh. "Therefore, if you're facing criticism at work that may be harsher than necessary, please take stock of the situation and do not let it adversely affect your self-esteem," he says.

### 5 STEP INTO THE OTHER'S SHOES

You must empower your professional relationships and not let problems affect your equation with colleagues, says CashKaro's Bhargava. If you try to be objective about issues, the criticism will begin to make sense, he says. "You will be able to see and empathise with the other person's point of view. It is difficult to do so but to see a situation from another perspective can be insightful," he says.

## Only 8.7% South Asian Homes have IoT Devices

**NEW DELHI:** Just 8.7% of homes in South Asia have Internet of Things (IoT) or "connected" devices such as Internet-enabled TVs or surveillance camera against a global average of 40%, new research said on Monday. In North America, on the other hand, 66% households now have at least one IoT device, said the study conducted by cybersecurity firm Avast in collaboration with Stanford University. The researchers found that media devices like smart TVs are most common in seven of 11 global regions but there is significant variance otherwise. — IANS

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Ref. NIT Nos.: WBSEIDCL/RE/DDUGJY/SUB-STATION/2019-20/NIT-04 & 05 Dated: 24.05.2019 originally published in this newspaper on 01.06.2019. The key dates of the above NITs are hereby extended as follows: (A) Bid Submission End Date: 07.07.2019 (up to 14:00 hrs.); (B) Bid Opening Date (Part-I: Techno-Commercial): 03.07.2019 at 14:00 hrs.; (C) Price Bid Opening Date (Part-II: Price): Shall be intimated later. All other aspects of the original NITs will remain unchanged. Interested bidders can download the documents available at www.wbseidcl.in & https://wbseidcl.gov.in ICA-TS887J2019

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Integrated Caps Pvt. Ltd. (Under Liquidation)  
Reg. Off.: 42, Anand Lok, New Delhi-110049.  
Sale of Assets under Insolvency and Bankruptcy Code, 2016  
Date and Time of Auction: 10<sup>th</sup> July, 2019 from 11:00 A.M. to 02:00 P.M.  
(With unlimited extension of 5 minutes each)  
Sale of Assets and Properties owned by Integrated Caps Private Limited (Under Liquidation) forming part of Liquidation Estate of Integrated Caps Private Limited in possession of the Liquidator, appointed by the Hon'ble National Company Law Tribunal, New Delhi, Bench-IV vide order dated February 01, 2019 (Order Received on 06.02.2019). The sale of properties will be done by the undersigned through the e-auction platform https://ncltauction.auctiontigng.net.  
**DESCRIPTION OF ASSETS**  

ASSETS	TOTAL AREA
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Industrial Plot No. 92, Block No-C, Hosiyer Complex, Phase-II, Noida, Gautam Budha Nagar, U.P.-201301	1000 Sq. Mtr.
Industrial Plot No. 93-94, Block No-C, Hosiyer Complex, Phase-II, Noida, Gautam Budha Nagar, U.P.-201301	2000 Sq. Mtr.
Industrial Plot No. 95-97, Block No-C, Hosiyer Complex, Phase-II, Noida, Gautam Budha Nagar, U.P.-201301	3000 Sq. Mtr.
BUILDING (UNIT II)	
GROUND FLOOR	228 Sq. Ft.
TIN SHED	18,779 Sq. Ft.
FIRST FLOOR	1,760 Sq. Ft.
TIN	17,335 Sq. Ft.
SECOND FLOOR	5,609 Sq. Ft.
BUILDING (UNIT III)	
GROUND FLOOR	3,613 Sq. Ft.
TIN SHED	6,344 Sq. Ft.
RCC SLAB	2,140 Sq. Ft.
FIRST FLOOR	956 Sq. Ft.
RCC	11,856 Sq. Ft.
SECOND FLOOR	3,495 Sq. Ft.
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EMD A/C No: 03881100043137  
IFSC CODE: PSIB0000388  
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Name & contact number of the liquidator  
Name: Pankaj Khaitan  
Contact No: 9999883792 & 9310201908  
Site visit & discussion meeting  
03rd July 2019 Timing: 10:00 A.M. to 04:00 P.M.  
Last date & time of EMD submission  
Upto 06th July 2019 till 05:00 P.M.  
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Regn. No. IBBI/PA-02/JP-ND01/2016-17/10014  
Email: liquidator@integratedcaps01@gmail.com  
Place : Delhi  
Dated : 24/6/2019  
Contact No.- 9999883792 & 9310201908

## In Fourth Year, Mission Smart Cities Sees Big Gains

897 projects worth ₹14,847 crore completed

Nidhi.Sharma@timesgroup.com

**New Delhi:** Four years after Prime Minister Narendra Modi launched an ambitious mission to smarten up 100 cities chosen through a competitive process, the BJP government's flagship programme is finally showing progress on ground with 897 projects worth ₹14,847 crore being completed.

Closely monitored by Prime Minister's Office (PMO), the mission has seen a complete turnaround since June 2018.

The mission was launched by Modi on June 25, 2015.

The number of projects completed

over the last one year has seen a quantum jump of 182% over one year. The projects completed have jumped from 318 in June 2018 to 897 this month.

Even private participation in the mission is increasing.

At the outset, Smart City Mission had set a target of financing 21% of the total mission cost through private participation. So far, 15% of the projects under implementation are under public private partnership (PPP) mode.

Some cities have shown better progress than others.

In the final rankings of smart cities which have stolen a march on others, Ahmedabad is ranked number 1, displacing Surat from the top spot.

Of the top 10 cities, three (Ahmedabad, Surat and Vadodara) are in Prime Minister Narendra Modi's home state Gujarat. Many cities have smartened up even when they had been chosen much after the first batch of 20 cities in January 2016.

Of the top 10 cities, a majority six have been chosen in second, third and fourth rounds of competition which were finalised in February 2017, June 2017 and January 2018 respectively.

Ranchi, which is ranked at all-India number 5, was chosen in round 2 in February 2017. Modi's parliamentary constituency Varanasi (ran-



ked 10), Vellore (Ranked 9), Vadodara (Ranked 8) and Nagpur (Ranked 2) are round 3 cities declared in June 2017.

Tiruppur (ranked 6) has been the highest and fastest climber and has caught up with all cities within 18 months of being chosen in round 4 in January 2018.

As Modi 2.0 begins spade work for a five-year vision document and a more immediate 100-day agenda, the urban renewal sector would be at the heart of the government's urban reforms agenda.

The ministry of housing and urban affairs would now be showcasing the big ideas in the successful cities to others so that these can be replicated.

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Letter No- 385/2019-20 Dated-24.06.2019  
**TENDER NOTICE**  
On behalf of Tenughat Vidyut Nigam Limited (TVNL), Ranchi, sealed tenders in duplicate in three parts containing three envelopes 'I', 'II' and 'III' (require cost of Bidding document and Bid Security (Earnest Money) of specific value in envelope 'I', Technical and Commercial Part in envelope 'II' and Price-Bid in envelope 'III') are invited from reputed, experienced and financially sound firms/organizations for following work:-  

Sl. No.	NIT No.	Description	Due date of bid submission
01.	15 /Ekm. Project/ WTVNL/RAN/19-20	EPC work for installation of Ash Water Recirculation System (AWRS) in the existing units of 2x210 MW at Tenughat TPS, Lalpania, District Bokaro	25.07.2019 up to 14:00 Hrs. Technical and Commercial Part shall be opened on the same day at 16:00Hrs.

  
The tender documents can be downloaded from our website www.tvnl.in  
Sd/-  
(J. K. Sinha)  
ESE (Extension Project/C&M)  
PR 209735 (Tenughat Vidyut Nigam Ltd./19-20'D

**TENUGHAT VIDYUT NIGAM LIMITED**  
तेनुघाट विद्युत निगम लिमिटेड  
(A GOVT. OF JHARKHAND UNDERTAKING)  
HINOO, DORANDA, RANCHI-834002, JHARKHAND TEL: 0651-2252160, 2252161, 2252162  
CIN U40101JH1987SGC013153  
Letter No: - 393/19-20 Dated: - 24 - 06 - 2019  
**TENDER NOTICE**  
Online tender in two parts (Part-I Technical & Commercial Bid, Part-II Price Bid to be submitted in TVNL Website Only) are invited on behalf of TENUGHAT VIDYUT NIGAM LIMITED, Ranchi from reputed, experienced and financially sound bidders for under mentioned work at TTPS, Lalpania:-  

Sl. No.	NIT No.	SRM RFX No.	Description	Last date of bid submission	Due Date for opening of Part - I
1.	08/OP/W/ TVNL/RAN/ 2019-20	1000003671	Annual Maintenance Contract (AMC) for Supply of 06 No. of III certificate holder to work in shift duty of 2 x 210 MW at TTPS, Lalpania.	16.07.2019 at 14:00 Hrs	16.07.2019 at 16:00 Hrs
2.	09/OP/W/ TVNL/RAN/ 2019-20	1000003674	Annual maintenance contract for fire fighting pumps and Air Compressor & drier plant of 2 x 210 MW at TTPS, Lalpania.	16.07.2019 at 14:00 Hrs	16.07.2019 at 16:00 Hrs
3.	10/OP/W/ TVNL/RAN/ 2019-20	1000003675	Annual Maintenance Contract (AMC) for the work of general cleaning, housekeeping & removal of dust, dirt & technological waste from Unit-I & Unit-2 and other auxiliary buildings of 2 x 210 MW units at TTPS, Lalpania.	17.07.2019 at 14:00 Hrs	17.07.2019 at 16:00 Hrs
4.	11/OP/W/ TVNL/RAN/ 2019-20	1000003676	Annual maintenance contract for operation testing and maintenance of DM & PT plant (DM & CW Section) of 2 x 210 MW at TTPS, Lalpania.	17.07.2019 at 14:00 Hrs	17.07.2019 at 16:00 Hrs
5.	12/OP/W/ TVNL/RAN/ 2019-20	1000003677	Annual maintenance contract for operation of Auxiliary Raw Water Pumps of 2 x 210 MW at TTPS, Lalpania.	18.07.2019 at 14:00 Hrs	18.07.2019 at 16:00 Hrs
6.	13/F&S/W/ TVNL/RAN/ 2019-20	1000003669	Annual maintenance contract for Supply of Fire-fighting personnel and Safety personnel for 2X210 MW Tenughat TPS LALPANIA.	18.07.2019 at 14:00 Hrs	18.07.2019 at 16:00 Hrs

  
Bid documents are to be submitted online through SAP-SRM, TVNL website: wwwbid.tnpl.in/srmpd up to last date and time of bid submission. The tender documents can be downloaded from our website: www.tvnl.in.  
Sd/-  
(R Ranjan) ESE (C&M-I)  
P.R.209744 Tenughat Vidyut Nigam Ltd.(19-20):D

**EAST CENTRAL RAILWAY**  
**E-TENDER NOTICE**  
e-tender is invited on Behalf of the President of India for the under mentioned work.  
e-Tender No. : ECR-CAO-C-S-ETEN-16-19-20 in Two Packet System. Name of work : Construction of 5 nos Subway in lieu of existing level crossing no 69C, 73C, 77C, 79C & 80C in between MGS-DGO section of Mughalsari Division. Approx cost of the work in (₹) : ₹41,48,60,419.44. Cost of tender form in (₹) : ₹10,000/- Earnest money in (₹) : ₹22,24,300/-. Period of work completion : 09 (Nine) months. Date and time for closing of tender : 12.07.2019 at 15.30 hrs. Any e-tenders which is sent by Post/Courier/Fax or by hand will not be accepted. All such manual submission of tender even if it is on firm's letter pad or received in time will not be accepted. The above e-tender document alongwith full information is available on website http://www.ireps.gov.in. Note : In case of any descriptions 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 connection with this e-tender. CAO/CECR/PR/0566/CON/T/36 MHX, Patna

## JM Fin to Buy Significant Minority Pie in Isthara Parks

Indulaj.PM@timesgroup.com

**Mumbai:** A private equity fund managed by JM Financial has signed a definitive agreement to acquire a significant minority stake in Coimbatore-based co-living operator Isthara Parks as the investment house founded by ace banker Nimesh Kampani aims to capitalise on an institutional drive in a largely unorganised room-sharing and accommodation market, said three persons in the know of the development.

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posure and will have representatives on board. The deal may get announced as early as tomorrow," said one of the sources mentioned above. "The company plans to add about 10,000 beds in the next 12 months. The idea is to take long-term lease on real estate assets and providing fully-furnished co-living spaces," the source said.

When contacted, JM Financial and Isthara declined to offer comment. Founded by serial entrepreneur Gilbert James Laurduraj, Isthara provides fully-furnished shared-living accommodation for working professionals and students, with a host of amenities such as daily meals, WiFi internet, gymnasium besides laundry and housekeeping services. Currently, the company manages about 3,000 beds across 29 properties in Hyderabad, Bengaluru and National Capital Region.

Gilbert James had co-founded an international chain of schools called NACE Schools, which he successfully sold to Providence Private Equity in 2016-17. JM Financial is raising ₹1,000 crore for its second private equity fund, a sector-agnostic investment vehicle.

## Logistics Sector to Add 1.49 Lakh Jobs in Apr-Sept

**Mumbai:** The logistics sector is likely to add 1.49 lakh jobs in the April-September period of this financial year mainly triggered by the growing online seller base in smaller cities, according to a report.

The TeamLease Services biannual Employment Outlook report for the April-September 2019-20 estimated that the logistic sector will witness a growth of 3%, adding 1.49 lakh jobs.

The report was based on research done across 19 sectors and 14 geographies, surveying 775 enterprises in India and 85 businesses across the globe. "Currently the logistics sector employs around 82.4 lakh people as of second half of 2018-19. The penetration of e-commerce companies to tier-II and III cities has created an increased demand for talent in this sector," TeamLease Services head of industrial, manufacturing and engineering vertical Sudeep Sen said. — PTI

TODAY ON **ETPrime.com**

**CSR Fund Use at RIL-run Hospital**

A doctor has raised questions on the use of CSR funds at an RIL-run hospital. While the ICAI has sought a reply from the auditor, RIL says the complainant, an employee whose services were terminated, is indulging in mud-slinging.

**Case of Vanishing Car Orders**

In 2015-16, car companies saw ride hailers as great demand boosters. Fleets of cars were ordered, and many agreements signed. But as taxi aggregators became thrifty, automakers saw orders vanishing. And EVs aren't a certain turnaround bet either.

**EV Plan: A Tough Road Ahead**

The government has chalked out an ambitious electric vehicle (EV) policy, but may find it tough to walk the talk. The country does not have an EV ecosystem, and investors have not yet bought into the government's vision in a big way.

**Woes of P2P Lending Platform**

Chinese lender Dianrong, which has been compared to US online giant LendingClub, is among thousands of P2P lending platforms hit by a long-running crackdown on an industry plagued by fraud, reckless lending, delinquent borrowers, and usurious interest rates.



# KFC to Divest 61 More Stores to Devyani Intl

Move aimed at exiting capital-intensive ops and focus on brand growth and profitability

Ratna.Bhushan @timesgroup.com



New Delhi: Yum! Brands-owned KFC India is selling off 61 equity-owned restaurants to diversified group RJ Corp promoted Devyani International Ltd (DIL) for an undisclosed amount, in line with its global strategy to exit capital-intensive operations and instead focus on brand growth and development.

As part of the agreement, DIL, already Yum!'s biggest franchise partner in India, will acquire 61 additional restaurants in markets of Karnataka, AP and Telangana.

"We continue to re-evaluate ownership strategy as part of an annual process and in line with business growth. The strategic intent is not to own and operate so many outlets, and unlock growth for the brand," KFC India managing director Samir Menon told ET. Yum's other brand in India, Pizza Hut, is already entirely franchised. DIL is Yum's oldest franchise partner in the country with an operating footprint of

over 500 KFC and Pizza Hut restaurants post this deal.

The latest divestment is in continuation of the sell-off in November last year when KFC had divested 13 restaurants to DIL for the Kerala and Goa markets. DIL chief executive Virag Joshi said: "KFC is one of the fastest growing brands in our portfolio. Our partnership with Yum is driven by commitment to build the brand by expanding geographic presence and driving world class operations."

With the latest divestment, less than 10% of KFC India's 400 outlets across over hundred cities are now company-operated. Going forward, Menon said the company is targeting to better last year's expansion of setting up 50 additional outlets, which are predominantly expected to be through franchisees. "At this point, there is no intent to set up more equity restaurants, unless the market dynamics demand," he said. Over

98% of the KFC business globally, spread across 140 countries, is now operated by independent franchise owners. Yum's other franchise partner in India is Sapphire Foods, which was set up by a consortium of funds led by Samara Capital in 2016 following which Sapphire Foods had acquired part of Yum! Brands' franchise business for Rs 750 crore.

Industry body National Restaurant Association of India estimated the food service industry at ₹4.2 lakh crore in 2018-19, forecasted to grow 9% by 2022-23 in a report released last month.

"There are temporary macro influences such as the monsoon and inflation which could dampen sentiment but overall we are positive and optimistic in the mid to long-term," Menon said.

For the January-March 2019 quarter, Yum! Brands Inc had reported system sales of 26% and 11% respectively for its KFC and Pizza Hut brands for the India region, which it attributed to innovation, affordability and expanding access through new store openings and delivery. The first quarter of the year was the tenth consecutive one of positive system sales growth for both brands in India, Yum! had said in its annual earnings release.

# With Kia Boost, Hyundai Aims to Sell 3 m Units in Next Three Years

Ketan Thakkar & Sharmistha Mukherjee



Mumbai | New Delhi: Emboldened by Kia's entry, Hyundai Motor Group is targeting sales of a million units in the Indian market in the next three years. Once realised, the group would be the first to attain a scale of one million units after Maruti Suzuki in the local market. This essentially would mean one in five cars produced by the Group in India would come from house of Hyundai Motor Group.

Kia Motors Corporation president & CEO H W Park told ET, "Hyundai already produces 700,000 units and with our 300,000 (vehicles), we

should have a combined sale of a million units. Along with Hyundai we will conquer the Indian market. As a group, with production, we will achieve that number. Already Hyundai has reached that number; it is our turn to achieve our numbers."

Maruti Suzuki — which accounts for one out of every two cars sold locally — produced at total volumes of 1.86 million units in the last financial year. Hyundai came second with an

output of 7 lakh units in the same period. Maruti Suzuki has already announced its plans of targeting 2 million output for 2020.

Hyundai Motor India is already operating at 100% capacity, with the entry of Kia, the maker of Santro and Creta can utilise the Anantapur factory of its sister company.

To be sure, India is already the third largest production base for Hyundai and the fastest growing and Kia sees India breaking into top 5 markets for the brand in the next three years itself. According

to people in the know vendors are already aligned to a million units plan by 2020-2021, and one of the five people in the know stated that the new generation Elite i20 codenamed B13 is planned to be produced out of the Anantapur factory in the first phase.

Park confirmed that 'an option of producing a Hyundai car is open' asserting, "Everything is open to achieve market share," clearly underlining that capacity won't be constraint in the future to build volumes.

To realise the target, Hyundai and Kia have lined up a nearly dozen launches, especially in the fast-growing sports utility vehicle, over the next couple of years.

**Zoom, Myntra Tie Up for Fashion Reality Show**

MUMBAI The Zoom Studios, the original content arm of Zoom and Myntra have collaborated to create a first-of-its-kind, digital first, fashion influencer hunt, "Myntra Fashion Superstar". To be judged by Bollywood star Sonakshi Sinha, the show is aimed at finding India's most sought-after fashion influencer. "Entertainment and fashion is synonymous with the young India. Our in-depth understanding of the content needs of the genre inspired us to partner with Myntra and put together a first-of-its-kind reality show that is real.

conversational and engaging, true to the ethos of The Zoom Studios. Through this unique concept, we look forward to celebrating India's first fashion Superstar," said Nikhil Gandhi, president revenue, Times Network. — Our Bureau

**US' Garmin Launches Smartwatch for ₹59,990**

NEW DELHI: Refreshing its flagship 'Forerunner' series, US-based wearable major Garmin on Monday launched its 'Forerunner 945' wearable in India for ₹59,990.



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# POLICE NIVESH

ADVERTORIAL



## A FINANCIAL GUIDE TO SAVING FOR POLICEMEN

Aditya Birla Sun Life Mutual Fund in association with ET NOW is conducting a series of eight investor camps to be held across major metro cities, including Mumbai, Pune, Delhi, Bengaluru, Hyderabad and Chennai, with police personnel. The experts will discuss personal finance issues that will have an impact on the lives of the target audience by helping them plan their finances to achieve long-term goals

The Police are an integral pillar of society and are looked up to by all Indians but sometimes in the long hours that they put on their job, they miss out on financially securing theirs and their family's future. The salary that they take home is often used to pay off loans or is spent on day-to-day expenses or might be saved in traditional forms of investments. It is high time they are informed about the different ways in which they can get more bang for their buck. Aditya Birla Sun Life Mutual Fund presents Police Nivesh in association with ET NOW. This special initiative is a series focused on helping policemen understand financial planning, tax saving and investing for better returns. It is an effort to hear their stories and provide them with a most optimum solution for efficient investing. As part of the series, we will conduct 8 ground camps with

police personnel across major metro cities in India. Further, we also got some police personnel and some members from police families to sit face-to-face with personal finance experts who discussed tax planning and personal finance planning with them.

**WHY IS FINANCIAL PLANNING IMPORTANT FOR POLICE PERSONNEL?**

Police personnel are extremely busy and they don't get the time to plan their finances. Like every Indian citizen, it is very important for them to also think of savings and investment for their financial goals, like a child's education and marriage, besides keeping a corpus for unexpected emergencies. Though a component of the unforeseen medical expenses is taken care of by government policies, some financial goals would have to be managed by the police personnel themselves. Financial planning will

help the police personnel be more prepared in securing their financial future.

**DISCUSSING SOME FINANCIAL CONCERNS**

During the interaction with Police families on Police Nivesh, a recurring concern that came up was about a roof over their

investing regularly so that they can build a sufficient corpus to purchase the house of their choice, in a location of their choice at the time of retirement. Our personal finance experts also made them aware about the impact of inflation on savings and investments. Inflation is something that impacts everyone, but very few people plan

efficiently to beat inflation. Like ordinary citizens, police personnel also have dreams for themselves and their families. But in the daily rigour, these dreams remain just there. In the series, we spoke to members of the police families and the police personnel about the importance of listing down these dreams and goals and then working on achieving the finances for the same.

So how can police personnel improve their financial situation? Our experts suggest some simple steps.

**WHAT ARE SOME STEPS IN FINANCIAL PLANNING?**

**TRACKING INCOME & EXPENSES**  
A vital step in financial planning is for the family to keep a track of their finances. Once a proper account of the income and the expense is maintained, even a small sum of Rs 500-1000 saved and invested correctly

every month, would get a decent corpus in the long run.

**CREATING A CONTINGENCY FUND**

An emergency can crop up at any moment, arriving unannounced. To be able to manage any emergency effectively, it is advisable to keep three months expenses as a contingency fund. One can start saving money in a recurring deposit till one has accumulated enough money to take care of three months of expenses. The money can then be transferred in a fixed deposit where it is easily accessible in case of an emergency.

**CHALKING FINANCIAL GOALS**

An important step in financial planning is to make a list of the

goals that a person and their family have and to then plan the finances for the same. Some of the goals can be higher education of children, buying a vehicle, marriage of children, providing for one's retirement, etc. Once the goals are listed, a person can save and invest accordingly.

**INVESTING CORRECTLY**

It is extremely important to save but it's even more important to invest correctly. This is where financial planning comes into play. A proper financial plan considers a person's personal circumstances, objectives and risk tolerance. It acts as a guide in helping choose the right types of investments to fit a person's needs, personality and goals. Some investments also provide a double benefit of growing the corpus as well as saving tax. One must choose the asset class depending on your investment objective and goals.

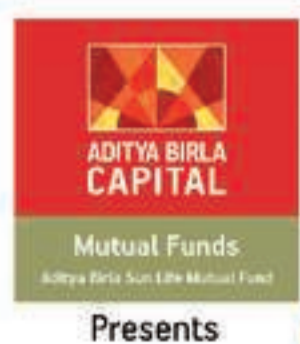
**REVIEWING YOUR PORTFOLIO REGULARLY**

It is also important to review your investment on a regular basis. Our financial goals keep changing. There are various factors that lead an investor to change or add new ones to the existing list. It is necessary to check the performance of equities once in six months or a year and not every six hours or daily. This helps keep a check if your investments are aligned to your financial goals. You can take corrective steps by redeeming some of the investments and reinvest the money in better schemes. It is advisable to use the services of a personal finance advisor, who can guide you in this process.



**The police take care of the country's needs. At the same time they also need to take care of their own long-term saving needs which could come in handy for taking care of their children's education, for buying a house or for marriages. That is a segment that also needs to be addressed.**

♦ **A BALASUBRAMANIAN,**  
CEO, Aditya Birla Sun Life AMC



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# TikTok, Bigo Live Turn the Page with Edu Content

**NEXT CHAPTER** Short-video apps are bringing more educational content for Indian users after facing censure for inappropriate material on its platforms

**Sanghamitra.P@timesinternet.in**

**Bengaluru:** Short-video apps such as ByteDance's TikTok and Bigo Live are increasing the quantity of educational content for Indian users after facing censure for inappropriate content on its platforms.

Bigo Live, a Singapore-based live streaming platform, launched education channels earlier this month, for which it hired broadcasters, while TikTok's #EduTok has become a trending hashtag with over a billion views.

The push into educational content comes at a time when a bulk of the content on such apps revolves around entertainment. TikTok faced a temporary ban in India after the Madras High Court ruled in April that the app was "dangerous for

children". It has been since revoked. Google-owned YouTube has also been focusing on educational content. It is investing \$20 million in developing such content.

"For YouTube, such content adds engagement as it has a wider audience. But, for short-video apps which are purely for feed-driven entertainment purpose today, core educational content is challenging till they evolve their product and search capabilities," said Madhura Singhal, managing director, Praxis Global Alliance.

On TikTok, motivational speakers and tuition teachers are creating videos and giving life lessons

through #EduTok. TikTok has over 240 million users in India. Tuition teachers are promoting math and language classes through short videos by teaching simple tricks or making entertaining videos.

An English tutor who goes by the handle @alwalcreations with 3.6 million followers teaches English through translation, while promoting his classes. Another content creator with the handle @officialdear with over 300,000 followers has multiple videos of simple mathematics tricks.

Motivational speaker Mahendra Dogney aka @mdmotivation64 shares simple life lessons on Tik-

Tok about how to be happy. "TikTok's content strategy thrives on trending hashtags. The other popular hashtags on the app include #yogaday, #cricketworldcup, #mytiktokstory, #tiktoktravel.

Bigo Live aims to bring in more localised content to make it more accessible and is training over 14,000 paid broadcasters for this, said Nagesh Banga, deputy country manager.

It also planning soft skills-based training, like personality develop-

ment and interview skills. "Seeing the larger picture, we want to make Bigo Live a one-stop platform where, along with entertainment, one finds content on education, reviews on products or movies, chat shows," said Banga. "During this season, students are usually off for vacations, so it's the right time to engage with those who want some vocational training."

Owned by Nasdaq-listed Chinese company YY Inc, Bigo Live has already hired over 70 teachers for its English-training program and aims to raise that to 200 by end of this month.

In India, the company competes directly with ByteDance-backed video apps and Alibaba-backed Vmate. ET had reported earlier that Bigo Live plans to invest \$100 million in India in the next three years.



ANIRBAN BORA

**Between the Lines**

- On TikTok, motivational speakers, tuition teachers creating videos via #EduTok
- TikTok's content strategy thrives on trending hashtags

**\$20 million**  
YouTube's planned investment

**>70**  
Teachers Bigo Live has hired for its English-training course

**Tech Buzz**  
**Taming Fakes Tops List at Google Maps**

**New Delhi** Google took down over three million fake business profiles last year from Google Maps that could potentially defraud customers, according to its blogpost. Google said scammers charge business owners for services that are free, defraud customers by posing as real businesses, and impersonate real businesses to secure leads and then sell them. -PTI

**Quick Byte** ANIRBAN BORA

**Netflix hack lets you feel the action by vibrating your phone**

Shake on it

**\$110 billion**  
Estimated global ad spend by 2020  
-IANS

**Foldable MS Surface with Android Apps**

**San Francisco** Microsoft is planning to launch a foldable Surface device in 2020 that would run Android apps and iCloud in Windows 10, according to media reports. The foldable surface is expected to have two 9-inch screens with a 4:3 aspect ratio. The device would be powered by the new version of Windows 10. Although it is not yet confirmed when Microsoft will make the announcement about the device, it will have a 10nm Intel Lakefield processor, with an always-on connectivity function for LTE or 5G. -IANS

**Jargon Buster**  
**Martian Address**  
An invalid IP address that is either spoofed by a hacker or not allocated to a network node. Martian addresses cannot be routed

# CureFit Goals Stay on Track with a \$120-million Round

Startup closes the round in a mix of equity and debt, with new investors coming on board

**Aditi.Shrivastava1@timesgroup.com**

**Bengaluru:** Health and fitness startup CureFit has closed a \$120 million funding round, in a mix of equity and debt, with new investors including Unilever Ventures, Epiq Capital, Innoven Capital and Kotak Mahindra Bank coming on board.

The round was led by existing investors including Chiratae Ventures (formerly IDG Ventures), Accel Partners, Kalaari Capital, and Oaktree Capital.

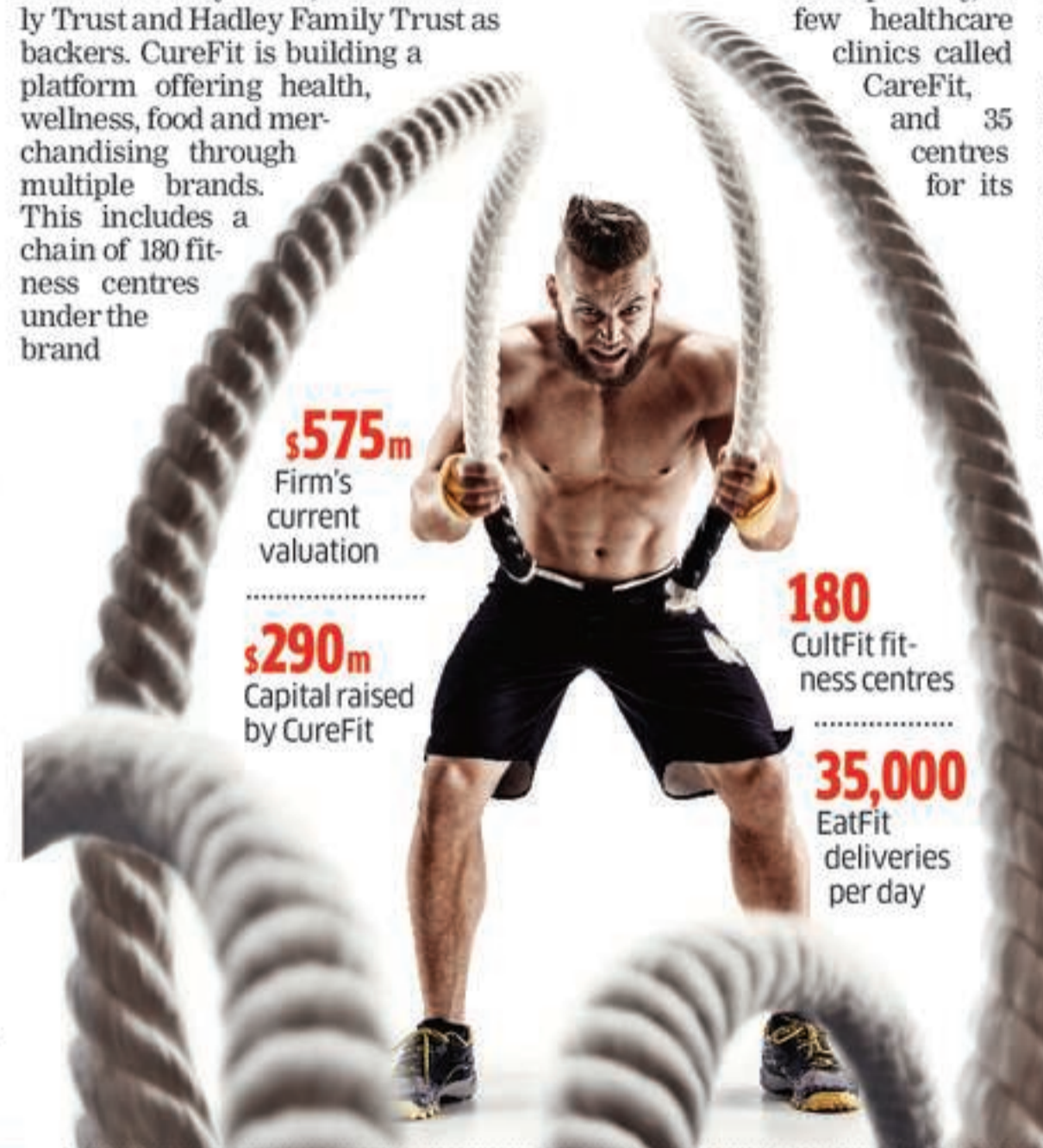
ET was the first to report on April 15 that the Mukesh Bansal and Ankit Nagori-founded company had racked up \$75 million in new capital and was looking to take the financing round to about \$120-\$150 million. The company has now been valued at more than \$575 million. CureFit has raised about \$290 million in capital till date, including the latest round.

CureFit had held discussions with SoftBank Vision Fund, but they have not resulted in a deal yet. Discussions with Goldman Sachs for a potential investment through debt and equity fell through recently, two people familiar with the matter told ET.

On May 6, CureFit raised \$521.8 crore (\$75 million) at a valuation of \$3,869.6 crore (\$557 million), regulatory filings showed. This was the

first tranche of the \$120 million investment, which also counts Anand Piramal Family Trust, Makaan Family Trust and Hadley Family Trust as backers. CureFit is building a platform offering health, wellness, food and merchandising through multiple brands. This includes a chain of 180 fitness centres under the brand

CultFit, a healthy food-delivery offering under EatFit with over 35,000 deliveries per day, a few healthcare clinics called CareFit, and 35 centres for its



**\$575m**  
Firm's current valuation

**\$290m**  
Capital raised by CureFit

**180**  
CultFit fitness centres

**35,000**  
EatFit deliveries per day

## Big Tech may be Forced to Put a Price on Your Data

**Washington:** How much is your data worth to companies like Google and Facebook? That's the question US senators Mark Warner and Josh Hawley want answered by introducing a bill on Monday that, if successful, would require big tech companies to disclose to individual users the value of their information. 'Axios on HBO' first revealed the planned legislation, which will be titled the 'Designing Accounting Safeguards to Help Broaden Oversight and Regulations on Data Act', which has been given the acronym DASHBOARD. In short, it would mean users of some of the biggest social media and search platforms on the internet would receive a report every 90 days on the types of information collected by the firms, and how much it is worth to them. Putting a dollar figure on how much people's data is worth is unlikely to be straightforward for the companies involved and the bill could provoke opposition. -BI



# Freshworks Sees the Way Forward in AI Chatbots

CEO says firm has attained 'scale and growth' to enable it to go public

**Bharani.Vaitheesvaran@timesgroup.com**

**Chennai:** Freshworks, a Chennai and San Mateo-based product software unicorn, is investing in developing chatbots, as Artificial Intelligence-enabled conversations between brands and customers start becoming a global trend, CEO Girish Mathrubootham told ET.

Online retailers, head-hunters and tourism companies, to name a few, find that their customers reach out across myriad platforms, from in-app chats to emails and phone calls. Freshworks is tapping this need for an AI engine that can gather real-time behavioural data while it works across multiple communication channels. Its own "omnibot" is finding increased adoption across businesses.

"We are heavily investing in expanding our AI capabilities with Freddy, our AI-powered omnibot, which learns from customer interactions and provides a human experience to end users," he said.

Freshworks will supplement its chatbots initiative with the recent acquisition of US-based startup

Natero, providing a customer-activity dashboard based on machine-learned analyses of customer behaviour, Mathrubootham said.

Freshworks, which is primarily driven by the North American, UK, and European markets, says India as one of its fastest growing markets. It is also in the process of entering East and South America.

The company, which develops software products in Chennai, figures among a crop of niche players competing with market leaders in the global customer relationship management market such as Salesforce, Zendesk, Microsoft and others.

Mathrubootham has led the company through



**BANKING ON IT...**

We are investing in expanding our AI capabilities with Freddy, our AI-powered omnibot

**GIRISH MATHRUBOOTHAM**  
Freshworks CEO

# Indian IT Spots Gold in Niche Buys

Firms looking to scale up in high growth areas via acquisitions as internal capabilities fail to fire

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**Bengaluru:** Wipro's decision to acquire US-based International Technology Group Incorporated (ITI) for \$45 million earlier this month is not a one-off. More IT services companies are buying niche firms to grow in emerging areas such as engineering services. These companies are looking to scale up in high growth areas such as technology-led factories, internet of things (IoT) and software product engineering as their internal capabilities have often not worked, said analysts.

During the past two weeks, these companies have acquired five engineering services and digital technology focused firms, including Wipro's acquisition of (ITI), Hexaware's acquisition of Mobiquity for \$182 million, and Cognizant buying Zenith Technologies for an undisclosed amount. "Right now, the acquisitions provide both technical talent and customer base. These are in scarce supply and worth up to a 4-to-7x premium on revenues," said Ray Wang, principal analyst at Sili-

con Valley-based Constellation Research.

While ITI should add value to Wipro's digital engineering and manufacturing services, Mobiquity — which counts Amazon Web Services, Philips, Wawa, Backbase and Rabobank as clients — specialises in experience design and product engineering.

Engineering services has become one of the fastest growing segments for the large tech services companies, said Peter Bendor-Samuel, chief executive, Everest Group.

"The engineering services market is one of the most attractive segments of the services space... There is a great deal of interest in acquiring engineering services firms. Most of these firms (large IT companies) have had small practices, but have lacked the scale and depth of talent to become

strategic partners in this fast growth market," said Bendor-Samuel.

Engineering services exports stood at \$24 billion in fiscal 2019, with over 1,500 engineering R&D companies employing over half a million people, according to data from industry lobby group Nasscom. Indian companies have more than 28% market share of the global ER&D space.

Tech services companies such as HCL Technologies, Tech Mahindra and others have tagged crucial deals in niche digital areas through such acquisitions. HCL Tech acquired Geometric and Butler Aerospace a couple of years ago for \$285 million to drive growth in the engineering services business. In fact, Tech Mahindra's acquisition of Inter Informatics, a cabin design engineering firm in the Czech Republic last year may have helped in winning a multi-year aerospace engineering deal from Airbus, said Pareek Jain, founder of Pareek Consulting. "These small firms bring in niche skills in emerging areas of digital and engineering services. They also give access to a client base," said Jain.

**TOP OF THE HEAD**

Right now, the acquisitions provide both technical talent and customer base. These are in scarce supply and worth up to a 4-to-7x premium on revenues

**Ray Wang**, Principal analyst, Constellation Research

# Revised Deal for Infosys Top Brass Faces Resistance

15% of shareholder votes went against granting stock options to CEO Parekh & COO UB Pravin Rao

**Our Bureau**

**Bengaluru:** Infosys CEO Salil Parekh's amended terms of employment faced resistance from some shareholders at the company's annual general body meeting on Saturday, with about a fifth of votes polled dissenting, even as the IT company's promoters unanimously approved the resolution.

The terms, which were amended last month, called for faster vesting of stock options.

About 15% of shareholder votes went against granting stock options to both Parekh as well as COO UB Pravin Rao, data filed with the Bombay Stock Exchange showed.

In May, the Bengaluru-headquartered company said Parekh would get shares worth ₹10 crore under a new employee stock option plan and changed his employee agreement to enable him to vest the restricted stock units in 12 months instead of the earlier three years. Under the new plan, Pravin Rao also gets shares worth ₹4 crore.

In total, Infosys revised its Esop for all staff, offering as many as five crore shares or 1.15% of its total stock. In 2016, the firm had committed 1% of shares in an Esop as it battled attrition of employees.

The dissenting investors may have had concerns that the short-term incentive plan could affect the company in the long term, analysts said.

"In the past, shareholders had approved the vesting period of three years, which has now been changed to an accelerated vesting of one year. The fear among investors is that this change could lead to short-term thinking," said Shriram Subramanian, managing di-



**Infosys CEO Salil Parekh**  
**LONG-TERM IMPACT**  
Analysts say the dissenting investors may have had concerns that the short-term incentive plan could affect the company in the long term

rector of InGovern, a proxy advisory firm.

Infosys said the grant of stock options was to provide an incentive to increase shareholder value and drive execution excellence of the company's business strategy.

Last week, in a filing with the US Securities and Exchange Commission, Infosys said the CEO's remuneration was tied to revenue growth, operating margin percentage, digital revenue growth and organisational goals, including leadership motivation and organisational stability.

# TCS Hikes Stake in Japanese JV to 66%

**Our Bureau**

**Bengaluru:** Tata Consultancy Services has paid about \$32.6 million to raise its stake to 66% in a joint venture with Mitsubishi Corporation, doubling down on the Japanese market that has opened up for Indian IT services companies.

TCS entered into the JV in 2014 by initially picking up a 51% stake. The JV included an option to raise its stake to 66%. "We are pleased to note that Mitsubishi Corporation is now more assured of the partnership, having experienced TCS' services as a customer over the last 5 years, and that both companies continue their strong collaboration to grow the business together," Amur S Lakshminarayanan, president and CEO, representative director, TCS Japan, said in a statement.

The governance and manage-

**MORE ON OFFER**

**TCS has paid \$32.6 million to raise its stake in Mitsubishi JV**

ment of the joint venture will remain unchanged, TCS said.

The Mumbai-headquartered IT services company said its Japanese unit achieved double-digit revenue growth in constant currency terms in each of the last two years, making it one of the fastest growing IT services firms in its class in the country.

Indian IT services companies are increasingly looking at Japan to expand, as they look to diversify their business. Last December, Infosys announced a JV with Hitachi, Panasonic and Pasona in Japan.

**The Smartphone Duopoly**

Worldwide smartphone market share by operating system (based on unit shipment)

**2010:** Android 40.2%, iOS 23.3%, BlackBerry 15.6%, Windows Phone 4.9%, Others 16.0%

**2018:** Android 85.1%, iOS 14.9%

TOTAL SALES: 305 MILLION (2010), 1,405 MILLION (2018)

**Tech Trotter** Meanwhile in tech...  
**Raspberry Pi Leaks Data from Nasa Lab**  
NEW YORK A hacker accessed a Nasa's network in April 2018, by targeting an unauthorised Raspberry Pi, a pocket-sized computer that connects to the Internet. During the April 2018 attack, the hacker stole about 500 megabytes of data from 23 files, two of which contained information related to a Mars mission. -BI



### Market Trends

STOCK INDICES	% CHANGE
Nifty 50	11699.65 <b>0.21</b>
Sensex	39122.96 <b>0.18</b>

MSCI India	886.05	<b>0.05</b>	SX 40	23029.41	<b>0.98</b>
MSCI EM	2388.14	<b>0.12</b>	Nikkei	21285.99	<b>0.13</b>
MSCI BRIC	630.37	<b>0.21</b>	Hang Seng	28513	<b>0.14</b>
MSCI World	9131.53	<b>0.16</b>	Strait Times	3311.53	<b>0.30</b>

OIL (\$)	BOND
DUBAI CRUDE	10-YR YIELD
63.53	6.85
0.39	0.01

GOLD RATE	US	India
Prices per Troy Ounce (\$)	1403.9	1537.65
OPEN	1403.9	1537.65
LAST	1414.1	1540.83

At 10.30pm, After adjusting for import duty, Indian spot gold lower by \$ 14.68 to US Comex gold price on Monday. The premium on local gold is due to tight supply following import curbs.

FOREX RATE (₹-₹ Exchange Rate)	OPEN	LAST
	69.61	69.35

**₹1,230 CRORE PROCEEDS** to be used to pare debt; stake sale will bring down promoters' holding to 52.74%

# Promoters Offload 10% More in Emami

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Mumbai: Promoters of consumer goods firm Emami have sold 10% of their equity holdings in the company on Monday for ₹1,230 crore to pare debt. This stake sale, which will bring down promoters' holding in the Kolkata-based company to 52.74%, is the second by them in 2019 as lenders, mainly mutual funds, have been nudging them to bring down the debt amid the 40% fall in the shares since January.

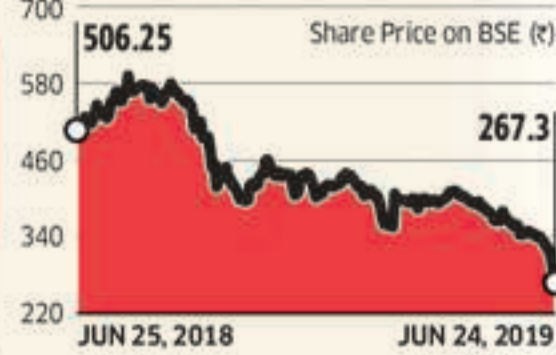
Emami shares plunged nearly 7.6% to close at a five-year low of Rs 267.30 on Monday. Some of the buyers of the promoters' stake include domestic mutual funds such as L&T, SBI and Birla, said sources. After Monday's stake sale, promoters' debt will come down to ₹2,200 crore from ₹3,300 crore. Promoters had borrowed heavily from mutual funds keeping shares as collateral to invest in businesses

### Financial Metrics

	FY2018	FY2019	% Chg
Net Revenue	2,530.60	2,692.90	6.41
EBITDA	719.50	734.30	2.06
EBIT	408.60	408.90	0.07
PBT	393.80	405.60	3.00
PAT	306.40	302.50	-1.27

(Figures in Rs Cr)

### Emami



like cement and power. Promoters' pledge will reduce to 37% from the current 47.68%, said people in the know of the development.

"The funds will be used for further reducing the debt at the promoter level," Mohan Goenka, director, Emami Group, told ET. "The promoters intend to maintain this controlling majority stake in Emami without further diluting it." Problems for promoters, who borrowed heavily with shares as collateral, surfaced after Essel Group's

Subhash Chandra failed to bring in more shares or funds as collateral following the crash in shares of Zee Enterprises and Dish TV in the last week of January. Essel promoters led by Chandra had borrowed from mutual funds and NBFCs by pledging shares of Zee and Dish. They channelled the money to the infrastructure and finance businesses. The Essel Group fiasco soon spread to groups and companies such as Emami where promoter pledges were high.

Emami promoters had pledged shares with HDFC AMC, Reliance Nippon Life AMC, ICICI Prudential AMC, SBI-SG Global Securities, Axis MF AMC and Invesco MF AMC, regulatory filings with stock exchanges revealed. Sources said these fund houses pushed Emami promoters to sell 10% in the company in February to SBI Mutual Fund, Premji Invest, Amundi, IDFC and others to raise about ₹1,600 crore in the wake of a fall in the shares. Emami's stock has been under pres-

sure due to consistent weak operating performance and rising promoter share pledge. The stock has declined nearly 55% from its 52-week high level of ₹599 hit on August 1, 2018.

"The crash in Emami stock price has got nothing to do with the operations of the company. It's about the promoter's pledges," said Ambareesh Balliga, an independent analyst. "The stake sale to reduce debt and pledge show that promoters are serious and taking proactive steps to stop further deterioration of investor wealth."

Though the outstanding debt at promoter level is still high, the promoters do not anticipate any further dilution of stake in the foreseeable future.

"There is a clean intention to reduce the debt to zero levels in the next 6-8 months. For this purpose, we have adequate pool of diverse assets, which we may seek to monetise and we have already started the process of identification of such assets," said Mohan Goenka.

**HR KHAN PANEL** had said Sebi should have more powers to summon and inspect FPIs from high-risk jurisdictions

# FPI Body Opposes More Inspection Powers for Sebi



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Mumbai: A lobby group representing global banks and asset managers, such as Blackrock, Amundi, BNY Mellon and Capital Group, has written to the Securities and Exchange Board of India opposing the HR Khan committee recommendation that would give the capital markets regulator more inspection powers. The panel, in its report, proposed that Sebi should have powers to summon and inspect additional documents of those foreign portfolio investors (FPIs) which come from high risk jurisdictions. Currently, FPIs submit only information of their beneficial owners (BO) to Sebi. However, the committee now wants the market regulator to have powers to ask for more details including complete investor data if the fund is based out of a high-risk jurisdiction.

The Asia Securities Industry and Financial Markets Association (ASIFMA) has questioned the need for Sebi to have such additional powers. "We are concerned that this (proposal) is too broadly defined," ASIFMA said in the letter on June 14. "Clarification would be welcome to establish what type of documents would be expected when mentioning complete investor details."

The industry body has also expressed concerns about reintroduction of the concept of high-risk jurisdictions. Last year, Sebi tried to introduce the concept, but a backlash from FPIs forced the regulator to withdraw it. These reservations of FPIs primarily stem from privacy related concerns. Foreign funds are not comfortable sharing their comp-

lete investor information with Sebi, said a global custodian on condition of anonymity.

Also, foreign funds are trying to comply with the newer privacy norms that are being implemented in their home countries.

"In many cases, the FPI will not be in a position to provide the complete investor information since they themselves don't have the data," the custodian said.

For instance, a large number of FPIs are actually fund of funds - which hold a portfolio of several other funds. Ascertaining client details in such cases would be difficult.

Sebi had tweaked the Know Your Customer (KYC) requirements for FPIs in September last year and made it mandatory for them to submit the identification documents of their beneficial owners. This has already added to the compliance burden on FPIs, say experts. While Category I FPIs are exempt from these requirements, category II FPIs, who hold bulk of the FPI assets in India, have been impacted by the new KYC requirement.

The HR Khan committee said these special requirements should be applied to funds coming from high-risk jurisdictions only. However, there is no clarity yet about which countries would feature in the high-risk list. Last year, Sebi tried to implement a common high-risk jurisdiction list, but it was forced to go back on the proposal due to stiff opposition from FPIs. The list essentially comprises the countries whose transparency standards are not up to the mark and aims to impose additional compliance requirements on funds coming from such countries.

Continued on >>> Smart Investing

### 10-YEAR YIELD AT 6.85%

## Rupee Does a U-Turn, Rises 23 Paise to 69.35 a Dollar

PTI

Mumbai: After opening on a weak note, the rupee recovered the lost ground and finally settled 23 paise higher at 69.35 to the US dollar amid weakening of the greenback against major currencies.

At the interbank foreign exchange (forex), the domestic currency witnessed heavy volatility. The local unit opened at 69.58 a dollar and touched a low of 69.60 and high of 69.34 during the day. The local unit finally closed at 69.35 against the American currency, registering a rise of 23 paise over its previous close.

On Friday, the rupee had settled at 69.58 against the US dollar. "Sustained weakness in the Dollar Index could be the prime reason for strength in the domestic currency," said V K Sharma, Head PGC & Capital Markets Strategy, HDFC Securities.



The dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.22 per cent to 96.00.

Forex traders said the uptick in the rupee assumes significance amid Brent above USD 65 per barrel, foreign fund outflows and resignation of RBI Deputy Governor Viral Acharya.

"Globally, the OPEC meet on Tuesday and the US-Saudi-Iran trilateral will dictate crude oil dynamics which in turn will dictate INR fluctuations," WGC Wealth Chief Investment Officer Rajesh Cheruvu said.

Foreign investors bought shares worth Rs 207.33 crore on a net basis on Monday, provisional data showed.

Meanwhile, the 10-year government bond yield was at 6.85 per cent Monday.

Meanwhile, the BSE benchmark index settled 71.53 points, or 0.18 per cent, lower at 39,122.96. The broader NSE Nifty dropped 24.45 points, or 0.21 per cent, to 11,699.65.

Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 69.6343 and for rupee/euro at 78.5851. The reference rate for rupee/British pound was fixed at 88.3650 and for rupee/100 Japanese yen at 64.90.

### END OF A THREE-YEAR DRY SPELL

# L&T Bags ₹7,000-crore Order for Power Project

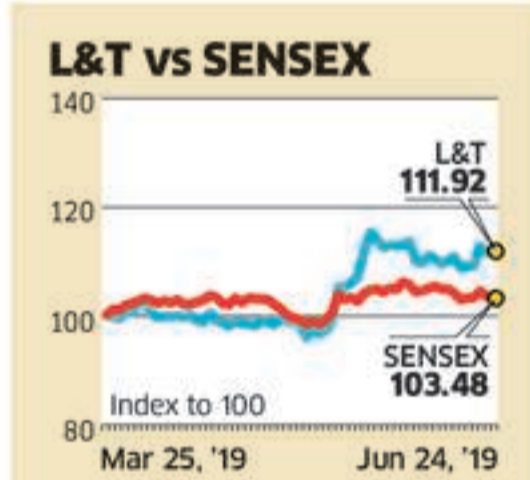
Company's power generation projects business order book reaches ₹18,000 cr

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Mumbai: Larsen & Toubro (L&T) has bagged a turnkey contract for building a power generation project worth over ₹7,000 crore after a dry spell of three years.

The company will do engineering, procurement and construction (EPC) for the 1,320 mw ultra-supercritical power plant in Buxar district in Bihar, for SJVN Thermal Private. This order, among the biggest the company has received for a power generation project, would help its power equipment business which has been reeling under pressure due to the lack of orders in the sector.

"This is one of the biggest orders we have received for power EPC, our first order in three years. We have been bagging jobs for flue-gas desulphurisation (FGD) units that has kept the order book going at a time when there are no orders for power generation projects in the sector," Shailendra Roy, chief executive officer, L&T Power, told ET. With this order, L&T's power ge-



neration projects business has an order book of ₹18,000 crore, he said. Analysts believe that while this big order may not be an indication of recovery in power sector, L&T would be a main beneficiary of the government's focus on infrastructure sector and public sector capex.

"We expect infra capex to revive from H2FY20. This would aid L&T to achieve its guidance of around 10-12% order inflow growth. In addition oil & gas capex in Middle East countries, and India should provide impetus to orderbook and earnings growth. With these, we initiate coverage on L&T with 'Buy' rating and target price of ₹1,820," brokerage AnandRathi said in a recent report.

Shares of L&T closed at ₹1,541 on the BSE on Monday, almost flat from its previous close.

Given the lack of activity in coal-based power generation sector due to poor financial health of

companies and other challenges faced by the beleaguered sector, L&T has found new business opportunity in retrofitting of old plants with emission control equipment (FGD and SCR), but the average ticket size of orders is smaller at ₹800 crore-₹1,000 crore.

"In the past five years, we have hardly had manufacturing sector contributing to the GDP. If industrial growth has to happen, power capacity has to be increased to support it. According to the 19th Electric Power Survey Report, we will have a peak demand for reliable power of 299 gigawatts (GW) by 2026-27. This means India will have to add 37 GW by 2023, translating into 8-10 GW every year," Roy said. He is also a director at L&T.

Before the SJVN order, the last order L&T bagged for a power generation project was in August 2016 from Neyveli Uttar Pradesh Power, worth ₹3,860 crore. Lack of new projects and aggressive bids for the few that have come up have resulted in declining revenue and reduced order book for the company, much like its peers catering to the power sector. L&T has two joint ventures with Mitsubishi Hitachi Power Systems for core equipment for power plants, both running below capacity at Hazira. The turbine manufacturing unit is running at 30% utilisation while the boiler unit is better off at 75% utilisation owing to some export orders from the JV partner.

# Lupin Gains 3% on Credit Suisse Upgrade, Nomura's Buy Rating

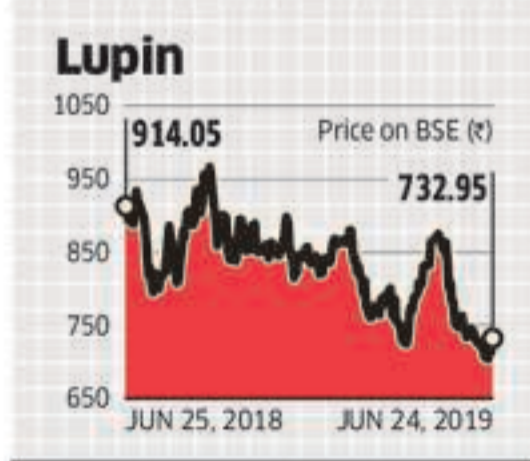
Nomura holds price target of ₹1,017; consolidation in pharma to continue

Our Bureau

Mumbai: Positive commentary by leading brokerages Credit Suisse and Nomura helped shares of pharma major Lupin end up nearly 3% at ₹732.95 on Monday.

Credit Suisse upgraded the stock to 'outperform' from 'underperform' and raised the target price to ₹860 from ₹800. The brokerage said its concerns on specialty drug Solosec have played out and it is upgrading the stock as it is now ignoring the sharp increase in free cash flow and strong opportunities such as generic Enbrel in Europe and generic Spiriva inhaler in the US.

"Lupin turned net debt in past four years due to weak acquisi-



tions (Gavis, Solosec) and low FCF. However, Lupin can be close to debt free by FY23 with margin expansion from (1) Levo, albretrol, Solosec in FY21, (2) gEnbrel," said Credit Suisse.

Nomura has maintained a 'buy' rating on Lupin with a target price of ₹1,017. The brokerage ex-

pects consolidation in pharma to continue.

ET had reported last week that Lupin is in early discussions to buy JB Chemicals' promoter's 55% stake in the company.

"We expect this trend of consolidation to continue as domestic market growth remains challenging with limited scope for new product introductions (consequence of patent regime and tougher regulatory standards) and government's price control action. For Lupin, we see strategic rationale in acquiring JB as it is likely to complement LPC (Lupin's) presence, particularly in India, and there is scope for significant front-end synergies across markets," said Nomura.

**TIGHTER UNDERWRITING STANDARDS** adopted by the new management may lead to a loss of market share

# Axis Set to Vacate Top Slot in Local Debt Capital Mkt

Joel Rebelló & Saikat Das

Mumbai: Axis Bank's dominant position in the domestic debt capital market (DCM) of more than a decade is on a shaky ground as risk aversion forces the lender to shun deals.

Tighter underwriting standards adopted by the new management under CEO Amitabh Chaudhry may lead to a loss of market share for the private sector lender as clients needing the protection of a bank written check book could move to other competitors, money market participants said. This may also open the door for others to climb the league table, they

added. Axis has been occupying the top slot in the Bloomberg India bonds league table since 2007. So far in 2019, the bank has helped borrowers to sell bonds through 160 issuances totaling close to Rs 70,000 crore of debt, data from Bloomberg show.

Since taking over as CEO in January, Chaudhry has brought in new people and introduced conservatism in business, shunning excessive risk taking and focusing on cross selling. Last week, former Nomura executive Neeraj Gambhir joined the bank to take over its capital market and money market business.

"Axis' success in the DCM busi-



ness was built on the bank's ability to underwrite. Different that not being there, it's a different ball game. It means that the race to the top is now an open one," said a top banker at a rival bank.

Income earned from selling bonds in itself was not particularly substantial. In the quarter ended March 2019, Axis earned Rs 84 crore as DCM fees which is a minuscule 3% of the Rs 3,020 crore earned by the bank.

Deepak Maheshwari, chief credit officer (CCO) in charge of corporate credit appraisal and disbursement at the bank, said it is wrong to assume that the bank will lose share. "Managing risk better has to be seen as improving the filters and for example looking at better rated bonds or under writing smaller amounts. Axis has a good distribution network of mutual funds, insurance and pension funds to which we can sell

bonds too, that remains with us and will continue to give us an edge," Maheshwari said.

To be sure, the bank's tighter underwriting standards will give an opportunity only to the extent other lenders like SBI Capital Markets, HDFC Bank, Yes Bank and IndusInd are willing to take risks.

"It happens with any organisation, when an individual is a star and he quits, there is an impact. Now other merchant bankers will come forward. The market is close, that is people know each other, hence overall it won't make a big difference," said Joydeep Sen, consultant with PhillipCapital India at the fixed income desk.

# Trump Calls Fed 'Stubborn Child' in its Refusal to Cut Rates



Bloomberg

President Donald Trump accused the Federal Reserve of behaving like a "stubborn child" in refusing to cut interest rates as he attacked the central bank again for keeping credit too tight.

"Now they stick, like a stubborn child, when we need rates cut, & easing, to make up for what other countries are doing against us. Blew it!," the president said in a tweet on Monday.

Trump has spent months criticizing Fed Chairman Jerome Powell for raising interest rates last year - in Trump's view - too far and too fast. In his latest tweet, Trump reiterated his belief that if the U.S. central bank would cut interest rates, the economy would be stronger.

At the Fed's policy meeting last week, officials decided to leave interest rates unchanged but they opened the door to a cut.

Trump criticized European Central Bank President Mario Draghi in a June 18 tweet after Draghi signaled more monetary stimulus may be on the way for the euro area. Trump said that would make it "unfairly easier for them to compete against the USA. They have been getting away with

this for years, along with China and others."

Expectations are growing that the Fed is on a course to cut as soon as its July 30-31 gathering.

Trump's pressure on Powell intensified this month. Bloomberg reported last week that the president believes he has the authority to replace Powell as Fed chairman, demoting him to the level of board governor.

Powell was resolute on Wednesday in a press conference after the central bank's policy meeting, saying: "I have a four-year term, and I fully intend to serve it."

In a NBC interview aired Sunday, Trump denied that he'd threatened to demote Powell but said he'd "be able to do that if I wanted."

The Federal Reserve Act provides explicit protection for Fed governors against removal by the president except "for cause." Courts have interpreted the phrase to require proof of some form of legal misconduct or neglect of basic duties. A disagreement over monetary policy wouldn't meet that bar.

It's less clear, however, whether the president can demote a chair, removing him or her from the top position while leaving the person as a Fed governor.

# What to Buy, Sell and Hold

## Tata Consultancy

Share Price on BSE (₹) 2275  
1820.45

Antique Stock Broking has maintained buy rating on Tata Consultancy Services with a target price of ₹2,300. TCS has done well on revenue front in FY19 and the momentum is likely to continue in FY20 led by strong order booking in FY19 and increased strength in digital, said Antique. TCS has been an early adopter of digital and its early investments are expected to yield results, the brokerage said. Antique expects around 10% year-on-year constant currency growth in FY20. The stock ended up 1.1% at ₹2,275 on Monday.

Edelweiss has maintained buy rating on Tata Power with a target price of ₹94. Tata Power has been underperforming broader indices over the past two years due to sticky Mundra issue, apart from flat profit, said Edelweiss. FY20 could be an eventful year for the company with regards to resolution of CGPL, realisation of proceeds from sale of defence business, acquisition of Prayagraj, change in DMO policy in Indonesia and stake sale in Tata Projects, the brokerage said. The stock ended down 0.23% at ₹65.05 on Monday.

Motilal Oswal has maintained neutral rating on ITC with a target price of ₹310 due to uncertain cigarette earnings outlook. Even after 23 months since the last GST hike, ITC's cigarette EBIT growth remains below 10%, said Motilal Oswal. The brokerage said its moderate 9.3% earnings CAGR (FY19-21) estimate has a downside risk if the GST Council increases the rates applicable to cigarettes in its subsequent meetings. The stock ended up 0.75% at ₹276.30 on Monday.

CLSA has a buy rating on Lemon Tree Hotels with a buy rating and target price of ₹91. Lemon Tree has large upcoming properties in high ADR (average daily rates) markets like Mumbai and Udaipur, said CLSA. The ADRs for these properties will be up to 3 times higher than Lemon Tree's FY19 average ADR, said CLSA. With the launch of these properties, CLSA expects ADR growth to be higher than the industry. The stock ended down 0.1% at ₹64.75 on Monday.

IFIL has downgraded Dr Reddy's Laboratories to add from buy with a target price of ₹2,700. The brokerage said it is downgrading the stock as the company's market share uptake in Suboxone has been slow, and the key product filings of Nuvaring and Copaxone have also seen delays. However, Dr. Reddy's has executed well on its cost rationalisation initiatives and R&D expense is being kept under check, said IFIL. Uptick in the Suboxone market share is critical for earnings delivery, the brokerage said. The stock ended down 1.5% at ₹2,511.80 on Monday.

# FUND REVIEW IDFC Banking & PSU Debt Fund-Reg (G) Attractive Returns with Low Risks

The crisis being faced by a segment of the capital market should not lead to a knee-jerk reaction of shunning it altogether. Investing is all about having a strategy and sticking to it.

In recent months, the inability of some corporates to repay their loan obligations has led to a natural aversion for debt schemes. Retail investors who typically invest for the long term should consider debt schemes as there are relatively safe categories within this space where they can consider allocating a small portion of their investments.

One such category is banking and PSU debt. These schemes invest in bonds issued by commercial banks and public sector enterprises. These schemes have attractive post-expense yields and post-tax treatment and low exit loads. There is reasonable amount of safety of investments since these schemes invest in large banks and large PSUs.

One scheme in this category investors can consider is IDFC PSU & Banking Fund. The scheme follows a relatively safe strategy of investing in high number of securities with adequate importance to diversification. Its portfolio has 115 securities – higher than the category average of 49 securities. Presently, having diversified exposure with a large number of securities minimises market risks to a considerable extent. This is what distinguishes the scheme from its peers. Further, debt schemes such as this would benefit from a likely scenario of falling interest rates.

In the past three-year and five-year periods, the scheme has given 7.4% and close to 8% returns, respectively.

— Rajesh N Naidu/ET Intelligence Group

## PORTFOLIO CHANGE (PAST 6 MONTHS)

New Entrants	Complete Exits
NABARD SR-19 F 8.50% (31-Jan-23)	08.68% Gujarat SDL - 06-Feb-2023
Indian Railway Fin SR-132 08.25% (28-Feb-24)	NABARD SR-19 B 08.60% (31-Jan-22)
SIDBI SR-II 07.95% (26-Apr-22)	Food Corporation of India 09.95% (07-Mar-22)

PERIOD	CAGR RETURN	SIP CAGR RETURN	BANKING AND PSU FUND - AVG CAGR (%)
1 Year	10.77	13.37	9.07
3 Year	7.40	8.69	7.54
5 Year	7.90	8.32	7.98

## RETURNS PEER COMPARISON (in %)

	1-YEAR	3-YEAR	5-YEAR
Aditya Birla Sun Life Banking & PSU Debt-R	9.63	8.20	8.91
Axis Banking & PSU Debt Fund	10.10	8.03	8.27
Invesco India Banking & PSU Debt Fund	8.71	7.09	7.13

Source: Accord Fintech, Compiled by ETIG Database

## Expert Take RUPESH BHANSALI, Head-mutual funds, GEPL Capital

This scheme is invested in large number of AAA-rated papers which provides enough safety on relative basis. In terms of portfolio, the scheme is invested in private sector banks and relatively well-placed PSUs. This gives right amount of protection for retail investors. The scheme has no exit load which works in favour of investors.

# CONTINUED WEAKNESS in mainstay export sectors of oil and gas, heavy equipment and auto is impacting earnings and stock price Slowdown at Big Global Clients a Drag On Bharat Forge, Too

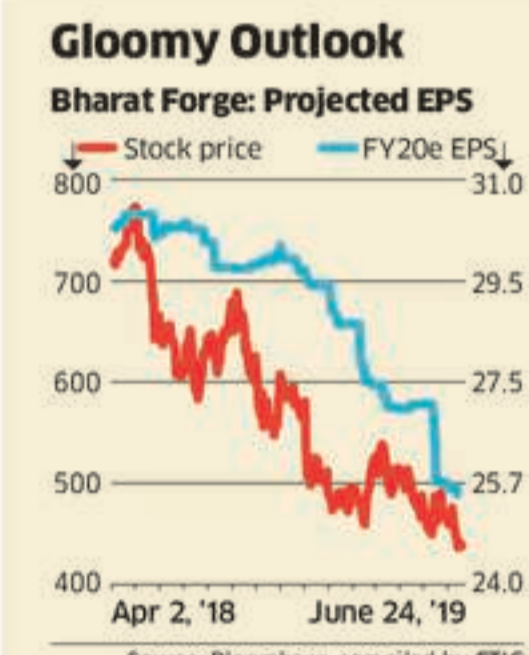
Ashutosh.Shyam@timesgroup.com

ET Intelligence Group: Bharat Forge is expected to continue reporting weak earnings growth due to slower demand from auto and industrial clients. The company's projected earnings per share (EPS) for the current fiscal has shrunk by 16% in the past six months.

Bharat Forge, which is the country's leading supplier of forging tools to vehicle makers has been facing headwinds in the non-auto segment since sales growth of Caterpillar, one of its biggest clients and a major global construction equipment maker, has decelerated.

According to Bloomberg consensus estimate, Caterpillar's revenue is expected to grow by 4.7% and 1.4% for 2019 and 2020 respectively compared with 18% and 20% for the past two fiscals.

For Bharat Forge, export revenues of the non-auto division, which mainly caters to heavy equipment makers and oil and gas exploration companies, grew by more than 21% in the previous fiscal — one of the highest among all segments. The cumulative revenue of the non-auto



Source: Bloomberg, compiled by ETIG

segment in the domestic and overseas markets accounted for 40% of the total standalone revenues in the previous fiscal year.

Apart from the construction sector, the growth outlook for the oil and gas segment has also not been encouraging. The rig count, an early indicator of future oil output, has dropped in the past six months as exploration companies have cut spending on new drilling.

The rig count in the US was 789 on June 21 compared with 862 a year

ago, according to Baker Hughes, an energy services company. The oil and gas segment accounts for nearly 60% of Bharat Forge's non-auto export revenue. The expected revenue of Halliburton, an oil field service company, for the current fiscal year is in low single digits compared with 29% and 16% in the past two years.

The slowdown in these sectors will weigh on income growth Bharat Forge. Analysts expect 3-5% growth in FY20 for the non-auto overseas exports, which may be trimmed further.

On the auto export side, the situation continues to deteriorate. The order inflow for Class 8 — a gauge for new truck orders in North America — fell by 69% in May. In the past three months, the annualised Class 8 order rate dropped to 1.6 lakh units compared with the production of 3.4 lakh units in 2018. The CV export revenue is expected to stay either flat or may even fall by 10% for FY20.

The company's stock has fallen by 14% so far in 2019. At Monday's closing price of ₹436.5, the stock was traded at 20 times of the FY20 earnings, a discount of 12% compared with the long-term average valuation.

# Nifty Forms Indecisive Spinning Top

Amit.Mudgill@timesinternet.in

ETMarkets.com: Nifty50 on Monday failed to hold above the 11,700 mark by a whisker and ended at 11,699. During the day, the index tested its 50-day moving average, before ending the session with an indecisive 'Spinning Top' candle on the daily chart.

The index has been trading in the 11,625-11,850 range for the past couple of sessions. Analysts feel a directional move is likely only if this range is breached decisively.

The NSE barometer retraced 78.60% of the previous bounce at Monday's low of 11,670. "Tuesday's move could be crucial as follow-up buying could trigger a near-term positive momentum and take Nifty towards 11,820 and 11,850 levels. Traders are advised to avoid taking contra bets," said Ruchit Jain of Angel Broking.

Nifty has been holding the panic lows made multiple times in the 11,630-11,640 zone, said Gaurav Bisra of LKP Securities, who believes a bounce can be expected as long as Nifty respects the narrow range. "Nifty has formed a Bullish Harmonic Gartley pattern on the hourly chart, which can result in its push toward 11,760 and 11,820 levels. Any dip towards 11,670 would provide a very lucrative risk-reward for a long trade," Bisra said.

# Budget Fails to Excite a Street with Other Worries

Experts don't expect it to change market direction amid heightened risks over NBFC crisis fallout

Sanam.Mirchandani@timesgroup.com

Mumbai: The Union Budget has been a source of excitement for Dalal Street historically but this time around investor sentiment is muted. Heightened uncertainties in the wake of the NBFC crisis and its impact on the economy have kept a lid on the euphoria ahead of the event in July.

The optimism around the Bharatiya Janata Party-led coalition's decisive victory in the national elections has fizzled out. After hitting record levels earlier this month, the market has been on the slide with the Sensex gaining just 0.8% since May 23 — the election results day.

Foreign institutional inflows have also ebbed, with FPIs remaining net sellers of Indian equities to the tune

of ₹145 crore (till June 21) after buying around ₹20,000 crore in April and May combined.

The election results were followed by a rate cut by the Reserve Bank of India and a dovish commentary by global central banks. This has done little to revive sentiment.

"Equity markets have more risks especially at these elevated levels. Nothing major is happening as far as the economy concerned," said Piyush Garg, chief investment officer at ICICI Securities. "There are issues in NBFCs that will have a spillover effect in terms of lower credit offtake, which will hamper economic growth further," said Garg.

India's economic growth rate slowed to a five-year low of 5.8% in the January-March quarter of FY19 due to poor performance in agriculture and manufacturing sectors. Minutes



of RBI's last meeting released on Thursday showed that members of the Monetary Policy Committee are concerned about growth, inflation and the trade war.

Indian stock indices ended in the red for the third week on Friday because of these concerns and the nervousness spilled over on Monday. The Sensex ended down 71.53 points

or 0.2% at 39,122.96 while the Nifty ended down 24.45 points or 0.2% at 11,699.65. The Sensex has come off 2.9% from its all-time high of 40,312.07 on June 4. Nifty has retreated 3.3% from its record high of 12,103.05 on June 3.

Analysts said the broader market comprising mid- and small-cap stocks, which have been drifting lower, reflect the pain in the economy. Any bounceback has been short-lived as investors lack confidence.

Nitin Bhavsar, head of research, Institutional Equities at Ambit Capital said the market is in a wait and watch mode ahead of the Budget and is not able to find any reason for rally beyond the election verdict.

"Budget will be focused more on the rural side. But it is unlikely to be significantly change the direction of the market," said Garg.

# Market Intelligence Powered By: ETIG Database www.etintelligence.com

MARKET SNAPSHOT		TURNOVER		ADVANCE & DECLINE		HIGHS & LOWS		FII ACTIVITY (₹ Cr.)		MF ACTIVITY (₹ Cr.)		F&O Corner-NSE	
SENSEX	NIFTY	BSE	NSE	BSE	NSE	BSE	NSE	BUY	SELL	BUY	SELL	COMPANY	PRICE
39160.23	11754.00	2416	3355	179	406	52WK High	3	216	2447	1944	503	Reliance Power	4.60
High	11754.00	2517	3512	Declines	552	52WK Low	13	20/6	2602	1485	1117	Jet Airways	73.15
Low	11670.20	21/6	2554	Unchanged	4	All High	1	19/6	2116	2165	49	Rel Capital	69.00
Change(Abs)	71.53	24/45	2073	Total	660	All Low	3	18/6	2117	1592	52	Kaveri Secs	469.20
52-Wk High	11754.00	20/6	2442	ET Indices	982	ET-100	13	17/6	4627	5010	-323	Dewan H.Fin.	77.30
52-Wk Low	10826.05	18/6	2318	Turnover Cash Market	982	ET-100	13	17/6	4627	5010	-323	L & T Fintech	49.70
3-Yr High	12103.05	19/6	2442	ET Indices	982	ET-100	13	17/6	4627	5010	-323	Bank India	96.10
3-Yr Low	10826.05	18/6	2318	ET Indices	982	ET-100	13	17/6	4627	5010	-323	Indraprastha	94.10
52 WEEK AT NSE				ET Indices	982	ET-100	13	17/6	4627	5010	-323	Apolllo Hosp.	1344.65
Axis Gold ET	2999.95			ET Indices	982	ET-100	13	17/6	4627	5010	-323		
Axis Gold ET	2999.95			ET Indices	982	ET-100	13	17/6	4627	5010	-323		
Axis Gold ET	2999.95			ET Indices	982	ET-100	13	17/6	4627	5010	-323		

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# Monsoon Watch



The monsoon has gained momentum to quickly cover half the country after a shaky start

It is likely to cover more parts of Maharashtra, Chhattisgarh, MP and UP in next few days

Monsoon rain in southern India has been above average for three consecutive days

Total rainfall across India in this year's monsoon season is 37% below average

Some regions like Vidarbha in Maharashtra are very dry with rainfall 76% below normal since June 1

## CURRENT WEATHER AND FORECAST

Thunder storms likely in Delhi, Haryana and Punjab

Himalayan states in the north and coastal areas in the west can expect heavy rain

Churu in Rajasthan remained the hottest place in India with 45.2°C

North eastern states are likely to see heavy rains this week

No significant change in day temperature likely in the next two to three days.

# GLOBAL TRADE WAR - SOME SILVER LINING

As US-China trade war unfolds, there is likely to be big disruption in flows and a certain manufacturing diversification of risks away from China. Is there an opportunity for India in this upheaval even as the country fights its own battles with the US. Kirtika Suneja takes a look.

## US and China India's biggest trading partners

	Export	Import	Trade balance	Share in trade (%)
US	52.4	35.5	16.8	10.42
CHINA	16.7	70.3	-53.5	10.31

## Where India can replace US exports to China

India already exports these items to China and can scale up as US exports take a hit

Exports to China in FY19, \$ million	
COPPER ORES AND CONCENTRATES	199.05
P-XYLENE	1,511.10
GRANITE CRUDE OR ROUGHLY TRIMMED	353.83
DIESEL ENGINES	57.20
OTHER ANTIBIOTICS	22.95
KETONES	29.67
UNBLEACHED CRAFT PAPER	21.72
PARTS OF TAPS, COCKS	22.98
RECLAIMED RUBBER SHEET, PLATES	30.16
FRESH GRAPES	5.48

## Where India can replace Chinese exports to the US

India already exports these items to the US and can scale up as Chinese exports take a hit

Exports to the US in FY19, \$ million	
SPECIAL WOVEN FABRICS	32.93
COTTON	101.39
PLASTIC	831.33
ORGANIC CHEMICALS	1,843.41
PHARMACEUTICAL PRODUCTS	5,389.73
ELECTRICAL MACHINERY	1,786.79

## Manufacturing advantage

Where India can attract manufacturing away from China

- Petrol, bitumen mineral
- Articles of cement
- Concrete or stone
- Parts and accessories from motor vehicles
- Carpets and other textile floor coverings
- Electronics
- Machinery

## India faces multiple challenges in realising this opportunity

- Capacity constraints to fill the gap
- Right ecosystem to attract manufacturers
- Other countries also looking at this very same opportunity
- Electronics- Vietnam, Taiwan, Korea
- Semiconductors- Malaysia
- Motor vehicle parts- Korea, Mexico

## Policy action needed from the government

- Better use of export schemes
- Improved access to export credit
- Support MSMEs in intermediate, high-tech products
- Reduce transaction, logistics cost
- Develop Technology and R&D capabilities

# Inter-state Office Services To Come Under GST Net

**CIRCULAR SOON** In-house functions such as HR services and payrolls to be charged

Deepshikha.Sikarwar @timesgroup.com

**New Delhi:** The government is set to make it clear that services provided by an office of an organisation in one state to another office in another state will face goods and services tax, or GST.

A circular to this effect, endorsed by the GST Council, will be issued soon, a government official told ET. This is in line with the view taken by Karnataka Authority for Advance Rulings (AAR) that in-house functions such as human resources and payrolls, if carried out from a centre in one state for offices in other states, will face GST, for which invoice will have to be issued.

The circular will also lay down that emoluments offered to service personnel will have to be included under this, the official said. Companies can claim input tax credit for this, but for certain exempt sectors such as power, healthcare, liquor, and education, it will become a cost as credit of tax charged would not be available, the person said. The circular follows representations from the industry, seeking clarification on taxability of activities performed by an office of an organisation in one state to office of the same organisation in another state, regarded as distinct persons under the GST law and treated as supply of services between distinct persons.

The law committee under the GST Council has sought to clarify via the circular the issues dealing with distribution of input tax credit in respect of input services provided by the head office, but attributable to head office or various branch offices, treatment of expenses incurred by the head office on the procurement, distribution and management of common input services, treatment of

## New Guidelines

In Dec last year, Karnataka Appellate Authority for Advance Rulings upheld the levy of GST on services rendered by one office branch to other centres across states

### SERVICES INCLUDE

- Human resources and payrolls
- Emoluments offered to service personnel

### EXTRA BURDEN

Experts believe cross charge will lead to confusion on the ground as well as avoidable paperwork



Move will raise the cost for exempt sectors like power, healthcare, liquor & education, among others



accounting principles. Experts said the government needs to treat employee of a company as employee of a single company irrespective of their location.

"It would be good if the government also looks at the intent behind the transactions and adopts a pragmatic approach to recognise that an employee is an employee of an organisation as a whole and not of any particular location, hence there may not be need to cross charge the salary costs between head office and branch office transactions," said Harpreet Singh, partner at KPMG in India. Experts also said the issue of cross charge is leading to a lot of confusion on the ground and avoidable paperwork. "In most cases, it's a revenue neutral exercise except where the output is either exempt or not within GST, where GST charged becomes a cost," said Pratik Jain, national leader, indirect taxes at PwC. The government should ideally make it optional where input tax is getting blocked in a particular state, Jain said, adding that employee salary should not be included as employee is of an organisation and not of a particular state or branch.

### CASEFILE

The ambiguity over whether central administrative services provided by employees located at one location would tantamount to services being provided one location to another under the GST regime has led to litigations.

AAR, in a case pertaining to Columbia Asia Hospitals, had said such activities would qualify as a service provided by head office to other locations and hence companies are required to be cross charged and levy GST on the same. The matter has now been admitted in the Karnataka HC and notice has been issued to the government.

# Bill to Allow Trusts Set Up SEZ Units in Lok Sabha

## Our Bureau

**New Delhi:** Commerce and industry minister Piyush Goyal on Monday introduced a bill to allow trusts to set up units in special economic zones (SEZs).

The Union Cabinet had in February approved the introduction of the Special Economic Zones (Amendment) Bill, 2019 to replace an ordinance promulgated by the previous government.

The ordinance seeks to amend the definition of a person under the SEZ Act 2005, which will enable a



trust to be considered for grant of permission to set up a unit. The amendment seeks to provide flexibility to the central government to include 'trusts' in the definition of a 'person' in a bid to facilitate investments in these zones.

Exports from SEZs rose 21% on year to ₹7 lakh crore in FY19. As of March 31, there were 232 SEZs, of which 25 are multi-product and the rest are sector specific, with 5,109 approved units.

# I-T Refunds ₹64,700 cr So Far in FY20: FM



## Our Bureau

**New Delhi:** The Income Tax department issued ₹64,700 crore worth of refunds in the current fiscal, finance minister Nirmla Sitharaman has said.

In 2018-19, the department released over ₹1.61 lakh crore, she said in a written reply to a question in the Lok Sabha.

The minister said over 64.9 million electronic returns were submitted for assessment year 2018-19 (FY18), up 18.65% from over 54.7 million in the previous assessment year.

"The government has accorded high priority to issue refunds for all taxpayers including small taxpayers. Less than 0.5% of income tax returns (ITRs) are selected for scrutiny, the majority of ITRs are processed expeditiously and refunds are issued," Sitharaman said, adding that with increased use of technology, the time taken to process ITRs is constantly reducing.

Refunds amounting to ₹64,700 crore have already been issued in this financial year till June 18, and the total amount of refunds released in 2018-19 was over ₹1.61 lakh crore.

Sitharaman further said 269 million SMS and emails were sent to taxpayers in 2018-19, reminding them to file their ITRs on time.

In January 2019, the government had approved integrated e-filing and Centralised Processing Centre (CPC) 2.0 project of the I-T department to process returns in a timely manner, the minister said.

The project envisages pre-filing of ITRs by the I-T department so as to improve accuracy of information contained in the return and drastically reduce the time taken to process returns and issue refunds.

# ET ascent

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- Person with high integrity and professional track record;
- Be an Indian national
- Have a minimum of 10(ten) years of experience in the General Insurance industry in India.
- Be of a maximum age of 54 (fifty-four) as on the date of Advertisement.

We however reserve the right to relax the eligibility criteria in case suitable candidates are not available.

Interested candidates who fulfill the above criteria and are placed at Strategic Management level, are requested to apply with full details to Post Box No 7442, P.O - J. B. Nagar, Mumbai - 400059 latest by 13th July 2019.

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IIPI is the largest Insolvency Professional Agency and invites ONLINE applications from competent professionals for the following positions on contract basis:

Position	Professional Qualification	Minimum Experience (yrs)	Annual CTC (in Rs.)
Managing Director	Professional, preferably Chartered Accountant	15-25	36 lakhs
Dy. Director Inspection	Chartered Accountant	10-15	20 lakhs
Dy. Director: Legal Services	LLB/LLM/CA with extensive legal experience	10-15	20 lakhs
Executive officer: Information Technology	M.Tech/B. Tech or Equivalent	7-10	10 lakhs
Executive Officer: Research & Publications	CA/MA Economics/ Statistics with published research work	7-10	10 lakhs
2 Support Officers (General)	Chartered Accountant/MBA/LLB	5-7	8 lakhs

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Indian Institute of Insolvency Professionals of ICAI, eMail: [ip\\_recruitment@icai.in](mailto:ip_recruitment@icai.in)  
Last Date for Submission: July 10, 2019.

**KARNATAKA POWER CORPORATION LIMITED**  
CIN: U8511KA1970SGC001919  
No. A1 M1 B3/WCL-RT-CTA/JUNE Date: 25.06.2019  
**NOTICE INVITING TENDER**  
(Two Cover System) (Through e-Procurement Portal Only)  
Tenders are invited from reputed companies / persons for the work of **LIFTING AND TRANSPORTATION OF COAL FROM WCL NEELJAI DEEP OCM TO GHUGHUS SIDING BY ROAD TRANSPORTATION FOR KPCL** for a quantity of approximately 3.60 lakh MTs of coal over a period of 6 (Six) months including the works of Lifting, Loading, Transportation, Supervision & Monitoring of quantity from Mines Loading Points to the WCL sidings. The last date for receipt of the completed bids is **04.07.2019 up to 17.00 hrs.** The tender document can be downloaded from the website <https://eproc.karnatakacorp.com>. Further details can be had from The Chief Engineer (FUELS), KPCL, No.82, Shakti Bhavan, III Floor, Race Course Road, Bengaluru-560 001. Telefax: 080-22203894, e-mail: [cefuels@karnatakacorp.com](mailto:cefuels@karnatakacorp.com) website: [www.karnatakacorp.com](http://www.karnatakacorp.com) e-portal helpdesk/HP Helpdesk: 080-25501216/25501227.

**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	Nicomet Industries Limited
2 Date of incorporation of corporate debtor	02 April 1993
3 Authority under which corporate debtor is incorporated / registered	ROC-Mumbai
4 Corporate identity number/limited liability identification number of corporate debtor	CIN - U27200MH1993PLC071450
5 Address of the registered office and principal office (if any) of corporate debtor	155, Maker Chamber III, Nariman Point, Mumbai -400021, Maharashtra, India
6 Insolvency commencement date of corporate debtor	December 14, 2018
7 Date of invitation of expression of interest	June 21, 2019
8 Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:	Request at <a href="mailto:dpsampat@sampatassociates.in">dpsampat@sampatassociates.in</a> Potential Resolution Applicants: Net worth for Individual and Company will be Rs. 10 crores. Net worth for NBFC/Banks/Financial Institutions/ARC will be Rs. 50 Crore
9 Norms of ineligibility applicable under section 29A are available at:	Available on website of IBBI: <a href="https://www.ibbi.gov.in/legal-framework/act">https://www.ibbi.gov.in/legal-framework/act</a> Request at: <a href="mailto:dpsampat@sampatassociates.in">dpsampat@sampatassociates.in</a>
10 Last date for receipt of expression of interest	July 8, 2019
11 Date of issue of provisional list of prospective resolution applicants	July 18, 2019
12 Last date for submission of objections to provisional list	July 23, 2019
13 Date of issue of final list of prospective resolution applicants	August 2, 2019
14 Date of issue of information memorandum, evaluation matrix and request for resolution plan, evaluation matrix, information memorandum and further information	July 23, 2019
15 Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	Electronically on Submission of Non-Disclosure Agreement by Prospective Resolution Applicant.
16 Last date for submission of resolution plans	August 23, 2019
17 Manner of submitting resolution plans to resolution professional	Resolution Plan to be submitted in Password Protected Document in USB Drive or sealed envelope at below mentioned Administrative Office of Resolution Professional.
18 Estimated date for submission of resolution plan to the Adjudicating Authority for approval	September 10, 2019
19 Name and registration number of the resolution professional	Devang P. Sampat IBBI/IPA-001/IP-P00224/2017-18/10423
20 Name, Address and e-mail of the resolution professional, as registered with the Board	Devang P. Sampat, <a href="mailto:dpsampat@sampatassociates.in">dpsampat@sampatassociates.in</a> IBBI/IPA-001/IP-P00224/2017-18/10423 Administrative office: #615, Shivaji Plaza, Plot 79/3(A), Marol Cooperative Industrial Estate, Off. Anandhi Kurli Road, Marol, Andheri (East), Mumbai-400059, India.
21 Address and email to be used for correspondence with the resolution professional	Devang P. Sampat, <a href="mailto:dpsampat@sampatassociates.in">dpsampat@sampatassociates.in</a> IBBI/IPA-001/IP-P00224/2017-18/10423
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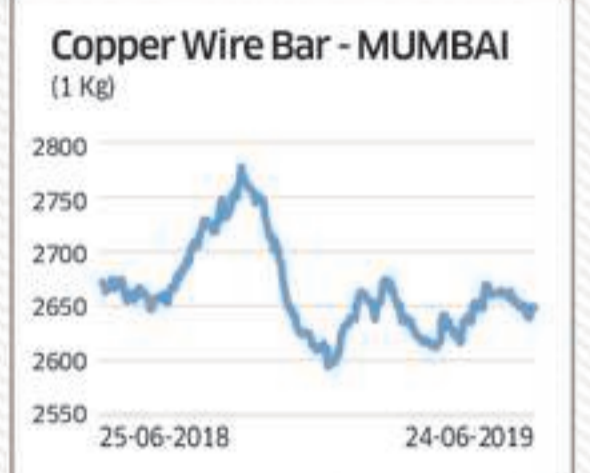
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June 21, 2019  
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IBBI Registration No: IBBI/IPA-001/IP-P00224/2017-18/10423

Tweet of the Day

Holger Zschaepitz @Schuldensuehner

Over the last 10yrs, the world's CenBankers have made an astonishing discovery: they can print as much money as they want, and even non-stop printing will have no inflationary impact. BUT latest pick-up in #Gold vs Treasuries indicates an end to disinflation, GK says

Quarts & Ounces



ET Index

COMMODITIES (2003=1000)	CHANGE	PREV DAYS	LAST WEEK
<b>Bullion</b>	0.00	4778.1	4724.7
<b>Cement</b>	0.00	2397.3	2497.3
<b>Edible Oil</b>	-0.42	1537.1	1527.4
<b>Foodgrains</b>	0.05	2385.2	2404.0

**\$40-50 MILLION**  
VALUE OF INDIA'S ANNUAL IMPORTS OF INSHELL WALNUTS FROM UKRAINE

Did You Know? China is Going Bananas for Bananas

Chinese consumers are buying more bananas from abroad than ever before as an increasingly health-conscious middle class helps propel the fruit's popularity. Imports of bananas surged to a record 2,27,199 tonnes in May. That helped lift total shipments of fruits and nuts to 7,20,000 tonnes, an almost 8-fold increase from the same period last year. Restrained by limited farmland and a destructive banana fungus known as the Panama disease, China has been increasing its reliance on supplies from Southeast Asia and South America. Demand for bananas is being encouraged by rising incomes and the increasing popularity of diets in China, including for use in smoothies and as banana chips. China overtook Japan as the biggest foreign market for bananas from the Philippines last year. - Bloomberg

# Growing Debit Card Use at Retail Stores Shows ATMs Ceding Space

ATM transactions were at 66% of total debit card use in April; lowest was 60% in December 2016

Ashwin Manikandan @timesgroup.com

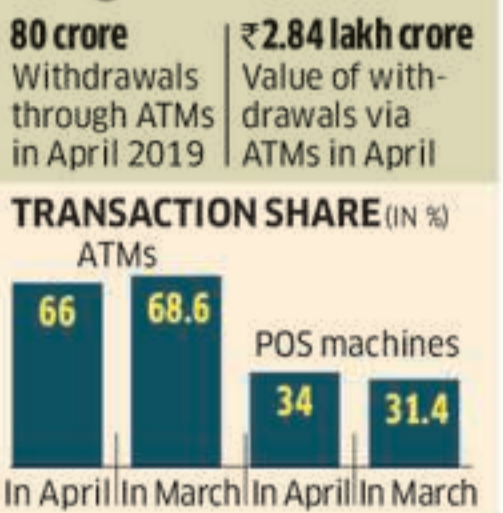
**Mumbai:** Bank customers are increasingly getting comfortable making payments through debit cards on swipe machines at kirana stores and local retail outlets. Latest data from the RBI shows that over a third of all debit card transactions were made at Point of Sale (PoS) terminals in April 2019 for the first time since the aftermath of demonetisation. With about 80 crore withdrawals worth ₹2.84 lakh crore in April, ATM transactions made for just over 66% of overall debit card transaction volume in this period. The only other time ATM transaction share fell below the two-thirds mark was in December 2016 — a month after demonetisation — when it was 60.3% and PoS transactions at 39.7% share, owing to lack of cash in the system.

The transaction share was 68.6% to 31.4% for ATMs and POS in the month of March 2019, while in January, ATMs made up for over 70% of debit card transaction volume share, analysis of RBI data showed. The Reserve Bank of India in their payments vision document published in May 2019 has set an objective of achieving POS-based debit card transaction share of 44% by 2021 to push New Delhi's goal of a less-cash digital economy. With increas-

ing number of banks, both public sector and private sector, aggressively deploying these swipe machines across small stores in the country, bankers say that card-based digital transactions are only set to gain share from here on. "While absolute cash continues to dominate India's payment landscape, advancement in technology and better cost-benefit economics make deployment of POS devices a new business avenue for banks," said Surinder Chawla, head retail liabilities and wealth management, RBL Bank. The private sector bank has been one of the leading ac-

quirers banks in terms of POS deployment with over 7 lakh functional terminals across the country. Currently, there are about 37.5 lakh active POS terminals in place deployed by public, private and payment banks.

## Digital Path



**44% RBI'S OBJECTIVE OF ACHIEVING POS-BASED DEBIT CARD TRANSACTION BY 2021**



**CHANGING DYNAMICS** Nomura feels Viral stood on more hawkish side of the policy spectrum; SBI believes the August MPC may see a more nuanced discussion towards dovish stance

# Acharya's Exit likely to Make MPC more Open to Rate Cuts

Our Bureau

**Mumbai:** RBI deputy governor Viral Acharya has quit the central bank six months before his three-year term was supposed to end. Acharya's exit from the RBI changes the dynamics at the interest rate-setting Monetary Policy Committee. Here are a couple of views on Acharya's surprise exit.

**NOMURA** At the margin, the composition of the MPC will likely be-

come incrementally more dovish, in our view, as Dr Acharya stood on the more hawkish side of the policy spectrum. Dr Patra's views are well known while Sanjeev Sanyal has argued for lowering the cost of capital in the past.

Other candidates could be discussed in the coming days. Given our view of a likely growth disappointment relative to the RBI's projections (RBI: 7.0% y-o-y in FY20; Nomura: 6.8%) and as we forecast inflation to remain below the target (4%), we expect the MPC to vote for another 25bp rate cut in August

(resulting in a cumulative 100bp of cuts in 2019).

If growth concerns escalate beyond that, either due to marked global slowdown or shadow banking crisis, we believe the MPC may agree to ease further, although not our base case currently.

**STATE BANK OF INDIA** We believe institutions are more important than individuals and ultimately what is important is the credibility and the independence of any institution and nothing else. Dr Acharya

has been part of the past 15 MPC meetings. He and the other external MPC members have been on the same page on a majority of occasions.

However, there is more diversion in the decision of the DG and the Executive Director, particularly visible in the recent monetary policy decisions. So we believe that the next MPC meeting in August, to be held after the exit of Viral, is likely to see a more nuanced discussion veered towards more dovish stance going forward and consequently, space opening up for more cuts.

**BULLION WATCH** Safe haven has now surpassed \$1,400 an ounce; analysts feel there's room for a rally in Indian silver prices

# Gold Rises to 6-year High as Bulls 'Back in Control'

**Golden Touch** Gold has now surpassed \$1,400 an ounce. 0.6% Rise in spot gold on Monday.

Gold prices soared 4.3% last week (biggest gain since April 2016). Price of spot gold on Monday: \$1,407.76.

**Bloomberg**

The rally in gold is picking up fresh fuel from investors. Two key data points on Friday suggest speculators are adding plenty of cash to the rally, which could drive prices even higher. Gold has now surpassed \$1,400 an ounce, reaching an almost six-year high. "Gold bulls are back in control," Edward Moya, senior market analyst at Oanda Corp,

said in a note, adding the metal remains supported by rising expectations of a 50 basis point cut at the Fed's July meeting. "The question is no longer will the Fed ease, but by how much? The Fed historically likes to kick on an easing cycle with a bang and a 50 basis point cut should be the base case."

The rally has been driven by signs that the Federal Reserve and other central banks are turning more dovish on monetary policy. Planned US sanc-

tions against Iran, as well as the coming meeting between the American and Chinese presidents, is also creating a raft of bullish factors for the precious metal.

Gold could end the year even higher, according to Russ Koesterich, a portfolio manager at the \$27 billion BlackRock Global Allocation Fund. Spot gold climbed 0.6% to \$1,407.76 at 12:04 pm in London. Prices soared 4.3% last week, the biggest gain since April 2016.

# Silver Prices may Go up: Analysts

Sutanuka Ghosal @timesgroup.com

**Kolkata:** Bullion dealers and analysts are expecting silver prices to shoot up as the gold-silver ratio (GSR) is currently at a multi-year high of 91.1, indicating that silver is undervalued and there is room for a rally in silver prices once gold crosses the \$1,430 per troy ounce mark. A higher ratio means that silver is much cheaper than gold. The ratio, calculated by dividing the current price of gold by the price of silver, indicates how the two metals are performing against each other.

In the spot market, the yellow metal was hovering around ₹35,213 per 10 gm (with GST) on Monday. Talking to ET, Ketan Shroff, managing director, Penta Gold Bullion, said, "There will be a spike in silver when gold crosses the \$1,420-\$1,430 level, and the

geo-political uncertainty, and the clouding of global recessionary environment.

"There is a feeling among the international gold and silver trade that silver will give good returns in the coming months. We have information that silver vaults are being set up for storing silver in anticipation of a rally in the metal. The metal has remained underperformed for quite a long period. Once gold crosses ₹34,920 per 10 gm mark of ₹36,000 with GST we will see a rally in silver prices," said Surendra Mehta, national secretary, India Bullion & Jewellers Association.

The trade said the upside in gold may be limited and therefore investors are likely to turn their heads to silver, which has a lot of industrial usage along with jewellery. Silver on Monday was trading at ₹39,255 per kg on the MCX against the spot price of ₹39,030 (with GST) per kg in anticipation of higher prices in future.



# Oil Climbs to a 3-week High on US-Iran Tensions

Oil rose to the highest level in more than three weeks as political tensions between the US and Iran continued to simmer, with President Donald Trump announcing plans for further sanctions against the Opec member.

Futures added as much as 1.4% in New York after surging 9.4% last week. Trump tweeted about the sanctions days after abruptly calling off planned airstrikes against the Islamic Republic in retaliation for the shooting down of a US Navy drone. Iran's navy warned the downing of unmanned aircraft could be repeated if intrusions into its airspace continue, according to state news agency Tasnim.

"The events of last week mean that there is much for oil bulls to hang their hats on," said Stephen Brennock, an analyst at PVM Oil Associates in London. Oil has rallied after falling to the lowest level in almost five months in mid-June as escalating tensions between Washington and Tehran threaten to disrupt crude flows.

West Texas Intermediate for August delivery rose as much as 79 cents, or 1.4%, to \$58.22 a barrel on the New York Mercantile Exchange, the highest since May 30. It traded for \$57.93 as of 8:45 am local time. Prices gained 0.6% on Friday, capping a weekly rally that was the biggest since December 2, 2016.

Brent for August settlement edged up 18 cents to \$65.38 a barrel on London's ICE Futures Europe Exchange, after rising 1.2% on Friday. The benchmark crude contract traded at a premium of \$7.42 to WTI.

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# Wheat Prices Ease for 2nd Session

Chicago wheat futures slid for a second session on Monday, with prices under pressure from expectations of abundant global supplies in the coming season amid near record production in the Black Sea region



# FALL IN CBOT WHEAT CONTRACT

On Monday 0.3% Last Wednesday 0.6%

**\$5.29-1/4** a bushel Price of CBOT most-active wheat contract

0.7% Rise in CBOT corn on Monday

**\$4.45-1/4** a bushel Price of corn on Monday

0.8% Gains in soybeans on Monday

**REASONS FOR PRICE RISE:** Concerns over wet weather. Russia is expected to produce a bumper crop

Source: Agencies

# COMMODITIES

June 24, 2019: Latest Spot Prices in India from various commodity markets are given below. Rates are in Rupees.

Commodity	Price	Commodity	Price
<b>Bullion</b>		<b>Oil &amp; Oils</b>	
OMNIUM	4778.1	Crude Oil (WTI)	57.93
Gold (999.9)	31900	Crude Oil (Brent)	65.38
Silver (999.9)	76000	Gasoline (NY)	2.05
<b>Metals</b>		Gasoline (London)	1.45
Copper (25 kg)	38000	Heating Oil (NY)	1.95
Aluminum (25 kg)	18000	Heating Oil (London)	1.35
Zinc (25 kg)	16000	Coal (NY)	1.25
Nickel (25 kg)	15000	Coal (London)	1.15
Lead (25 kg)	14000	Iron Ore (62% Fe)	120
Steel (25 kg)	13000	Iron Ore (58% Fe)	110
<b>Grains</b>		Iron Ore (55% Fe)	100
Wheat (100 kg)	2.50	Iron Ore (52% Fe)	90
Maize (100 kg)	2.20	Iron Ore (50% Fe)	80
Soybean (100 kg)	2.80	Iron Ore (48% Fe)	70
Groundnut (100 kg)	2.40	Iron Ore (46% Fe)	60
<b>Textiles</b>		Iron Ore (44% Fe)	50
Cotton (100 kg)	50000	Iron Ore (42% Fe)	40
Wool (100 kg)	40000	Iron Ore (40% Fe)	30
<b>Others</b>		Iron Ore (38% Fe)	20
Gold (999.9)	31900	Iron Ore (36% Fe)	10
Silver (999.9)	76000	Iron Ore (34% Fe)	5

Commodity	Price	Commodity	Price
<b>Oil &amp; Oils</b>		<b>Grains</b>	
Crude Oil (WTI)	57.93	Wheat (100 kg)	2.50
Crude Oil (Brent)	65.38	Maize (100 kg)	2.20
Gasoline (NY)	2.05	Soybean (100 kg)	2.80
Gasoline (London)	1.45	Groundnut (100 kg)	2.40
Heating Oil (NY)	1.95	<b>Textiles</b>	
Heating Oil (London)	1.35	Cotton (100 kg)	50000
Coal (NY)	1.25	Wool (100 kg)	40000
Coal (London)	1.15	<b>Others</b>	
Iron Ore (62% Fe)	120	Gold (999.9)	31900
Iron Ore (58% Fe)	110	Silver (999.9)	76000
Iron Ore (55% Fe)	100	<b>Metals</b>	
Iron Ore (52% Fe)	90	Copper (25 kg)	38000
Iron Ore (50% Fe)	80	Aluminum (25 kg)	18000
Iron Ore (48% Fe)	70	Zinc (25 kg)	16000
Iron Ore (46% Fe)	60	Nickel (25 kg)	15000
Iron Ore (44% Fe)	50	Lead (25 kg)	14000
Iron Ore (42% Fe)	40	Steel (25 kg)	13000
Iron Ore (40% Fe)	30	<b>Grains</b>	
Iron Ore (38% Fe)	20	Wheat (100 kg)	2.50
Iron Ore (36% Fe)	10	Maize (100 kg)	2.20
Iron Ore (34% Fe)	5	Soybean (100 kg)	2.80
Iron Ore (32% Fe)	0	Groundnut (100 kg)	2.40

**FOCUS ON CUSTOMER:** This cannot be over emphasised. We must learn their thought process, social habits, spending habits and everything else.

**CREATE PERSON-CENTRIC BUSINESS:** Nobody likes to buy from a store where no one is there to guide and assist. This is one way of bringing uniqueness to your business.

**CUSTOMER IS KING:** Do what others are thinking. Walk an extra mile, create a service which is generally not provided because customer is the king.

**BE DIFFERENT:** Must see what competition is doing and focus on what can make you different.

**GOOD FEEDBACK SYSTEM:** This is very important. We must give good hearing to the feedback.

## How to create USP for your business

Conceptualising Unique Selling Proposition (USP) for your business is beginning of creation of a venture that your customers may love. You have to have a unique business.

IF YOU FEEL THAT THE ABOVE STORY HAS GOT YOU THINKING ABOUT WHAT YOU WANT TO BE, PLEASE GIVE A MISSED CALL ON 022 3956 0596 AND TAKE YOUR VERY FIRST STEP TOWARDS BECOMING AN ENTREPRENEUR.

## KEY STEPS TO FOLLOW WHEN A COMPANY DECIDES TO GO FOR AN IPO:

- Hiring investment bankers:** The investment bankers act as the middleman and help the company to go through the process to raise capital from investors.
- Filing the Red Herring Prospectus:** The Red Herring Prospectus (RHP) includes details like, the financials of the company, objectives of the Initial Public Offering (IPO), business plans etc.
- Seeking approval from SEBI:** For floating an IPO, approval of Securities and Exchange Board of India (SEBI) needs to be sought. SEBI looks at an IPO from the point of view of investors.
- Marketing the IPO:** Marketing of an IPO may be done through means like mass media, investor meets and roadshows at key financial hubs of the world.
- Setting the price band:** The final price band is set based on the anticipated demand for the IPO. Once the price band is frozen, the IPO application forms are printed and distributed.
- Opening the IPO to public:** The RHP and application forms are made available to public online or through designated banks and brokerage firms. Prospective investors can fill in the details and submit.
- Allotment and listing:** Once the IPO is satisfactorily subscribed and closed, the basis of allotment is finalised. Finally, listing of the stock on exchanges takes place.



**BUSTING MYTHS**

**#1** **There are too many financial obligations in business.**  
**Fact:** Business, just like any other economic activity, involves several financial transactions. Digitisation has cut down cumbersome paper work resulting in hassle-free management of finances.

**#2** **Decision making is daunting when it comes to business.**  
**Fact:** Owning a business is mostly smart work. Although decision-making strongly rests on the founder, it does not seem daunting. One can weigh options and settle for the most lucrative solution.

—To know more about Swavalamban, log on to <https://www.sidbi.in>

## MR. DHANDEBAAZ

1. MR. DHANDEBAAZ IS TRYING TO PLUCK MANGOES FROM A TREE WHILE SITTING ON A BRANCH. HE REACHES OUT TO PLUCK ONE, BUT IT SLIPS FROM HIS HAND AND FALLS ON THE GROUND WHERE HE SEES A MAN SITTING WITH A SAD FACE.

2. HEY, WHAT HAPPENED? YOU LOOK DEPRESSED?  
 I RUN A HANDICRAFTS BUSINESS AND TILL FEW MONTHS BACK I USED TO EARN A DECENT SUM FROM THE SALE OF HANDICRAFTS. BUT, SINCE LAST COUPLE OF MONTHS THE REVENUES HAVE DROPPED AND THE MONEY WHICH I MAKE IS NOT SUFFICIENT TO RUN MY FAMILY.

3. THESE DAYS PEOPLE MAKE MOST PURCHASES ONLINE. WHY DON'T YOU START SELLING YOUR GOODS ON ONLINE SHOPPING PORTALS AS WELL? THIS WAY YOUR HANDICRAFTS CAN REACH CUSTOMERS ACROSS CITIES.  
 MR. DHANDEBAAZ, CAN YOU SHOW ME HOW CAN I REGISTER FOR SELLING GOODS ONLINE?  
 SURE, LET'S GO TO A NEARBY CYBERCAFE.

4. AFTER FEW MONTHS MR. DHANDEBAAZ SEES THE MAN IN A CYBERCAFE SITTING IN FRONT OF THE COMPUTER SCREEN.  
 MR. DHANDEBAAZ, THANKS FOR INTRODUCING ME TO ONLINE SHOPPING PORTALS. MY SALES FIGURES HAVE GROWN SUBSTANTIALLY, AND I GENERATE 75% OF MY REVENUES THROUGH SALE OF GOODS ON ONLINE PORTALS. NOW, I HAVE CUSTOMERS FROM ALL OVER INDIA.  
 WOW! I'M GLAD TO HEAR THAT.

## MUMBAI'S FAVOURITE SNACK CHANGES LIVES

**MEET THE HEROES**  
 Kalpana Puroo and Nandkishore Puroo

Vada pav, a dish popular with all Mumbaikars. In 1986, Kalpana Puroo and her husband Nandkishore Puroo decided to start their own vada pav stall in Chembur, Mumbai. Today, their modest venture has evolved into one of the most popular vada pav stalls in the city. "I was a rickshaw driver in the 1980s and my wife was very fond of vada pav. I decided to quit my job as a rickshaw driver and start a vada pav stall with assistance from my family and friends. Over the years, our vada pavs have become very popular and today, my loyal customer base includes even celebrities and NRIs," said Nandkishore. As a rickshaw driver Nandkishore used to earn on an average of about Rs 35 to Rs 40 per day. "Those days when I used to go out with my husband, a vada pav would cost around Rs. 2 and we were sceptical to spend that money because his earnings were meagre. But, today from the stall we make on an average Rs. 5,000 daily," said Kalpana, who has earned the moniker of vada pav aunty. The stall owned by the couple is known as Nandu Vada Pav and operates between 4pm and 9pm every day. The couple has plans to start a franchise business model. "Franchise model will ensure that our vada pavs will reach other parts of the city," said Nandkishore.

— Nandkishore

**SIDBI INVITES STARTUPS TO PARTICIPATE IN INVESTORS DAY**

Register your startup for Investors Day and get a chance to meet Alternative Investment Funds.

Startups fulfilling the following criteria will be eligible for participating:

- Meeting the definition of startup as notified by the Government of India.
- Gross revenue in the range of ₹1 crore - ₹10 crore.
- Seed funding/angel funding in the range of ₹1 crore - ₹5 crore.
- Senior management team ( minimum 2 ) is in place.
- Should be in operation for minimum of 1 year to 3 years.
- Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model, with high potential of employment generation or wealth creation.

The accepted applications shall be shortlisted by a panel comprising Industry Experts, whose decision shall be final and binding. Selected 25 startups shall be invited to attend the Investors Day to be held in Bengaluru in August 2019 (exact date shall be communicated later). The applications/queries may be submitted at: [investorday\\_startup@sidbi.in](mailto:investorday_startup@sidbi.in). For more information, log on to <https://www.sidbi.in>.

**SUBMIT YOUR APPLICATIONS BEFORE JULY 7, 2019.**

Follow us on SIDBIOfficial sidbiofficial sidbiofficial SIDBI Official SIDBI(Small Industries Development Bank of India)

## Bond Market: Lift Regulatory Hurdles

NBFC crisis is an opportunity too good to waste. Non-banking financial companies (NBFCs), with outstanding debts of over ₹26 lakh crore, find it tough to access credit, and face liquidity problems, although some segments have now emerged from the panic that gripped investors after IL&FS defaulted on payments last September. The NBFC liquidity crisis can be leveraged to policy-induce an active corporate bond market. That is the long-term solution to the absence of a long-term lender in the Indian financial system after the likes of ICICI and IDBI converted into banks.

NBFCs have been borrowing short-term to finance long-term projects and rolling over debt, which is suboptimal. Instead, we need a thriving corporate bond market that would allow infrastructure companies or their financiers to float long-term bonds to fund long-gestation projects. But a host of rigidities stymie an active secondary market for corporate bonds. RBI has proposed stricter new liquidity coverage ratio (LCR) norms for NBFCs, including mandatory investment in government securities and maintenance of higher cash thresholds. Prudential LCR norms seem desirable, but it cannot be gainsaid that the issue is structural, in that we lack an active secondary bond market. The way forward, surely, is to incentivise better-run

NBFCs like HDFC to leverage their solid asset base to float bonds, which can be subscribed to by banks and long-term investment funds.

Banks are allowed to trade bonds at stock exchanges, and need encouragement by RBI to do so, so as to gainfully improve overall liquidity conditions across the financial system. In tandem, we need proactive measures for a functional bond market. This would include insurance products like credit default swaps (CDS) to mitigate bond default. And, an active CDS market, in turn, calls for duly removing restrictions on netting of marked-to-market positions against the same counterparty to meet capital adequacy and exposure rules. Further, RBI must allow corporate bonds in its liquidity adjustment facility and repo operations.

## Stamp Out Lynching in Whatever Name

India cannot afford to tolerate the culture of lynching. Mobs have grown accustomed to grabbing individuals suspected of some crime and beating them to a pulp, often resulting in death. The crime that has provoked such killings has ranged from cow slaughter to kidnapping and theft. Whatever the provocation, it is for the law enforcement agency of the state to take action against criminals. Ordinary citizens would, of course, be perfectly within their rights to hand over suspects to the police, if they do manage to catch them.

What has made lynching even more horrific than fatal mob violence is the religious tinge given to it. In the latest episode of lynching, coming in from Jharkhand, a young Muslim welder who had come home from his migrant workplace in Pune, was beaten for hours on end on suspicion of stealing a motorcycle. Video clips of the beating have been circulating on social media, which show members of the mob asking him to chant Jai Shri Ram and Jai Hanuman and the victim complying. This makes it a mob not just dispensing its own version of justice but also a mob imposing the majority religion's will on members of a minority faith. This violates the Constitution's guarantee of religious freedom and minority rights. It also leads to India being labelled a religious persecutor in the eyes of some external monitors, the US State Department being the latest instance.

There is every reason for such incidents to be treated as something more than a local law and order problem but as a political one that can cause extensive damage to India's political cohesion and image abroad. The political leadership at the top must unequivocally voice condemnation of such behaviour, and the machinery of the state must act to stamp out such violence. This should not go on.

But the newly minted scholar must ensure her achievements do not go up in smoke

## Mom Aimed High for Marijuana Pepsi

Going through life with names like Batman bin Superman, Jurassic Park, MacDonald Berger, Sue Yoo, Chris P Bacon, Kash Register and other monikers cannot be a Cake Walk, even if the person is named precisely that. Therefore, it was but natural that an African-American woman named Marijuana Pepsi Vandyck would choose 'Black Names in White Classrooms: Teacher Behaviours and Student Perceptions' as the subject of her recently-awarded doctorate. The sign outside her office room that reads 'Please have a seat here if you are waiting for Marijuana' must also give her an endless supply of subjects for further scholarly study. Indeed, she is obviously the best person to examine the propensity of western celebrities to give their offspring one-of-a-kind names such as Blue Ivy, North West, Pilot Inspektor and Kal-el (no relation of Batman bin Superman), not to mention Archie Harrison Mountbatten-Windsor: Marijuana, of all people, can be trusted not to make a hash(ish) of such an exercise.

It may not be totally clear why she was named thus — her sisters are called Kimberley and Robin — but it seems Marijuana's mother was aiming high. And her prophesy that her daughter's name would take her places has certainly come true. Of course, Marijuana Pepsi must ensure that her drive never fizzles out and her attainments do not go up in smoke.

**CURSOR** India will need cryptocurrencies for its fintech startups and global payments

## Don't Ban Cryptocurrencies



T K Arun

Even as plans are afoot to launch a digital rupee, India proposes to ban cryptocurrencies altogether, and a law is reportedly in the works that would make holding cryptocurrencies a crime that would put you in jail. RBI has already banned cryptocurrencies. This is myopic. India needs to be open to the possibility of using cryptocurrencies for international payments bypassing the dollar.

Cryptocurrencies have a bad name and that is probably well-earned. But all currencies that move around using the blockchain technology are not of the same kind. A subgroup is called stablecoins. Unlike bitcoins, which can be produced independently of any central bank, whose value is unstable and whose total numbers would hit a predetermined ceiling, stablecoins are linked to fiat currency, managed by banks and other reliable entities.

### Don't Think Just Bitcoin

The principal attraction of a new stablecoin — there are many floating around, apart from Facebook's proposed Libra — is the possibility of using that for settling international payments that do not involve a US counterparty, without using the dollar.

At the time when negotiations were on to create the International Monetary Fund, John Maynard Keynes had

proposed, on behalf of the British government, creation of Bancor, a new unit of account for settling international payments in a new International Clearing Union. The Americans pooh-poohed the idea and said the dollar would do quite well as the world's currency for settling international payments, thank you.

The war-ravaged Brits were in no position to resist the pressure of the US, then financing much of the Allies' war effort, and Bancor went into that heap of good ideas in history that never saw the light of day.

The US derives much power from the use of the dollar as the world's principal currency for settling payments between countries. It can borrow as much it wants from the rest of the world and simply print dollar bills to repay the loans. Other countries cannot follow that example. That is bad enough.

Those were innocent times when the US merely profited from global seigniorage. Then, it started weaponising the dollar. The latest example is the Iran sanctions. If any entity transacts with Iran, that is, even indirectly, that entity would be denied access to the dollar payment network. No bank can afford to be cut off from access to the dollar. So, no bank would deal with anyone that deals with an entity on which the US has declared secondary sanctions.

The dollar is a powerful weapon in the hands of the US that it can wield against anyone it wants to. The Europeans made a half-hearted attempt to create a shield for European companies that would do business with Iran, but this found no takers — so little credibility did this system have.

Clearly, the way out is to have a payments system that allows transactions that do not involve a US counterparty



What do you mean you don't accept stablecoins?

to be settled in a currency other than the dollar. Of course, you can settle trade with the EU in euros and trade with Japan in yen, if you have those currencies in reserve. If you do not, you have to settle in dollars, as with all other countries.

### For Non-Dollar Payments

Creating a payments system that sidesteps the dollar is primarily a political task, granted. But if that courage is summoned, a technical challenge would still remain. A blockchain-based currency is the most likely technical solution.

If India's legal system makes all blockchain-based currencies beyond the pale, that would hurt India's ability to take part in, leave alone lead, an effort by a coalition of nations to create a payment mechanism outside the dollar framework. Facebook's Libra is the one making the most news. But JPMorgan is launching its own stablecoin. IBM has created the framework for a global payments system using cryptocurrencies.

Not all currencies and payment systems that make use of the distributed ledger inherent in the blockchain are suspect by definition. Of course, systems

must be put in place to prevent money laundering and heists that leave the unwary and the unsavvy bereft of their savings.

Distributed ledgers would probably play a big role in fintech solutions for cross-border remittances. When a migrant labourer in Dubai wants to send money back home to India, the cost can be prohibitive, as much as 5%. Fintech is working on the problem. Several of the solutions could take the form of tokens that move around on the blockchain technology. India should not be prohibiting such experiments.

Instead of banning cryptocurrencies, India should be taking the lead. The European Union and other willing national governments and the Bank for International Settlements (BIS) are creating payment and settlement systems that do not allow one issuer of a national currency to acquire a stranglehold over the global financial system, leaving open the possibility of a new stablecoin linked to a basket of currencies being created for the purpose, the basket and the linkage being managed by a credible body such as the BIS.

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The world needs to get out of the dollar's stranglehold and cryptocurrencies linked to a basket of currencies and managed by, say, BIS could play a big role in that

## NON-PERFORMING ASSETS

# IBC Delayed is IBC Denied



Amitabh Kant

The Insolvency and Bankruptcy Code (IBC) single-handedly streamlined the resolution process for non-performing assets (NPAs) in a time-bound process, facilitating the speedy redistribution of assets and businesses that otherwise would languish in long-drawn court processes and red tape. Increasingly, however, loopholes are being found and deviations sought. This must be tackled immediately to ensure that the 180-270 days ceiling for resolutions is not bypassed in any way.

With IBC and the National Company Law Tribunal (NCLT) established, it is of critical importance that they don't go the way of how most court cases devolve into decades-long uncertainty. The Essar Steel matter is a case in point. It has been more than 530 days since it was admitted to

NCLT. Each day of delay is estimated to cost lenders a staggering ₹17 crore in interest losses. To attract global participation in India's economy, the resolution process must be timely, and not thrown into 'creative' disarray. NCLT and the Supreme Court must ensure this doesn't happen.

At present, there are serious concerns that NCLT and the courts are not strictly adhering to prescribed statutory timelines. Recent estimates peg losses to banks' income at about ₹4,000 crore primarily due to pendency in the resolution of the original 12 major insolvency cases that RBI had referred last year. Only four of the matters referred in June 2017 have been resolved. The others have been before NCLT for more than 470 days — double the prescribed time ceiling. About 30% of the more than 800 ongoing Corporate Insolvency Resolution Process (CIRP) cases have surpassed the time ceiling, with an additional 20% having crossed the six-month deadline.

Despite this, IBC has helped lenders receive ₹90,000 crore in 66 cases, with an additional amount of about ₹70,000 crore likely to be recovered between now and the end of the current finan-



Stop wasting time

cial year.

To straddle the fine line between intrusive discretion on the part of the courts and NCLT and ensuring that the principles of justice are not compromised, innovative solutions may be required. But IBC, as it evolves, is overburdened, a major reason why there are delays in resolving issues within the 180-270 days window.

An immediate short-term solution may be to raise the admission floor of ₹1 lakh initially, so as to resolve the major resolution matters in a time-bound and prioritised manner, while simultaneously building capacity. This would enable the caseload to reduce before NCLT initially, while preparing to expand the capacity and then lowering the threshold once again to ₹1 lakh.

The corporate affairs ministry has

also proposed a 'pre-packaged bankruptcy scheme'. This, essentially, would give a stressed company the option to prepare a financial reorganisation plan with the approval of a minimum of two-thirds of its creditors (and shareholders) before the filing of an insolvency application before the NCLT. Its advantage is that the lenders are already on board, so it can bypass processes and interventions, therefore transcending delays and pendency.

A meticulous training programme for resolution professionals and judges in the NCLT system could help expedite the process. Equally important is increasing the number of NCLT benches initially to ensure there are no capacity limitations towards resolutions.

IBC must be in strict adherence of the prescribed timelines. To do justice to this landmark legislation, it is critical that it does not go the way of cases in Indian courts, mired in delays. Because a reform like IBC, no matter how revolutionary it is, is only as good as its implementation allows it to be.

The author is CEO, NITTAayog

## TAX REFORMS

# Spread the Net Wider, Deeper



Ram Singh

During the last several years, India's tax base has expanded drastically. The number of taxpayers has also increased dramatically over the last five years — across income groups. According to Central Board of Direct Taxes (CBDT) data, the number of tax returns filed has surged to 6.85 crore in 2018-19, an 80% growth from 2014-15. The number of Indians reporting income greater than ₹1 crore has increased by 80% between 2014-15 and 2017-18. Yet, the actual collection of direct taxes has fallen short of the target for the last fiscal.

The average reported income by those in the low tax slabs has increased, with middle- and low-income groups accounting for a larger proportion of total income tax collected. In other words, the official measures have been effective vis-à-vis low-income groups.

In contrast, the average income reported by those in the highest tax slab has decreased. Consequently, the share of the richest top 1% in the total tax collected has decreased by almost 4 percentage points over the last five years. Under-reporting still seems to be a serious concern as far as the high-income groups are concerned.

With the Budget around the corner, it's time to recast the tax net.

National Sample Survey Office (NSSO) data suggest that the number of crorepatris is under-reported. The problem seems to be acute among professionals such as lawyers, doctors, accountants and those running private educational institutes. The tax base has not deepened among these groups. Consequently, the share of reported non-salary income in the gross income of individuals has declined over the years to 43% in 2017-18 from 48% in 2012-13.

Another serious issue is tax evasion by companies. According to 2017-18 CBDT data, only 7% of corporates reported before-tax profits of more than ₹1 crore. Here, too, the problem of under-reporting is more pronounced among the professional and some service sector entities. Unsurprisingly, the share of direct taxes as a proportion of total tax collection has remained low.

But there has been a noticeable



Fishing for compliments

increase in tax collection and share of direct taxes. Things are expected to improve further as implementation of goods and services tax (GST) becomes better. GST generates a trail of transactions across production and value chains. Moreover, the business and commercial transactions captured by it also provide evidence of income generation, making for better compliance.

While a better implementation of the GST will help reduce tax evasion by semi-formal and mid-size companies, it can't address tax evasion by high-income individuals and big corporates. Several reforms are required in the tax law.

The existing tax law does not demand filing of returns if the income is below ₹2.5 lakh, the taxable threshold. So, professionals and businessmen in the informal sector don't appear on the taxman's radar. This problem has been exacerbated by the tax exemption announced in February's interim Budget, which provides full rebate on taxable income up to ₹5 lakh. So, if income of an individual increases from ₹5,00,000 to ₹5,00,100 — an increase of ₹100 — the tax obligation will increase by ₹12,500! Such provisions encourage people to cheat.

The law should make filing of returns by all proprietorship businesses and professionals, regardless of their profit, mandatory. This will increase the tax base and compliance by enabling the tax department to inspect suspicious cases.

The wealth tax should also be reintroduced. In contrast to income tax, the

wealth is harder to manipulate — and relatively harder to evade.

The tax law allows companies to offset past losses against future profits. The definition of admissible expenditures is also susceptible to easy manipulations. These provisions are widely misused by corporates to artificially reduce their profit and, hence, their tax liability by citing fake expenses. 46% of corporates reported either losses or nil profit for 2017-18. Almost an equal number reported profit of less than ₹1 crore. The tax law needs to change to rule out such dubious practices.

Tax avoidance is also facilitated by numerous legal exemptions. Big corporates are better equipped to benefit from them. Hence, the effective tax rate is higher for smaller companies compared to large corporates. Going by Budget 2018 papers, for companies with profit greater than ₹500 crore, the effective tax rate is only 23.94%. In contrast, it is 29.43% for companies with profits less than ₹1 crore. As a result, the tax regime has become regressive.

The deterrent power of the law also needs to be enhanced, without increasing the uncertainty regarding application of tax rules. The odds of apprehending offenders can be increased by integrating GST and the corporate ministry databases with CBDT. These measures will go a long way in widening the tax net and improving compliance.

The writer is professor of economics, Delhi School of Economics



THE SPEAKING TREE

## Make Music, At All Times

JANINA GOMES

Music is born on two occasions: in times of tempest and storm and in times of rest. In times of tempest, music is brought out of us. In times of rest, we catch up with the melody of life. There is the legend of a German baron who, at his castle on the Rhine, stretched wires from tower to tower, that the winds may convert them into an aeolian harp. The soft breezes played about the castle, but no music was born.

One night there arose a great tempest. The hills and castle were assaulted by the fury of the mighty winds. The baron went to the threshold to look out upon the terror of the storm. He found the aeolian harp was filling the air with strains that rang out above the clamour of the tempest. The tempest was needed to bring out the music. So, when we are in a period of calm prosperity we may not be able to produce any wonderful music. The tempest drives people to tune their aeolian harps and to produce music with their lives.

The second occasion when we are most prone to produce music is during a period of rest, when our lives seem to produce nothing. But it is in times of rest that we create new melodies and hear new songs. It is during the desert periods of our life that we begin to really listen to the call and voice of God that is sometimes most audible in silence.

During periods of rest, motion is at an uneven level. In times of rest, we grow, we connect more deeply with nature, with the universe and all life. We have to learn in times of tempest to ride the storm and in times of rest to create new horizons.

## Chat Room

### Parallel Polls Do Have Merits

Appropos 'One Election, One Problem' by Indrajit Hazra (Jun 24), it is a concept not to be brushed aside as an "idea whose time shouldn't come". It was accepted through the provisions of the Constitution and was in operation till about 1969. The idea is to restore it now with adequate safeguards. If the procedure of simultaneous elections was anti-federal, the Constituent Assembly would have drafted the Constitution with different time periods for assemblies and the Parliament, ab initio. Now, the committee should reach a conclusion that best preserves our democratic values.

K RAJENDRAN

Chennai

### Water Crisis: A Beginning?

This refers to the Edit, 'Address The Looming Water Emergency' (Jun 24). We have invited this problem by shifting the emphasis from water conservation, water harvesting and groundwater recharge over the year-



rs. Revival of traditional water bodies has received only lip service. Restoration of ponds and measures for recharging groundwater are incomplete, abandoned or progressing at a slow pace. Further, destroying forests, water bodies and catchment areas in the name of development must cease if we want to avoid more Chennai in future.

PRADEEP KUMAR

Surat

### Don't Meddle, Uncle Sam

Appropos 'India Objects to US Findings on Religious Freedom in India' by Dipanjan Roy Chaudhury (Jun 24), the ministry of external affairs must be complimented for rejecting a critical US religious freedom report, saying it saw no locus standi for a foreign power to pronounce judgement on the state of its citizens' constitutionally protected rights. The report sets the backdrop of the visit of Secretary of State Mike Pompeo that begins today and may further sour Indo-US ties, already rocked by trade disputes. The US better take the hint and start minding its own business.

N J RAVI CHANDER

Bengaluru

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

QUICK HITS

**Banks Stay on Sidelines for Facebook Coin After Apple Pay, Others Struggle**

**New York:** US banks might be happy to stay away from Facebook's push into cryptocurrencies. For now, The Libra Association, the governing body for the coin, is in talks with lenders around the world to join its ranks. Banks are mostly keeping their distance after seeing tepid consumer reaction to digital wallets such as Apple Pay and regulatory scrutiny of digital currencies. "If Facebook is able to create mass adoption on this platform, then banks will want in," David Donovan, who leads the global financial-services consulting practice at Publicis Sapient, said in an interview. Bloomberg

**Eldorado Agrees to Buy Caesars for \$8.6 Billion**

**New York:** Eldorado Resorts is buying Caesars Entertainment for about \$8.58 billion in a deal backed by activist billionaire Carl Icahn that will create the largest US gaming operator. The agreed equity value of \$12.75 a share — in a mix of cash and Eldorado stock — represents a premium of about 28% to Caesars's Friday closing price. Including debt, the deal is worth approximately \$17.3 billion, the companies said in a statement. Caesars shares rose 13% to \$11.25 in pre-market trading as of 8:06 a.m. in New York. Eldorado dropped 6.8%. Bloomberg

**Ailing Pakistan Gets \$3-B Bailout from Qatar**

**Islamabad:** Cash-strapped Pakistan on Monday secured a bailout package of \$3 billion from oil-rich Qatar, a day after Emir Sheikh Tamim bin Hamad concluded his visit to Islamabad and agreed to cooperate in the fields of trade, anti-money laundering and curbing terror financing. The Gulf state is the fourth nation that has come forward to rescue Pakistan from default during past 11 months as the government of Prime Minister Imran Khan tries to overcome a ballooning balance-of-payments crisis. PTI

**Five Killed in Bangladesh Train Crash, Probe Ordered**

**Dhaka:** At least five people were killed and 67 others were injured after an intercity train derailed in Moulvibazar district late on Sunday. Police and railway officials said that five coaches of Dhaka-bound Upaban Express train, veered off the tracks at 11:40 pm, after a culvert over the Barochhara Canal broke down, Dhaka Tribune reported. Two coaches fell into the canal and one of them overturned, authorities said. In the wake of the accident, train services between Sylhet and the rest of the country have been suspended. ANI

**Trump Warns of More Iran Sanctions, But Not Much is Left for US to Target**

US President on Thursday cancelled air strikes against Iran for shooting down a drone

**Washington:** President Donald Trump is threatening Iran with additional sanctions on Monday, but there's not much left for the US to target because most of the Islamic Republic's economy has been crippled by earlier penalties. The US is already sanctioning significant sectors including oil, banks and steel, leaving smaller targets including certain exports and government officials. Trump could also hit Iran's central bank with secondary sanctions, at the risk of hurting humanitarian trade.



**Trump Tells Other Countries to Protect Own Ships in Gulf**

**Washington:** President Trump on Monday told other countries to protect their own Gulf oil shipments, declaring that the United States has only limited strategic interest in the "dangerous" region.

Sunday before heading to Saudi Arabia and the United Arab Emirates to rally a front against Iran. The new sanctions "will be a further effort to ensure that their capacity not only to grow their economy but to evade sanctions becomes more and more difficult," Pompeo said. Iran's Foreign Ministry said the new penalties won't force the country to negotiate or capitulate. "Are there any other sanctions left for the US to impose on Iran?" ministry spokesman Abbas Mousavi said Monday, according to the official Islamic Republic News Agency. The Trump administration "knows full well that if pressure and sanctions were the answer, they would have yielded results much earlier." Iran's navy chief warned earlier that other drones would be downed if US intrusions into Iranian airspace continue. The US says the aircraft was in international airspace. The US has applied sanctions to nearly 1,000 Iranian entities, including banks, individuals, ships and aircraft. In May, the Trump administration prohibited the purchase of Iranian iron, steel, aluminum and copper. Bloomberg

**Johnson is a 'Coward' for Avoiding Debate: Hunt**

**London:** Jeremy Hunt, the underdog in a bitter battle with Boris Johnson to become UK's next PM, on Monday called on his rival not to be "a coward" trying to "avoid scrutiny" over a domestic row. Foreign minister Hunt urged Johnson, who has become embroiled in a scandal over a dispute with his girlfriend that led to a police visit last week, to "man up" and show he can cope with questioning. Johnson, the overwhelming favourite to replace Theresa May as Conservative Party leader, and the reformer prime minister, has refused to discuss the early Friday incident. He has also kept an unusually low profile during the weeks-old race, skipping a candidates' TV debate and doing barely any media interviews.

Johnson has kept an unusually low profile during the weeks-old PM race, skipping a candidates' TV debate and doing barely any interviews. "I am not interested in debating Boris's private life," Hunt said in an article in The Times, arguing he instead wants to quiz Johnson on his policy ideas. "A new prime minister needs the legitimacy of having made his arguments publicly and having them subjected to scrutiny. Only then can you walk through the front door of No 10 with your head held high instead of slinking through the back door." AFP

**Beijing Says Both US, China Should Make Compromises in Trade**

**Beijing:** Ahead of President Xi Jinping's meeting with his American counterpart Donald Trump this week, China on Monday said that it would not agree to any trade deal with the US at the expense of its sovereignty and both sides should make compromises to break the deadlock over the issue. Xi and Trump will meet in Osaka, Japan on the sidelines of the G-20 summit on June 28-29.



Trump, who kicked off the trade war last year, is demanding China to reduce the massive trade deficit which climbed to over \$539 billion last year. He is also insisting on China to work out verifiable measures for protection of intellectual property rights (IPR), technology transfer and more access to American goods to Chinese markets. Both the countries have imposed additional tariffs on billions of dollars worth of their exports to

each other. Trump last week threatened to "immediately" jack up tariffs on the remaining \$300 billion Chinese exports to US should President Xi fail to show up at the meeting. The US already has 25% duties on more than \$250 billion of imports from China. Trump and Xi held a detailed telephone talk on June 18 preparing ground to resolve differences impeding the deal to end the year-long trade war between the world's two largest economies. Addressing the media here ahead of Xi-Trump meeting, China's Vice Minister of Commerce Wang Shouwei said talks between teams from the US and China are underway to make preparations for the meeting. Outlining China's stand for a deal to end the bruising trade war, he said Beijing insists the any agreement would be based on mutual respect, which meant respecting sovereignty, treating each other as equals and win-win outcomes benefiting both the countries. "Compromises should be made by both sides. It should be a two-way street. China and the US are member states of WTO, so the agreement should be keeping in principles of the WTO," he said. Trump is demanding China to reduce massive trade deficit which last year climbed to over \$539 billion. PTI

**Govts Must Regulate Social Networks, Says Facebook's Clegg**

**London:** Governments must regulate social networks and not the companies themselves, Facebook's head of global affairs and a former deputy prime minister of the UK said in an interview on Monday. "It's not for private companies, however big or small, to come up with those rules. It is for democratic politicians in the democratic world to do so," Nick Clegg told the BBC.

Clegg, the former leader of UK political party the Liberal Democrats, said there was a "pressing need" for new "rules of the road" on issues including data privacy and election rules.

At the same time, companies such as Facebook should play a "mature role" in advocating regulation, he told the BBC.

Britain has said it will make social media bosses personally liable for harmful content and shut down offending platforms under a "world-leading" government plan.

Coming in for heavy criticism over the past year, Facebook has instituted changes, particularly on privacy and the transparency of political campaigns ads.

Facebook chief Mark Zuckerberg has called for "globally harmonised" online regulation. AFP



**Facebook Must Face Lawsuit Over 30M User Data Breach**

**San Francisco:** Facebook failed to fend off a lawsuit over a data breach that affected nearly 30 million users, one of several privacy snafus that have put the company under siege. The company's disclosure in September that hackers exploited several software bugs to obtain login access to accounts was tagged as Facebook's worst security breach ever. A federal appeals court in San Francisco on June 21 rejected the company's request to block the lawsuit, saying claims against Facebook can proceed for negligence and for failing to secure users' data as promised. Bloomberg

**China 'Won't Allow' G20 Discussion of Hong Kong**

**Beijing:** China said on Monday it will not allow discussion of Hong Kong at the G20 summit this week even as US President Donald Trump plans to raise the city's mass protests during his meeting with President Xi Jinping.

The semi-autonomous city has been shaken by huge demonstrations demanding the withdrawal of a bill that would allow extraditions to the Chinese mainland.

Trump has weighed in on Hong Kong's worst political unrest since its handover from Britain to China in 1997, saying he understood the reason for the protests and hoped demonstrators can "work it out with China".

US Secretary of State Mike Pompeo later said Trump would discuss Hong Kong with Xi at the Group of 20 summit, which is taking place in Osaka, Japan, on Friday and Saturday.

But Chinese assistant foreign minister Zhang Jun said the G20 is a forum to focus on global economic issues. Xi and Trump have agreed to hold bilateral talks focusing on the US-China trade war during the summit. "I can tell you with certainty that the G20 will not discuss the Hong Kong issue and we will not allow the G20 to discuss the Hong Kong issue," Zhang said at a press briefing previewing Xi's attendance at the summit. "Hong Kong affairs are purely China's internal affairs and no foreign country has the right to intervene," he said, noting that the city is a special administrative region of China. AFP

Hong Kong has been shaken by huge demonstrations demanding the withdrawal of a bill that would allow extraditions to China.

**Billionaires from Soros to Pritzker Heirs Call for Wealth Tax**



**New York:** Enthusiasm for a wealth tax on the country's thin sliver of multimillionaires and billionaires may be unsurprising — after all, most Americans would not have to pay it. But now the idea is attracting support from a handful of those who would.

A letter being published online on Monday calls for "a moderate wealth tax on the fortunes of the richest one-tenth of the richest 1%

of Americans — on us." The "us" includes self-made billionaires like the financier George Soros and Chris Hughes, a Facebook co-founder, as well as heirs to dynastic riches like the filmmaker Abigail Disney and Liesel Pritzker Simmons and Ian Simmons, co-founders of the Blue Haven Initiative, an impact investment organisation. "We thought it would be a good idea," Simmons explained by phone as he waited out a traffic jam in the

Boston area. "Liesel and I decided to reach out to some other folks to see if they thought it was a good idea, too." The letter came together in the last two weeks. Eighteen individuals, spread among 11 families, added their names. All are active in progressive research and political organizations, some of which are pointedly focused on the swelling gap between the richest Americans and everyone else. A recent analysis of a Federal

report found that over the last three decades, the wealthiest 1% of Americans saw their net worth grow by \$21 trillion, while the wealth of the bottom 50% fell by \$900 billion. The letter is addressed to all presidential contenders, and refers specifically to a plan offered by Sen. Elizabeth Warren of Massachusetts. Her proposal would create a wealth tax for households with \$50 million or more in assets — including stocks, bonds, yachts, cars and art. NYT

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

**Vietnam Jails US Citizen for 'State Overthrow' Attempt**

**A US citizen was sentenced on Monday to 12 years in Vietnamese prison for "attempting to overthrow the state", a lawyer and state media said, as the one-party country squeezes dissent. Vietnamese-American Michael Nguyen was detained in July last year while travelling in the country with two activists, who were also arrested. The trio were accused of setting up a group to prepare armed protest and the occupation of official "headquarters" in Hanoi and Ho Chi Minh City, according to state-run news site VnExpress. Nguyen was convicted during a half-day trial in a Ho Chi Minh City court, given 12 years and ordered to leave the country after completing his sentence, a lawyer for one of the group said. The two activists arrested with him, Tran Long Phi and Huynh Duc Thanh Binh, were jailed for eight years and ten years, respectively for the same charge. AFP**

**Wallenda Siblings Complete Times Square Tightrope Stunt**

**Siblings from a famed circus family — the Flying Wallendas — walked a wire strung 25 stories over New York's Times Square on Sunday, in a hair-raising balancing act performed across five city blocks. "If you can make it in New York, you can make it anywhere — so let's make it in New York," Nik Wallenda, 40, told his sister Lijana before they began the fearsome feat. The undertaking, which was broadcast live, saw the duo start the wire walk on opposite sides, slowly moving towards each other holding balancing poles as a throng of onlookers gawked from below. When the siblings met, Lijana sat on the 1,300-foot wire strung between skyscrapers so her brother could step over her, before standing back up and finishing the walk. Tensions were running particularly high as it was the 42-year-old Lijana's first such attempt since 2017, when she and four others fell 30 feet while rehearsing an eight-person pyramid on a wire. The near-fatal incident left her seriously injured, including breaking most bones in her face. During the approximately 36 minutes, the acrobats took to complete the nerve-wracking stunt. New York allowed the siblings to attempt Sunday's walk on the condition that they wear safety harnesses, a mandate Nik had said added physical weight and stress to the challenge. AFP**

**Intense Heatwave to Strike Paris**

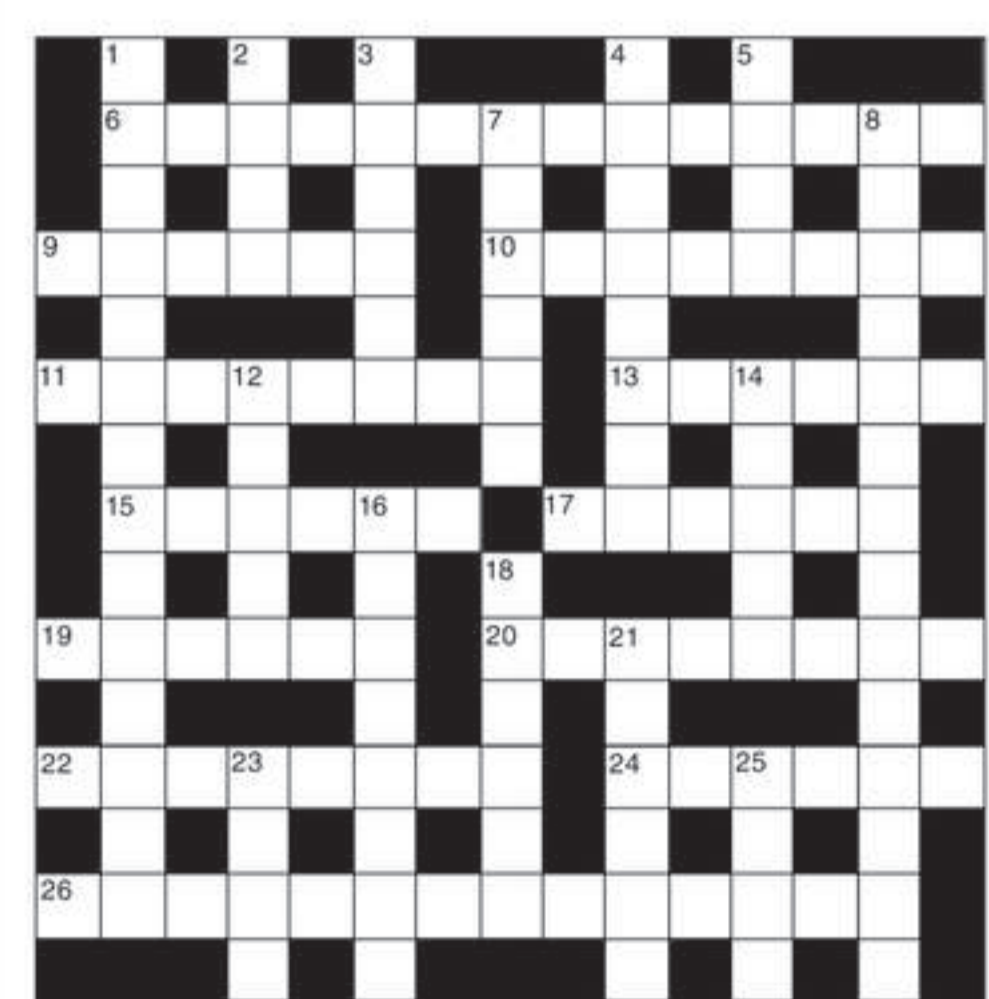
**Authorities in the Paris region have issued an alert for intense heat expected in the French capital and across Europe this week. The alert level in Paris has been raised to "orange", the second-highest level. France's national weather agency Météo France said the heatwave beginning Monday is expected to last all week with temperatures of up to 40C across the country. The peak is expected on Thursday. In Paris, charity organizations are patrolling to provide water to homeless people and local authorities have places where they can seek shelter. Meteorologists say the heatwave is caused by hot winds coming from the Sahara desert. AP**

**Boris Becker Auctions Trophies to Pay Off Debts**

**Trophies and personal souvenirs belonging to German tennis star Boris Becker will be auctioned online from Monday by British firm Wyles Hardy to partially clear the bankrupt champion's debts. Wimbledon's history, who of three titles aged just 17, is including medals, cups, watches and end on July 11. Wyles Hardy said on its website. Some of the trophies up for grabs include a replica of a Challenge Cup awarded to Becker following one of his Wimbledon wins, and the three-quarter size replica of the Renshaw Cup presented after he became the youngest ever Grand Slam singles champion. His Wimbledon finalist medal from 1990, when he was beaten by Swede Stefan Edberg, and a replica of the US Open silver cup made by jeweller Tiffany for his 1989 victory over Ivan Lendl, will also be included in the sale. The indebted 51-year-old champion was declared bankrupt in 2017. AFP**

Crossword

7442



- DOWN**
- 1 Old American rock group's behind special price for rocks (8,5)
  - 2 Discourteous part of procedure is lifted (4)
  - 3 Risk almost all the area around altar (6)
  - 4 Start off letter about church area and other things (2,6)
  - 5 It's on fronts of some mags, usually titillating (4)
  - 7 Silly person, old one, confused (6)
  - 8 I'd arranged with Leeds kinsmen to get agreement (4-10)
  - 12 Fantasie about breaking barrier (5)
  - 14 151 megabyte increase (5)
  - 16 Weird lingo inhibits a new government nerve centre (8)
  - 18 Notice Jack about to entertain one neighbour (6)
  - 21 American heads north to bank with confidence (6)
  - 23 Playful parade ignoring its leader (4)
  - 25 Don't eat quickly (4)

- ACROSS**
- 6 Hug troubled man wounded in fight (5-3-6)
  - 9 Show loose stones at bottom of ocean (6)
  - 10 Pass gnarled oak tree pierced by front of vehicle (8)
  - 11 Aim to limit unusual energy bargain (4,4)
  - 13 MEP can, with difficulty, put up ad-hoc lodging (6)
  - 15 Dogs may drag this to butcher, say (6)
  - 17 Hostile country in Africa starts to get nastier (6)
  - 19 Part of flower meant to develop after onset of spring (6)
  - 20 Ladies managed to keep bishop and duke out of service (8)
  - 22 Oil giant disrupted relief work (8)
  - 24 Polish fellow introduced to queen in France (6)
  - 26 New NHS policy says one must go in and mind tests (14)

SOLUTION TO No. 7441

- ACROSS:** 6 National anthem, 9 Sunhat, 10 Self-made, 11 Dairyman, 13 Insure, 15 Impute, 17 Adjust, 19 Odessa, 20 Infinite, 22 Windlass, 24 August, 26 Claustrophobia. **DOWN:** 1 Pneumatic drill, 2 Etch, 3 Tom-tom, 4 Tailwind, 5 Stem, 7 Assent, 8 Elder statesman, 12 Ropes, 14 Spurn, 16 Tea party, 18 Fiasco, 21 Flashy, 23 Drum, 25 Gobi.

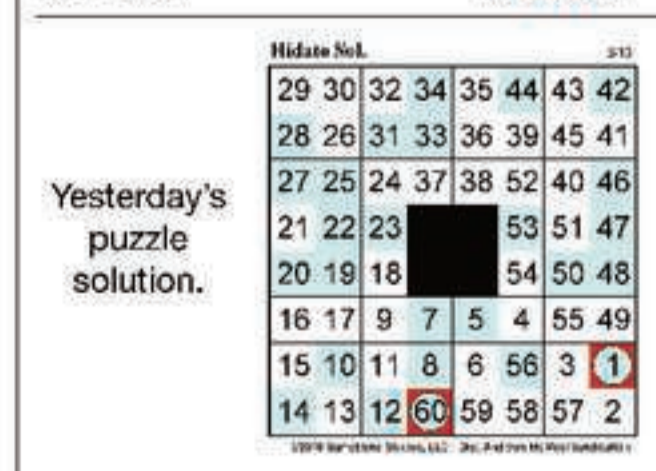
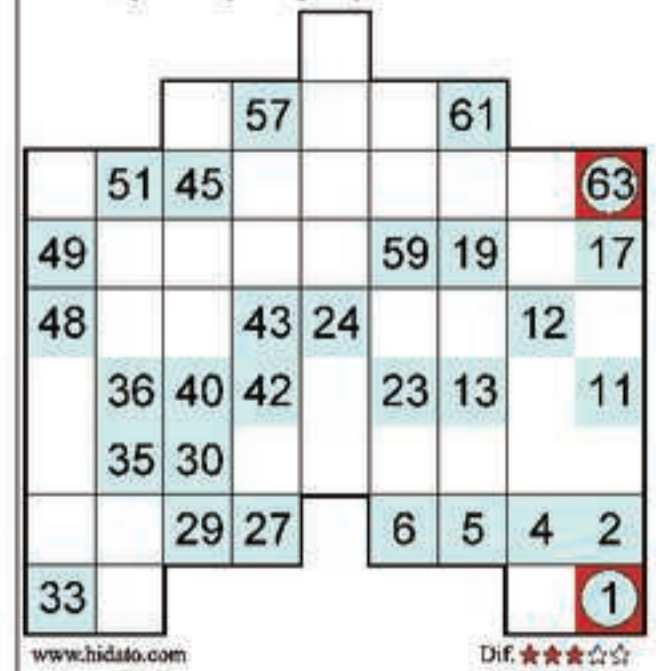
Dilbert

by S Adams



HIDATO FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1-63 connect horizontally, vertically or diagonally.



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 this puzzle.

CLUES	SOLUTIONS
1 like the wide, open ocean (4)	_____
2 large serving plates (8)	_____
3 maker of a puzzling cube (5)	_____
4 gruff, throat-clearing noise (8)	_____
5 like a multipart couch (9)	_____
6 vehicle on the links (4)	_____
7 iOS voice (4)	_____

Yesterday's Answers: 1. BLOSSOMING 2. MIRE 3. DRUMSTICK 4. BURCH 5. INVERNESS 6. JACKED 7. MICROPHONE



West Indies all-rounder Andre Russell will play no further part at the World Cup after being withdrawn from the squad due to a knee injury. Top order batsman Sunil Ambris, who impressed with a sparkling 148 off 126 balls in an ODI win over Ireland last month, has been drafted as a replacement in the 15-man squad.

# WORLD OF CRICKET

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## What's Wrong With Proteas?

South Africa, who exited the World Cup after losing to Pakistan on Sunday, face multi-dimensional crisis



Chetan Narula London

Since the 2017 Champions Trophy, England have scored 300-plus in 19 ODIs. India have breached the mark 13 times, Australia 11, Pakistan 10, West Indies 9, New Zealand 8 and Sri Lanka 7. Among the teams participating in this 2019 World Cup, South Africa are among lowest category with six instances of crossing 300. Considering all 10 teams in this tournament, only Bangladesh (5) and Afghanistan (2) have a worse record. This is a good enough starting point to describe why South African have fallen to their lowest point in ICC tournaments, ousted in the group stage for the first time since 2003. If 300 is the new par-score in ODIs in this modern age, the Proteas simply don't adhere to that definition—they have crossed this mark once in seven games this summer. "It is just pure numbers on the board. Batsmen getting the runs they should. If you look at the opposition, they have scored big runs. And if you compare our bat-

tingline-up, it doesn't stack up well," lamented skipper Faf du Plessis after losing to New Zealand in Birmingham. This lack of high run-scoring has been a problem-area for the Proteas for quite some time now. That they didn't recognise the symptoms and treat them accordingly is the root cause of their problems. The Proteas' build-up to this World Cup began almost 18 months ago, with India's tour of South Africa. The hosts lost 5-1 in the ODIs—India's top-two scorers in that series were Virat Kohli (558 runs) and Shikhar Dhawan (323 runs). Hashim Amla (154 runs) was the top scorer for the hosts. It was a cycle of poor form that didn't really stop all year, and in the build-up to this World Cup. Amla, through 2018, managed only 315 runs in 11 ODIs—he was sixth in South Africa's top run-scorers' list for that year. Top of the charts was du Plessis, with 434 runs in eight matches, but his total pales in comparison to runs notched up across the world. Kohli scored 1202 in 14 matches, Rohit Sharma 1030 in 19 matches, and

Jonny Bairstow 1025 in 22 matches. Du Plessis was placed 34th in 2018's top runs' list—yes, he was laid low by injury too. In that light, David Miller who played 12 ODIs in 2018 (comparable to that of Kohli's) managed only 384 runs all year—43rd in the list. AB de Villiers' retirement last year didn't help the matter at all. And then, the revelation of his comeback bid before the World Cup squad was announced provided another angle to this saga. In his absence, and the general lack of form of other batsmen, South Africa just didn't have the adventurousism needed to score big in today's white-ball cricket. "They needed courageous cricket, needed to be flamboyant and play their shots. But our batsmen were conservative. Look at New Zealand, or England, or India. These sides do it well. These teams get good starts and build on that, and it's been lacking in our cricket," Andrew Hudson, former South Africa captain, said on SABC Radio. When runs dry up, bowlers come into the fray. This was probably South Africa's weakest batting line-up in decades. But they still

## England on Thin Ice

The hosts seek rebound win at Australia's expense as pressure to make the semi-finals rises

Foster Niumata

England lose. They just don't lose two games in a row very often. The last time England lost two straight anywhere was in January 2017, in India. The last time England lost two straight at home was in September 2015, against Australia at Lord's. It just so happens England play defending champion Australia at Lord's on Tuesday, determined to recover from an upset loss to Sri Lanka last Friday. "We tend to come back aggressively, it's

been a strong point of ours," captain Eoin Morgan says. Indeed, after their first setback in the group stage against Pakistan, the England lineup defeated Bangladesh five days later. Morgan has stressed that his top-ranked side expected to lose games, but the pressure on them to make the semi-finals is rising, with games against the three strongest teams ahead: five-time champions Australia, then two-time champions India, then 2015 fi-

nalists New Zealand. What's more, England haven't beaten any of those teams at a World Cup in 27 years. England need to beat at least one of them, as Bangladesh, Sri Lanka and Pakistan are breathing down their necks. The manner of the defeat to Sri Lanka, rather than defeat itself, disturbed England supporters most of all. It was the second of three chases where England failed. They were set 233 to win, only to be dominated by the Sri Lanka attack. Only the reliable Joe Root of the top order fired, and Ben Stokes was left stranded on 82 after poor

boasted Dale Steyn, Kagiso Rabada and Lungi Ngidi in their pace attack, bolstered by Imran Tahir and Tabraiz Shamsi, only the second team apart from India to boast two wrist spinners in their squad. Fatigue and injuries put paid to that perceived strength. "It is perhaps the biggest blow to South African hopes of winning this World Cup. Dale will be absolutely shattered knowing that this was his last chance," Jacques Kallis, former South African all-rounder, had said a day after Steyn's shoulder injury ruled him out of the tournament. Du Plessis blamed Steyn's short Indian Premier League (IPL) stint with Royal Challengers Bangalore for the injury. After exiting this tournament, he blamed Rabada's fatigue on his IPL stint with Delhi Daredevils. Ngidi has always had fitness issues and had missed the IPL, otherwise who knows what Faf might have said there. Australian and English cricketers returned from the 2019 IPL on May 1. South Africans, du Plessis (who plays for Chennai Super Kings) included, did not. Just whom do you blame here then—Cricket South Africa, who couldn't negotiate better with their contracted players, or the cricketers themselves, who didn't show a moral approach to this matter? The bigger question to ask is, just how do you go about resurrecting South African cricket at this juncture? "Some will demand everything is changed but a total clean out is just not the way ahead, we need to be more considered and thoughtful. The first thing that needs to be looked at is the brand of cricket South Africa are playing and all the players will want to be part of that conversation," wrote Kallis in his ICC column, hinting at inspiration from the way England transformed their ODI team since failure in the 2015 World Cup. Here too, the Proteas face a challenge. Kolpak agreements today are the single biggest threat to the game in South Africa, with quite a few promising players moving to English counties in search of better money and opportunities. Where do the Proteas even begin to undo this mess? "Embarrassing" is how du Plessis described their World Cup exit. He might as well have been talking about the general state of cricket in South Africa.

strokes from Moeen Ali, Chris Woakes, Jofra Archer, and Mark Wood while the asking run rate was minimal. Morgan pointedly noted they need to play "aggressive, smart, positive cricket"—smart being the key word. Morgan and coach Trevor Bayliss deny their confidence is shaken. "There is no reason why (we shouldn't have belief)," Morgan says. "We are not going to win every game in this World Cup. We need to go back to the process that's taken us to being a strong side in the world." Archer, the newest addition to England's lineup, welcomed the challenges ahead in the group stage, "having probably the four hardest games last." "It will do us well so that if we do get through, we should be OK to pretty much win everything."

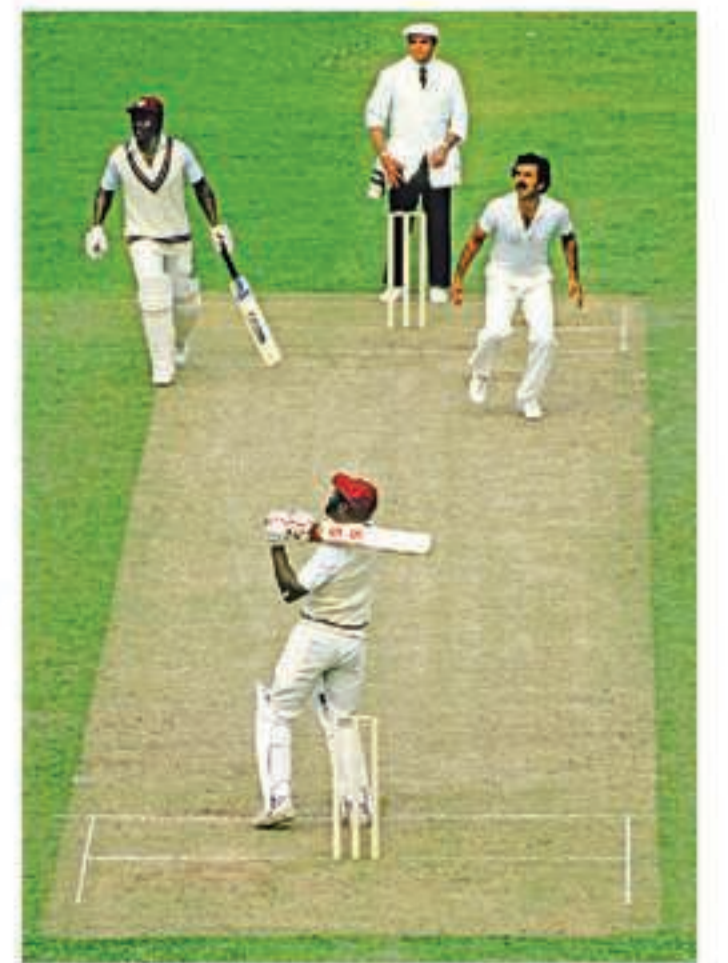
## The 25th Day of June

Two major events that changed Indian cricket forever coincidentally happened on the same day, five decades apart



Boria Majumdar

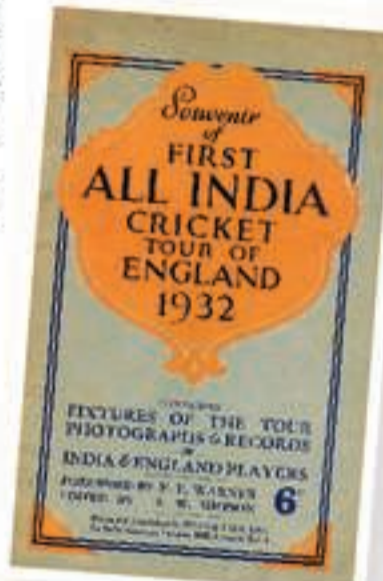
While June 23 is celebrated as Olympic day all over the world, Indian cricket can lay claim to June 25. Not only did India win the World Cup on June 25 (1983), India's cricket journey had also started on June 25 (1932) at Lord's when CK Nayudu's men faced the MCC under Douglas Jardine. In the five decades between 1932 and 1983, Indian cricket had seen a sea change. Nayudu had given way to Vinoo Mankad and thereafter to Sunil Gavaskar and Kapil Dev as India's cricket icons. What remained constant was the nature of corporate involvement in sports. But that changed on June 25, 1983. In one tournament, the face of Indian cricket was altered for all time to come. The victory made corporate sponsors interested in the sport. Cricket came to be perceived as a viable career option by India's middle-class. It gave the media an event to hype, with cricket providing the salve for an otherwise troubled nation. And as we chronicle India's journey in the current World Cup, the constant reference point remains June 25, 1983 when Kapil Dev's men made history at Lord's and if Virat Kohli-led side will be able to do the same come July 14. Dev, who had carried a bottle of champagne on the day of the final in hope that anything else, remembers the pep talk he had given to his boys at dinner break. "All I said was we need to enjoy the next three hours. If we give our best for three hours we can live with this memory for the rest of our lives," Dev said. Then West Indies captain, Clive Lloyd, now remembers the day rather philosophically. "We had our share of success in 1975 and 1979 and we should have won in 1983 as well but credit to India the way they defended a small target. Some things are destined to happen. It was one such thing," he said. Vivian Richards, whose dismissal was perhaps the turning point, gives credit to Kapil more than anyone. "I can say this to you with complete conviction. No one except Kapil Dev could have taken that catch," Richards said before adding, "He was one supreme athlete who changed your cricket. The turning point



in the final was that catch. India got a real flip after that wicket and never looked back." Sunil Gavaskar, who has achieved almost everything there is to achieve in the sport, lists the World Cup win as his best ever moment. "June 25, 1983 will always rank as the best day of my life," he said. "We were playing the West Indies and not many had given us a chance. It was on us to defy every

odd and make history. To our credit we managed to do that. We were world champions and nothing can come close to that." While we all remember June 25, 1983, not many remember the start of the journey on the same day in 1932. Wrote The Birmingham Post: "It was an extraordinary start to the match. (Herbert) Sutcliffe and (Percy) Holmes, Yorkshire's record-smashing opening pair, united in a similar manner under the banner of England, went out

full of cool confidence... But the first ball of (Mohammad) Nissar's second over... was an in-swinging and Sutcliffe, playing with the edge instead of the middle of the bat, diverted it into the wicket—and one of England's greatest batsmen was out... The disappointment was redoubled and revived when the last ball of the same over, a delivery perfect in flight, length and pace, sent Holmes' off stump spinning through the air, while the batsman was only half way through the stroke..." Though India eventually lost the match by 158 runs, the courage and grit shown at Lord's on the opening day of the Test clearly conveyed to the world that the Indians, in little time, would carve out a niche in the world of cricket.



### ISL INDIA'S TOP LEAGUE? I-League Clubs to Approach Court

Putting up a united front, seven I-League clubs on Monday said they are ready to approach "appropriate courts for relief" if the All India Football Federation makes the ISL the country's top league. Miffed at AIFF general secretary Kushal Das's public acknowledgement of Indian Super League as the country's main league, representatives of Mohun Bagan, East Bengal, Churchill Brothers, Minerva Punjab FC, Aizawl FC, NEROCA and Gokulam Kerala FC held a meeting in New Delhi, where they decided to move courts. Das' acknowledgement is expected to be rubber-stamped in the AIFF's executive committee meeting on July 3.

### ARGENTINA QUALIFY FOR QFS Another Copa Begins Now: Messi

Argentina will start from afresh in the Copa America after averting disaster with Sunday's 2-0 victory over Qatar that sent them into the knock-out stages, star Lionel Messi said. Goals from the Barcelona icon's forward partners Lautaro Martinez and Sergio Aguerro were enough to propel Argentina from bottom of Group B to second and into a quarter-final meeting with Venezuela on Friday at Rio's Maracana stadium. "The important thing was to win to keep going in the Copa, to get through the group stage," said Messi, who will turn 32 on Monday. "This will be an important boost for what's to come... another Copa begins now. "This victory must give us strength and make us grow as a team." Argentina's performance was far from pitch-perfect but they were good enough to beat a limited Qatar side, who gifted them the opening goal after four minutes when Bassam Hicham played a suicidal ball across his own box straight to Martinez.

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## There's Still Hope for F1 Yet

Sunday's race wasn't the first processional GP nor will it be the last. But that's not to say every race is or will be as devoid of action

Abhishek Takle

The red Ferrari was right on the gearbox of the silver Mercedes. It was the final lap of the race. Only a few corners remained. The Ferrari attacked, the Mercedes parried. This was a duel that would go down to the very last corner. As the two cars bore down on the tight right-hander leading on to the start-finish straight, the Ferrari lunged. It wasn't enough. The Mercedes held on, but by a whisker, a margin so narrow that the two cars sped across the line in a single silver and red blur.

If only that had been the battle for the lead. But it wasn't. In the red Ferrari sat Charles Leclerc, in the Mercedes sat Valtteri Bottas and the pair were scrapping for second.

Lewis Hamilton had long since cruised across the line to win the French Grand Prix, bringing the flag down on a predictable afternoon of racing.

Racing? A liberal usage of the term for what was largely a procession of very fast cars lapping around the Paul Ricard track. For while the Leclerc-Bottas scrap and another multiple-car last lap battle involving Daniel Ricciardo and Kimi Raikkonen provided some relief, what former F1-driver-turned-TV-pundit Martin Brundle described as a Hamilton "masterclass" was drowned out by the criticism levelled at Formula One for a soporific show.

"If you say that it's boring... I totally understand it," Hamilton told reporters after the race.

"Don't point the fingers at the drivers because we don't write the rules.

"I think it's really important for people to realise it's not the drivers' fault." Sunday's race wasn't the first processional Grand Prix nor will it be the last. But that's not to say every race is or will be as devoid of action.

Just two weeks ago in Canada, Formula One served up a thriller. The race before, in Monaco when Hamilton fended off Max Verstappen on worn tyres, was also ripe with tension.

The French Grand Prix probably only served as a trigger for frustrations at Mercedes' dominance to boil over.

After two seasons when Ferrari pushed them hard and should have ended the German marque's run of title success but for mistakes to hamstring their challenge, much was expected of them this season.

The Italian team's pre-season testing form and the optimism emanating from the Maranello camp promised a titanic championship duel, if not a changing of the guard.

Instead Mercedes have walked away with the season, much as they did with the French Grand Prix. They have won each of the eight races this season, six of them in one-two formation.

Where once Bottas offered the promise of turning the Mercedes walkover into a hotly-contested intra-team battle, the Finn has also lately faded, even as Hamilton has found another gear.

The Briton has already won six races this season and is now 36 points clear of his teammate. With a race win worth 25 points, he will continue to lead the standings even if he fails to finish the next race and Bottas wins. Already on 79 career wins, he could surpass



**If you say that it's boring... I totally understand it. Don't point the fingers at the drivers because we don't write the rules. I think it's really important for people to realise it's not the drivers' fault**

**LEWIS HAMILTON**, Mercedes F1 driver, after French Grand Prix

Michael Schumacher's all-time record 91 victories as this season, provided he triumphs in each of the remaining races this year. Of course Hamilton's job is to win, just as much as it is Mercedes' job to give him as dominant a car as they can.

It was down to Ferrari to make it a two-team battle. But Vettel, third in the championship, is already 76 points adrift of Hamilton.

Why in their stead can't any of the other teams challenge Mercedes?

The answer to that lies in the way the finances of the sport are structured. To put it simply, only the top two or three teams have the resources to battle it out at the front. This disparity in spending power is being addressed as part of a raft of regulation changes set to be introduced in 2021.

But that doesn't mean Formula One is set for a succession of dull races.

Mercedes were dominant in France last year. In Austria neither of their two cars finished leaving Verstappen to score a shock win. There's still hope for Formula One yet.

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TUESDAY, 25 JUNE 2019

Huawei has offered to sign a 'no-backdoor' agreement, which will stipulate that it will not allow any snooping on its network, with Indian govt. ▶ P 1

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## Govts Must Regulate Social Networks, Says FB's Clegg

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## This Day, That Year: Indian Cricket's Milestones

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### GST Council Okays Levy on Inter-State Office Services

The government is set to make it clear that services provided by one office in one state to another centre in another state will face goods and services tax, reports **Deepshikha Sikarwar**. A circular to this effect, endorsed by the GST Council, will be issued soon. The circular backs the view taken by Karnataka Authority for Advance Rulings. >> 9

### FPI Body Against More Inspection Powers for Sebi

A lobby group representing global banks and asset managers such as Blackrock, Amundi, BNY Mellon and Capital Group has written to the Securities and Exchange Board of India opposing an HR Khan committee recommendation that would give the capital markets regulator more inspection powers, reports **Pavan Burugula**. >> 7

### Performance Review of State Electricity Regulators Proposed

Independent state electricity regulatory commissions could be made accountable. The Centre has proposed to set up regional benches to review performances of the commissions in the backdrop of rising gap in average revenue and costs leading to deterioration in the financial position of discoms, reports **Sarita Singh**.

MORE THAN JUST A MESSENGER NOW

# Can the Postman Be Your Doorstep Banker?

India Post Payments Bank gains from the postal system's reach but lags in tech, infra

Shailesh.Menon@timesgroup.com

**Mumbai:** Six of eight counters had long queues — people waiting to book parcels and Speedpost, deposit money in postal savings accounts, send money orders or pay utility bills. The seventh counter displayed a board that said 'Closed,' while the eighth — labelled 'India Post Payments Bank' — housed a young clerk whose only job was to direct visitors to the crowded counters on either side.

India Post Payments Bank (IPPB) branches nestled inside urban post offices serve more as enquiry points, and less as busy banks. Occasional visitors who turn up to ask about opening IPPB accounts are ushered into a plush air-conditioned anteroom with young IPPB officers. It is this "well-resourced" working condition of IPPB — quite distinct from India Post's — that irks RN Parashar, secretary general, National Federation of Postal Employees.

"These (IPPB) officers are on deputation, mostly from public sector banks. They earn ₹20,000-25,000 over and above their salaries. They sit in AC offices and do nothing," complains Parashar. Only nine months have passed since India Post rolled out its payments bank (PB) business, but voices of dissent resonate the cramped corridors of post offices. "We're not happy with IPPB. If they wanted to start a bank, they should do it on their own. They should not be using our people and our infrastructure," says Parashar.

har. "In fact, they should pay us rent and power charges for using India Post premises."

Clearly, unions are not on the same page as top bosses at Dak Bhawan, headquarters of the 165-year-old India Post (also called Department of Posts). This disconnect could scuttle growth plans charted out by Suresh Sethi, chief executive and managing director, IPPB.

**OTHER SIDE OF THE COIN** Sethi likens IPPB to an "independent, new-age bank," with its own

**MAN & MACHINE** IPPB intends to do doorstep banking by carefully blending technology with manual intervention on ground

staff, rules and accounting practices. "We're building a sharp, merit-driven organisation," says Sethi, who has worked with MNCs such as Citibank and Vodafone, and was a part of Yes Bank's founding team. "We're resetting up a corporate team, consisting only IPPB staffers. India Post will give us last-mile connectivity. We'll only be using their postman network."

IPPB, which commenced operations in September 2018, employs 3,500 to man its 650 branches, which, in turn, would supervise the PB's business across 155,000 post offices. "We'll do much more than what a normal bank would do. A normal bank would have three to four times more employees to run a quarter of the branches we operate," says Sethi. A month into the rollout, to-

wards October-end, IPPB had opened over 10 lakh accounts. It closed last fiscal with roughly 3.5 million account holders.

"If there's any institution that could make a business proposition out of a payments bank, it could be IPPB. It has made good investments from a technology standpoint and its reach is phenomenal," says Bhavik Hathi, managing director at Alvarez & Marsal, a Mumbai-based consultancy. It can help in loan origination (for banks), distribute micro-loans, micro-insurance, mutual funds and serve microfinance institutions. "IPPB may be the only horse to finish this race," adds Hathi.

**TO BE OR NOT TO BE** PBs are stripped-down, deposit-taking institutions formed to reach customers mainly through their cellphones rather than traditional bank branches. On paper, PB appears to be a grand plan to drive down banking services to the grassroots, but there is widespread scepticism about its success. Currently, there are six active PBs in the country, with IPPB being the youngest. "None of the existing PBs has managed to build a strong business model till now. But IPPB may do well because of its wide reach," says Hathi. IPPB does not intend to walk the

**HR AND INFRA ISSUES**

Those who oppose the initiative say weak technology may let down IPPB, along with discontent among the older postmen

government-proposed "cellphone-based banking" path. Instead, it intends to do "doorstep banking" by carefully blending technology with manual intervention on ground.

Grameen dak sevaks and the postmen employed by India Post will serve as human touchpoints. For their services, the postmen will be incentivised — mostly Rs 20-25 for account opening and a lesser amount for transactions. IPPB has trained 250,000 postmen (and grameen dak sevaks) and armed close to 20,000 with smartphones and biometric fingerprint readers. "Doorstep banking is the biggest differentiator for us. We'll virtually bring the bank to your doorstep," says Sethi.

Doorstep banking, as envisaged by IPPB, is best explained through an example. If you want to send money to your mother residing in a remote village, you simply transfer it to her IPPB account. Your mother requests 'doorstep-banking services' on her mobile phone (via the IPPB app). She has to specify what type of banking service she desires — in this case, cash withdrawal — and the amount. The local postman would visit your mother, "identify" her with a biometric fingerprint reader and scan the QR code card in her possession (given at the time of account opening), before handing out the money she wants.

"We're building a very high-end, tech-enabled organisation on one side and on the other, the customer-facing end, we're making user touchpoints as simple as possible. We're talking about the ease of banking here," says Sethi.

But Virendra Sharma, president of All India Postal Employees Union, does not seem convinced with the prowess or ease of the IPPB technology. While he terms IPPB as a "great initiative," Sharma picks out quite a few flaws in the system.

ABSENCE OF FORMAL COMPLAINTS

# Without Banks on Board, Jet Probe Fails to Gain Altitude

## Stuck On Tarmac

Probe into Jet Airways hits logjam

NO FORMAL COMPLAINT

CBI-ED unable to probe without formal complaint

CBI-ED feel lenders not willing to lodge complaint

Preliminary probe by IT & MCA shows 'suspicious transactions'

Probe shows alleged money evasion & laundering

ED probe on stake sale in Jet Air loyalty programme



Banks execs say they don't want to be hounded, bankruptcy process better option

Kala Vijayraghavan, Saloni Shukla & Rashmi Rajput

**Mumbai:** Enforcement officials say they're finding it difficult to investigate alleged wrongdoing at the grounded Jet Airways due to the lack of formal complaints by banks, multiple sources told ET. Bank executives say they're not doing so because they don't want to be hounded and would rather let the bankruptcy process play out.

Enforcement Directorate (ED) sleuths looking to probe Jet founder Naresh Goyal under the Prevention of Money Laundering Act (PMLA) don't have a predicate offence to start an investigation as lenders have not formally filed complaints, sources said, warning that this could mean a repeat of the Kingfisher Airlines case.

"The investigation in Jet Airways has hit a dead end with

banks not coming forward with formal complaints. If the Ministry of Corporate Affairs (MCA) and the income tax department have already launched probes, a timely complaint from lenders will help nail the culprits in time," said an enforcement official involved in the matter. "This is the same mistake they committed during investigations in Kingfisher Airlines."

**ED officials warn that this could mean a repeat of the Kingfisher Airlines case**

Bank executives are unwilling to oblige due to the risk of being subjected to questioning by the agencies over calls taken several years ago. The bankers have chosen to take Jet Airways to the bankruptcy court to avoid investigative overreach, they said. They are content to let regulators take the lead and will cooperate with them as needed.

"We are not in the business of finding frauds. We will raise alarm bells if something comes to light. We are co-operating with investigative agencies and will share documents and necessary details as required," said a banker.

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