Telecom sector under

stress, admits Prasad,

spells out revival plans

### MARKET WATCH

	28-06-2019	% CHANGE
Sensex	39,395	-0.48
US Dollar	69.03	0.05
Gold	34,285	-0.18

NIFTY 50		
	PRICE	CHANGE
Adani Ports	410.20	3.70
Asian Paints	1358.15	-3.25
Axis Bank	808.55.	8.10
Bajaj Auto	2827.05	38.80
Bajaj Finserv	8524.65	80.75
Bajaj Finance	3681.10	38.90
Bharti Airtel	346.65	-2.00
BPCL	392.45	0.25
Britannia Ind	2743.70	17.80
Cipla	553.45	1.50
Coal India	253.80	5.60
Dr Reddys Lab		
Eicher Motors	19138.80	-340.50
GAIL (India)		
Grasim Ind		
HCL Tech		
HDFC		
HDFC Bank		
Hero MotoCorp		
Hindalco		
Hind Unilever		
Indiabulls HFL		
ICICI Bank		
IndusInd Bank		
Bharti Infratel		
Infosys		
Indian OilCorp		
ITC		
JSW Steel		
Kotak Bank		
L&T		
M&M		
Maruti Suzuki		
NTPC		
ONGC		
PowerGrid Corp		
Reliance Ind	1252 10	-21 0.00
State Bank		
Sun Pharma		
Tata Motors		
Tata Steel		
TCS		
Tech Mahindra		
Titan		
UltraTech Cement		
UPL		
Vedanta		
Wipro		
YES Bank	108.75	3.65

Zee Entertainment ..... 338.65..... -4.85

CURRENCY	TT BUY	TT SELL
US Dollar	68.82	69.14
Euro	78.30.	78.67
British Pound	87.34	87.75
Japanese Yen (100)	63.87	64.17
Chinese Yuan	10.02	10.07
Swiss Franc	70.49	70.86
Singapore Dollar	50.85	51.11
Canadian Dollar	52.59	52.84
Malaysian Ringitt	16.64	16.74
Source:Indian Bank		

# + No substitute for rigorous statistical

SPECIAL CORRESPONDENT

the data on macroeconomic indicators, RBI Governor was no substitute for rigoestablishing regularities.

strengthened.

# Current account deficit tapers

Lower Q4 trade deficit cited; forex reserves hit all-time high of \$426.41 billion

SPECIAL CORRESPONDENT

The country's current account deficit (CAD) for the January-March period narrowed to 0.7% of the GDP, or \$4.6 billion, compared with 1.8%, or \$13 billion recorded during the same period of the previous year. The deficit narrowed due to a lower trade deficit.

The current account deficit was \$17.7 billion, or 2.7% of the GDP, in the preceding quarter.

"The contraction of the CAD on a year-on-year basis was primarily on account of a lower trade deficit at \$35.2 billion as compared with \$41.6 billion a year ago," the Reserve Bank of India said.

Net services receipts increased by 5.8% year on year, mainly on the back of a



Hanging in balance: For FY19, CAD rose to 2.1% of the GDP in 2018-19, from 1.8% in 2017-18. ■ c.v.subrahmanyam

rise in net earnings from telecommunications, computer and information services.

While foreign portfolio investments recorded a net inflow of \$9.4 billion, compared with \$2.3 billion, on account of net purchases in both debt and equity markets, foreign direct investment at \$6.4 billion during the January-March period was at the same level of the fourth quarter of the previous financial year.

For the full financial year 2018-19, CAD increased to 2.1% of the GDP in 2018-19

from 1.8% in 2017-18 on the back of a widening trade deficit. The country's trade deficit increased to \$180.3 billion in 2018-19 from \$160 billion

Forex reserves

The country's foreign exchange reserves hit a record high of \$426.41 billion for the week ended June 21, latest data from Reserve Bank of India showed.

The previous high was attained on April 13, 2018 when it was \$426.08 billion.

During the week ended June 21, foreign exchange reserves swelled by a whopping \$4.2 billion.

The increase in foreign currency reserves is due to an increase in foreign currency assets of similar mag-

### Fiscal deficit at 52% of full year target

PRESS TRUST OF INDIA

The government's fiscal deficit touched 52% of the Budget estimate for the full year in the first two months of 2019-20.

In absolute terms, the fiscal deficit, or the gap between expenditure and revenue, was ₹3,66,157 crore, as per the data released by the Controller General of Accounts (CGA).

The fiscal deficit was 55.3% of the 2018-19 Budget estimate in the year-ago period. In the Interim Budget passed in February, the government had estimated the fiscal deficit at ₹7.03 lakh crore for 2019-20.

The government aims to restrict the fiscal deficit to 3.4% of the GDP during the current fiscal.

# Panel to revisit spectrum usage charge SPECIAL CORRESPONDENT Acknowledging that the te-

Ravi Shankar Prasad

lecom industry was under financial stress, Telecom Minister Ravi Shankar Prasad on Friday said he had formed a committee to review levies, including spectrum usage charge (SUC), and promote ease of doing business. The Minister will also be meeting all the telcos 'at the earliest' to discuss va rious sectoral issues. "The telecom sector has

NEW DELHI

been undergoing stress for a long time. I propose to do two things. One, I will be holding a meeting with all the telcos very soon. Second, I have constituted a committee to look into the entire issue of removing ambiguities in ease of doing business. It will also revisit the whole issue of SUC," he said.

He added that the committee, to be headed by Telecom Secretary Aruna Sundararajan, would submit its report in two weeks' time. "If there are issues which require clarity, I've also directed the committee to seek views of the Solicitor Gener al," he added. The committee would also look into previous recommendations by sectoral regulator TRAI on the issue, as well. The reduction of levies and fees, including licence fee, SUC and universal service levy, has been a long-standing demand of the industry, along with review of the definition

"I have noticed some consolidation in the sector. That was a natural process [of how the market works]. But my government will ensure that this competition is fair," he added. Further, the Mi-

of aggregated gross revenue.

nister said that he was looking into the revival plan for state-owned BSNL and MTNL on priority. "We will be making a very focused attempt for the revival of BSNL and MTNL. Very soon, we'll be moving a Cabinet note in that direction. The details for that are being worked out," he said.

"Therefore, the revival package is being worked out and we will ensure that there is least pressure of the government. I appeal to the employees BSNL and MTNL to be competitive and professional and learn to live in today's competitive world. Our government supports competition," he said.

#### 'More spectrum'

The Minister hinted that the government would look at offering the two PSUs more spectrum. While he did not answer questions on Huawei, Mr. Prasad said he was 'excited' about opportunities that 5G technology would bring in and that the government planned to involve start-ups and software giants to work on Indiaspecific 5G use cases.

Mr. Prasad said another area where he would focus efforts was making India an export hub for electronics.

A CB-CBE

# RBI allows ARCs to buy financial assets from peers

Transactions to be settled in cash

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India (RBI) has allowed asset reconstruction companies (ARCs) to buy financial assets from other such entities. However, all such transactions have to settled in cash, the banking regulator

"In view of amendment to the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, it has been decided to permit ARCs to acquire financial assets from other ARCs," the RBI said.

"Price discovery for such transaction shall not be prejudicial to the interest of security receipt holders," the



RBI further said, adding the selling ARC must utilise the proceeds so received for the redemption of underlying security receipts.

The date of redemption of underlying Security Receipts and total period of realisation should not extend beyond eight years from the date of acquisition of the financial asset by the

### DHFL defers Q4 results by two weeks

SPECIAL CORRESPONDENT

Dewan Housing Finance Corporation Ltd. (DHFL) has deferred its results by two weeks due to nonavailability of directors.

"In light of certain unfo-

reseen operational engagements including non-availability of a few directors ... the date of the board meeting to consider and approve the audited financial results ... [is] postponed to July 13," DHFL said in an exchange filing. The results were to be announced on June 29. DHFL is facing a liquidity crunch and had defaulted partially to its commercial paper investors. The shares of the mortgage lender fell 11.75% to ₹72.10 on the BSE on Friday.

# India seeks Swiss help in probe against Essar firms

Swiss tax dept. issues notifications

PRESS TRUST OF INDIA NEW DELHI/BERNE

India has sought the Switzerland tax department's assistance in a probe against six companies of the Essar group, including those into the steel and power businesses, according to official documents of the Alpine

Kick-starting the information exchange process, the Federal Tax Administration of Switzerland has issued gazette notifications for the six companies, giving them an opportunity to appeal against India's assistance request as per the Swiss laws.

The six firms for which information has sought by India are Essar Steel India Ltd., Essar Pro-

Gujarat Ltd., Essar Power MP Ltd., Essar Power (Jharkhand) Ltd. and Essar Bulk Terminal (Salaya) Ltd.

jects India Ltd., Essar Power

#### **Essar refutes charges**

An Essar group spokesperson said: "The Essar Companies referred to do not have any undisclosed account in Switzerland. Further, we have not received any query or notice from any Switzerland authority in this regard." Separate but identical notifications have been issued for each Essar company in Switzerland's federal gazette dated June 18, giving them ten days to nominate a person in Switzerland to appeal against the 'administrative assistance' process.

# testing: Das

Shaktikanta Das said there rous statistical testing for empirical

"In an era marked by the widespread usage of the Internet and social media, there is no substitute for rigorous statistical testing for establishing empirical regularities," he said, while delivering a speech at the Annual Statistics Day Conference. The RBI would continue to refine forecasting, and macroeconomic assessment methods such as growth, inflation forecasting methods would be

# Trade war makes India a haven for aluminium scrap dumping

'Country overtakes China in imports; trend hurts industry'

TCA SHARAD RAGHAVAN NEW DELHI

India has overtaken China as the preferred destination for aluminium scrap with imports growing 18.8% in the January-March 2019 quarter compared with the same quarter of the previous year.

This, according to industry players, is hurting Indian industry and is the direct result of the trade war between China and the U.S.

India imported 3,34,725 tonnes of aluminium scrap in the January-March 2019 quarter compared with China's 3,30,567 tonnes in the same period, according to a report by S&P Global Platts. While India's imports grew 18.8% over this period, China's declined by 32.1%.

"The U.S. had imposed an import duty of 10% on alu-

plemented a 25% duty on the import of aluminium scrap from the U.S.," said Rahul Sharma, vice-president, Aluminium Association of "This means that the

scrap is being diverted and dumped in India. Imports of scrap from the U.S. have gone up by about 148% from 2017-18 to 2.6 lakh tonnes in 2018-19." Commerce Ministry data shows that this rising trend of aluminium scrap imports coincides strongly with the tariff war between the U.S. and China.

"China is also classifying aluminium scrap as a restricted import, which will be implemented from July 1, 2019," he added. Industry players say that the other

minium in March 2018 and reason for the dumping of in response, China had im- aluminium scrap in India is the duty structure in place, something they want the government to revisit in the upcoming Budget.

While other metals like zinc, copper, lead, and nickel all have the same import duties for their primary and scrap variants, this is not so for aluminium. Aluminium scrap imports are taxed at just 2.5%, while primary aluminium is taxed at 7.5%.

"What is also happening is that scrap is eating into the primary market," Mr. Sharma explained. "That is, impure scrap is being used in place of pure primary scrap in consumer-facing sectors such as consumer durables, utensils and also in sectors of national importance such as power transmission."

# Jet staff, Adi Partners to bid for 75% stake

'About ₹2,500 crore to ₹5,000 crore will be required to revive debt-laden airline'

SPECIAL CORRESPONDENT

London-based Adi Partners and some groups representing Jet Airways' employees said on Friday that they were entering into a partnership to bid for acquiring a 75% stake in the airline when the NCLT invites expression of interest (EoI) for the debt-laden airline.

Last week, the SBI-led consortium of lenders decided to start bankruptcy proceedings against Jet Airways and referred the matter to the National Company Law Tribunal (NCLT) after failing to find investors during a bidding process. Representatives of the airline's employees as well as Adi Partners had submitted separate bids to the lenders.

"We will stand shoulderto-shoulder with the employees to revive the airline. Adi Partners will own 49%

26% share in the partnership," said Sanjay Vishwanathan, chairman and managing partner, Partners, at a joint press conference. The employee groups and Adi Partners said they had informed the Resolution Professional (RP) appointed by NCLT about their tie-up.

and employees will have

He added there was a possibility of a tie up with either Indian banks or foreign institutional lenders' groups for the remaining 25% stake in the company.

Jet Airways owes almost ₹8,400 crore to domestic banks and ₹4,000 crore to foreign lenders. Mr. Vishwanathan said that he estimated that an initial investment of "₹2,500 crore-₹5,000 crore" would be required to revive the airline. Total liabilities were pegged at almost ₹25,000 crore, including



dues of ₹8,000 crore-₹12,000 crore towards vendors and almost ₹600 crore for salaries to employees that had been pending for the last six months.

**Staff funding** 

No clear answers were available though on how the employees, who had not been paid salaries since January, could bring in ₹625 crore-₹1,000 crore to invest in the airline. Both Adi Partners

and the employee groups said that a request had been made to the NCLT to release some money towards salaries owed to the staff so that they don't leave the company and hamper bankruptcy proceedings. This money could be partially routed into the airline. There were also questions

about whether the move had the support of all the employees with the pilots' union, the National Aviator's Guild, distancing itself from Friday's announcement. The employee groups pre-

sent today included Society for Welfare of Indian Pilots, Jet Aircraft Maintenance Engineer Welfare Association-,Jet Airways Cabin Crew Association, Save Jet Airways and All Indian Jet Airways Technician Association. It is estimated that there are nearly 10,000 employees left in the company.



#### BRIEF



IndusInd buys 2.58% in Satin Creditcare

Private lender IndusInd Bank has picked up a 2.58% stake in Satin Creditcare Network. one of the largest microlenders, by converting debentures which the bank had subscribed to earlier. The stake buy in Satin comes days ahead of the merger of **Bharat Financial Inclusion** with IndusInd Bank on July 4. The bank has been allotted 13,43,283 equity shares, representing 2.58% stake in Satin Creditcare, the bank said in a statement. PTI

# Bharti Airtel shuts 3G service in Kolkata

NEW DELHI
Bharti Airtel announced the closure of its 3G service in Kolkata as part of its plan to replace the third-generation mobile technology with 4G in the country. "This is in line with our stated strategy of focussing on serving customers with best-in-class experience. Going forward, we plan to reform all of our 3G spectrum across India and deploy it for 4G in a phased manner," Randeep Sekhon, CTO, Bharti Airtel, said. PTI

### Mindtree founders give open offer a miss

BENGALURU
The four Mindtree founders,
Subroto Bagchi, N.S.
Parthasarathy, Krishnakumar
Natarajan and Rostow
Ravanan, who together own
13%, have not tendered their
shares in the open offer by
Larsen & Toubro that closed
on Friday. However, one of
its other co-founders, S.
Janakiraman, has tendered
0.3% of his stake in the open
offer out of his total holdings

# ONGC looks for exploration partners

Oil explorer wants to enhance output from its 64 marginal fields with volume of 300 mmtoe

SPECIAL CORRESPONDENT

Amid stagnating oil and gas production, state-owned ONGC is seeking partners to enhance oil and gas production from its 64 marginal nomination fields with the intention of maximising recovery from these fields by adopting new technology.

The oil explorer has come up with the notice inviting offer (NIO), which allows interested companies to participate in the international competitive bidding (ICB) process announced for 17 onshore contract areas comprising 64 oil- and gas- producing fields with total in-place oil and oil equivalent gas (O+OEG) volume of about 300 million metric tonnes of oil equivalent



Dangling a carrot: Operators will get incentives for producing higher than the committed incremental production. • REUTERS

(Mmtoe). "Companies, either alone or in consortium or joint ventures, may bid for one or more contract areas," said the offer document, adding that the bidders are re-

quired to fulfill the requisite technical and financial criteria and the bids would be evaluated on the basis of revenue sharing from the incremental oil and gas production. ONGC will offer marketing and pricing freedom to sell oil and gas on arm's length basis through competitive basis and the contractor will be selected on a revenue sharing basis. The revenue will be shared on incremental production over and above the baseline production under Business-As-Usual (BAU) scenario.

#### 15-year contract

ONGC is offering the hydrocarbon fields on a contract period of 15 years with an option to extend by 5 years. Besides, exploration permitted includes the right to explore all kinds of hydrocarbons.

The contract will be based on revenue sharing model and offer reduction of 10% in the royalty rate for addition-

al production of natural gas over and above the BAU scenario. The contractors will not be required to reimburse any expenditure already incurred by ONGC. The operators will also be given incentives for achieving production higher than the committed incremental production.

This comes at a time when ONGC production has almost stagnated and the government wants to reduce the country's dependence on crude oil imports.

Early this year, the Centre had asked the national oil explorer to rope in private players to boost production. India imports more than 80% of its crude oil requirements and 18% of its natural gas needs.

# HP launches dual screen gaming laptop

Omen X 2S carries ₹2.1 lakh price tag

SPECIAL CORRESPONDENT

To tap the growing demand for gaming PCs in the country, HP on Friday launched the world's first dual-screen gaming laptop, Omen X 2S, in India with a price tag of almost ₹2.1 lakh.

The dual-screen would allow players to message friends on WhatsApp, browse in Spotify, watch Twitch, YouTube, and serve as a hub for Omen Command Centre software. It would also enable gamers to copy the map portion of a racing game to the second screen.

**'Evolving lifestyle'**"Gaming as a category is evolving very fast. It is not

just a hobby, but a fastevolving lifestyle and, in select cases, a profession. It is also becoming a spectator sport where you will find a lot of people just watching others gamers play...We are pushing the paradigms of gaming innovations through new devices like OMEN X 2S, that provide unmatched experiences to the gamers and help them reach the next level," Vickram Bedi, Senior Director, Personal Systems, HP Inc. India said.

"We have added gaming experience zone in 100-plus HP Worlds. These are dedicated gaming experience zones, where before you go and buy a gaming device, you can play and experience it," Mr. Bedi said.

# M&M unveils 'World of SUVs' dealership model

Aims to enhance buyer experience

SPECIAL CORRESPONDENT

Mahindra & Mahindra Ltd. (M&M) has unveiled World of SUVs, its new-age dealership format to attract digital savvy customers and enhance buyers' purchase experience. The company has set up over 300 such facilities across the country in the last six months and more are being added.

"We are investing ₹50-60 crore for enhancing the digital experience at our World of SUVs. We have completed 300 outlets and a handful are remaining. We are creating smart centres in rural India, which will be accessible across 25 km," Veejay Ram Nakra, chief of sales and customer care, automotive

We are investing ₹50-60 crore to enhance the digital experience at our outlets

VEEJAY RAM NAKRA
Chief of sales and customer
care, automotive division, M&M

division, M&M, said. "The Mahindra World of SUVs is a differentiated customer experience, a synthesis of next level technology with a physical environment that showcases the brand promise of 'Live Young, Live Free.' A lot of concepts from dealerships of the future have been carried forward in World of SUVs."

The World of SUVs will also use digital aids for an 'immersive' customer experience, the company said.

### UBI eyes ₹4,000 cr. in NPA recovery for FY20

PRESS TRUST OF INDIA

United Bank of India is targeting NPA recovery of about ₹4,000 crore in the 2019-20 fiscal on the back of a one-time settlement (OTS) scheme, a top official said on Friday.

In the April-June quarter, the state-owned lender is expecting a recovery of ₹300-400 crore, which would mainly accrue from the retailing sector, MD and CEO Ashok Kumar Pradhan said.

"We are not expecting any huge recovery from the resolution process, particularly from the steel and power sectors," he said.

# Lemon Tree Hotels embarks on high-growth journey via expansion

Plans to expand to 8,800 rooms in 87 hotels by 2021

LALATENDU MISHRA MUMBAI

Indian hospitality chain Lemon Tree Hotels Ltd., which is focussed on the mid-scale hotel sector, is planning to expand to 8,800 rooms in 87 hotels by calendar year 2021 from the existing network of 56 hotels with 5,525 rooms.

The company also plans to expand the Lemon Tree Premier upper midscale network to 3,381 rooms in 23 hotels by calendar year 2021, from the current 12 hotels with 1,697 rooms. It also plans to increase it economy offering Red Fox to 1,443 rooms in 12 hotels by that time.

The hotels under development will be in cities



Patanjali Keswani

such as Mumbai (880 rooms), Kolkata (142), Udaipur (139), Shimla (69) and Alleppey Lake Resort among others. Lemon Tree will unveil upscale brand Aurika with a 670-room hotel, which be operational by FY22. "We envisage an investment of around ₹350

crore over the next two years leading up to the total capex deployment of ₹5,800 crore for the proposed expansion till calendar year 2021," Patanjali Keswani, chairman & MD, Lemon Tree Hotels Ltd., said.

#### **Hunt for partner**

"We seek to monetise our asset ownership in 100% owned assets by finding strategic, like-minded partners who can buy up to 49%," he said. The company is now gearing up to open Lemon Tree Premier-Mumbai International Airport (300 rooms & suites), its second in Maharashtra after Pune.

Another one is coming up at Aurangabad.

## 'Google appears to have misused dominance'

REUTERS NEW DELHI

Google appears to have misused its dominant position in India and reduced the ability of device manufacturers to opt for alternate versions of its Android mobile operating system, Indian officials have found.

A 14-page order from the Competition Commission of India found Google's restrictions on manufacturers seemed to amount to imposition of "unfair conditions". This is similar to what Google faced in Europe, where regulators imposed a \$5 billion fine on the firm for forcing manufacturers to pre-install its apps on Android devices.



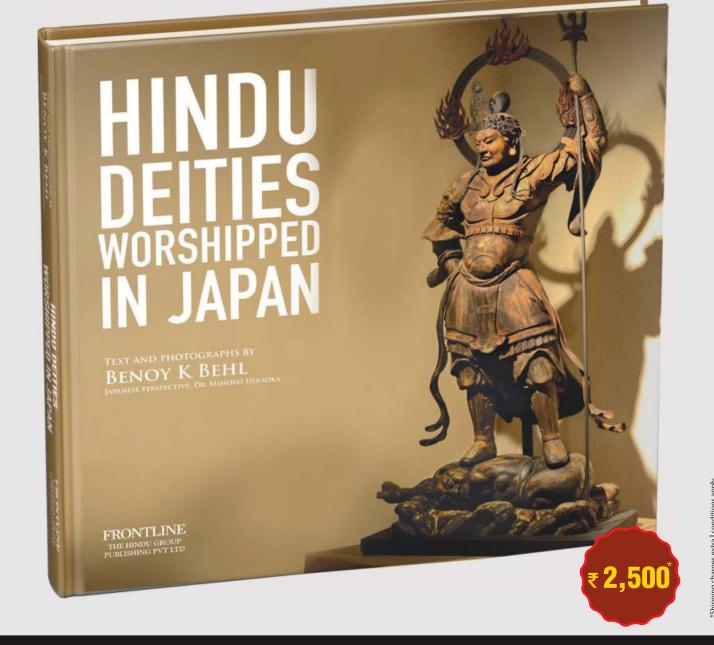
### A SPECIAL PUBLICATION FROM THE HINDU GROUP

This coffee-table book opens a window to the practice of Buddhism in Japan, right from its arrival in that country 1,000 years ago to its growth through the worship of deities of Indian origin. Benoy Behl's images illuminate the pages and present an invaluable account of Japan's links with Hinduism and with its Buddhist past

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