



Walmart India Upbeat on Regulatory Progress
BRANDS: CREATING DESIRE >> 16

Trade War has not Made US Great Again, Says China
AROUND THE WORLD >> 15

Liverpool Beat Tottenham, Win Sixth Champions League Title
SPORTS: THE GREAT GAMES >> 18



ET EXCLUSIVE DAVID M SOLOMON
CEO, GOLDMAN SACHS

'Growth may Cross 7.5% if Reforms Accelerate'



Digitisation of Indian economy to create opportunities, FDI inflows to gather pace if reforms continue, says Solomon

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Bengaluru: The re-election of Prime Minister Narendra Modi with a massive mandate has been a major confidence booster for Goldman Sachs in India, both as an investor and as an allocator of capital, said its top executive, and hoped for the continuation of economic reforms. "Our base case on GDP growth is 7.5%," said Goldman Sachs CEO David M Solomon in his first interview with Indian media. "If the reform programme accelerates there can be considerable upside in the GDP growth on a forward basis... Our growth will closely match that of the growth of the Indian economy." In a freewheeling conversation with ET over video conference, Solomon spoke on a wide range of topics that impact global fi-

SHIFTING GOAL POSTS
Goal posts in any economy can keep shifting, including US. It's par for the course when you are driving change in a major economy
FULL INTERVIEW >> PAGE 17

TRADE WAR OPPORTUNITIES
India may not be able to capitalise on global supply chain disruptions due to US-China trade war, like Indonesia and Vietnam have done

nance and corporates, touching upon issues as diverse as economic reforms in India, the timing of a possible global recession, the future path of US interest rates, global trade wars as well as the desirability of breaking up Big Tech firms like Facebook. The former chief operating officer of the bank, who took over last October from Lloyd Blankfein, the legendary risk titan, believes India is going to need significant amounts of capital — an area where the Wall Street bellwether can play a key role. "If you think about the continuing digitisation of the economy in India, obviously that's going to create many opportunities." The reforms process, if continued under the new government, will further accelerate FDI inflows, he said.

Low Chance of Global Recession: Solomon >> 16

Slowing Growth may Lead RBI to Cut Rates 25 bps

ET POLL

Respondents also expect change in monetary policy stance on June 6 to 'accommodative'

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Growth Priority
RBI expected to give more attention to declining growth

Beyond rate
A fourth of respondents expect stance change to 'accommodative'
Markets seek direction on liquidity management

RATE COUNT	
EXPECTATIONS ON MONETARY POLICY	
No change	5
15-25 basis points	1
25 basis points	19
25-50 basis points	1
35 basis points	1
50 basis points	1
TOTAL	28

Mumbai: The central bank is likely to focus more on growth than on targeting inflation and lower the cost of funds after data showed the economy growing at the slowest pace in five years, according to the majority of market participants in an ET survey.

The Reserve Bank is expected to cut the benchmark interest rate by 25 basis points when it announces its second bi-monthly Monetary Policy Statement for 2019-20 on June 6, said three-fourths of the 28 respondents, which included executives and economists from banks, mutual funds, rating agencies and NBFCs.

Some respondents indicated informally that the cut in repo

rate could be 15-35 basis points, citing interactions between market players and the RBI. A basis point is one hundredth of a percentage point.

Liquidity in System Vital >> 16
BROKERAGES' VIEW >> 7

MARGINAL PROGRESS IN TWO WEEKS

Monsoon Loses Momentum

The southwest monsoon has lost momentum, making only marginal progress since it reached the Andaman and Nicobar islands two weeks ago. >> 12

4 State Chiefs in Govt, BJP Looks for Change

Party will also have to find replacements for some ministers in BJP-ruled states as well as for MLAs

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New Delhi: The promotion of several ground-level Bharatiya Janata Party leaders to union ministries after the Lok Sabha polls has opened up many slots in the party structure.

While there is a lot of speculation on Amit Shah's replacement as the next BJP president, there are other vacancies as well, with four state unit chiefs becoming union ministers. Also, some ministers in the states under BJP rule as well as MLAs have become MPs.

BJP state unit presidents of Uttar Pradesh, Bihar, Telangana and Maharashtra are now Lok Sabha members and have also been inducted into PM Narendra Modi's council of ministers. Under the BJP's 'one person-one post' principle, these leaders cannot simultaneously be ministers and state presidents. While the party allows MPs and MLAs to hold organisational posts — for instance, Shah was BJP chief as well as a Rajya Sabha member — it is rare to

be a part of the government and also occupy a party post. BJP's UP chief Mahendra Nath Pandey is now the skill development minister. In the previous Modi dispensation, Pandey had to give up the post of minister of state in the human resource development ministry when he became the UP BJP chief. The party will now have to look for a replacement for him. Sources said Manoj Sinha, who lost

from Ghazipur Lok Sabha seat despite some impressive development work in his constituency, is a frontrunner for the UP BJP president's post. Though Bhumi-har, the caste Sinha belongs to, are numerically weak in UP at just 2.5%, the BJP had experimented earlier by making Surya Pratap Shahi (also a Bhumi-har) the state party chief.

Rajyavardhan Rathore may be Raj BJP Chief >> 16

Up The Ladder

BJP's big win has created many vacancies in party
ONE PERSON-ONE POST
BJP has 'one person-one post' rule
Those joining govt will need to be replaced in party structure

IN THE RACE

Manoj Sinha frontrunner in UP
Radha Mohan Singh ahead in Bihar
Rajyavardhan Rathore in race to head Rajasthan unit

NDA's Return to Boost D St: Chris Wood

The re-election of NDA is constructive for Indian stock markets, Jefferies' head of equity strategy Christopher Wood tells **Sanam Mirchandani**. >> 7

Alternative Setup for Disinvestment to be Reactivated

Composition of mechanism that allows for quick decision-making may be changed

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New Delhi: India will soon reactivate the alternative mechanism that was first put in place by the previous Narendra Modi administration to spe-

ed up strategic sales. The mechanism comprises select ministers empowered to decide on the timing, price and amount of shares of a state-run company to be put on the block for outright sale, a senior government official told ET.

"The alternative mechanism has to be notified," said an official.

The department already has a pipeline of initial public offers (IPOs) of state-owned enterprises in place.

The alternative mechanism allows for quick decisions as every proposal need not be cleared by the cabinet committee on economic affairs (CCEA).

In the last government, the mechanism was set up with the approval of the CCEA. It included the finance minister, the road transport and highways minister and the minister of the relevant department as members. This composition could undergo a change with the new government in place.

Strategic Push

FASTER DECISIONS
Mechanism will help expedite decision-making

Composition may undergo change

Dept will not need to move CCEA multiple times

READY LINE-UP

DIPAM has a pipeline ready to move swiftly

IPOs of some PSUs may be pushed

Strategic sales list ready, including AI

TARGET FOR FY20
₹90,000 CR

Asset Sale Target for FY20 >> 16

US STANCE ON GENERALIZED SYSTEM OF PREFERENCES

'May not be End of Sops to India'

Government officials have cited instances of GSP benefits being restored by the US to say that concessions for Indian goods may come back, reports **Kirtika Suneja**. >> 11

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WORK CUT OUT Bilateral differences between India and the United States are growing over trade issues, Iran and defence purchases from Russia

Pompeo's Delhi Visit to Set Stage for Modi-Trump Talks in Osaka

PM Narendra Modi, US Prez Donald Trump last met in Argentina in November

Dipjan Roy, Chaudhury @timesgroup.com

New Delhi: US Secretary of State Mike Pompeo may visit New Delhi later this month en route to Osaka — the host city for the G-20 Summit on June 28-29 — and is expected to meet foreign minister S Jaishankar. The visit could help prepare for a

Modi-Trump meeting in Osaka, with the US scrapping duty concessions for some Indian exports and other impending measures that could adversely affect bilateral trade ties. Prime Minister Narendra Modi and US President Donald Trump last met in Argentina in November.

Bilateral differences are growing over trade issues, Iran and defence purchases from Russia. Trump had telephoned Modi following his re-election last month and in an unprecedented move, Modi received congratulatory messages from several US senators, businessmen and academics.

Pompeo's visit would be one of Jaishankar's first major engagements as foreign minister. He is expected to engage with French for-

eign minister Jean-Yves Le Drian to prepare for the G-7 meet in France in August, where India has been invited as an observer along with Chile, Australia and South Africa.

Indo-US trade ties have been strained for the past year over restrictions on proposed US exports of dairy products and medical equipment, besides India's requirements on data localisation and revised foreign investment norms for e-commerce companies.

Last week, the US threatened sanctions against any country buying oil from Iran and warned against buying Russia's S-400 missile defence system. India and Russia signed a deal for the purchase of the S-400 system last year and delivery will begin next year.



The government on Saturday exuded confidence that India and the US would continue to work together to improve ties following Washington's decision to withdraw duty concessions under the Generalized System of Preferences. "India, as part of our bilateral trade discussions, had offered resolution on significant US requests in an effort to find a mutually acceptable way forward. It is unfortunate that this did not find acceptance by the US," the government said in a statement.

The government pointed out that GSP benefits given by developed countries such as the US to developing nations are "unilateral, non-reciprocal and non-discriminatory." Commerce secretary Anup Wadhawan had stressed that the move would have a "minimal and moderate impact" amounting to \$190 million on \$5.6 billion of exports to the US that fall under the GSP category.

US Representative in Pakistan to Discuss Afghan Peace Process

ISLAMABAD: Zalmay Khalilzad, the US Special Representative for Afghanistan Reconciliation, arrived here on Sunday to facilitate a peace process that will end the 19 years of war in Afghanistan. Samaa News agency reported that the US envoy is expected to attend a Pakistan-US advisory meeting at the Ministry of Foreign Affairs in the presence of Pakistan government officials and military leaders. Prior to his arrival, Khalilzad also held meetings with Pakistan PM Imran Khan and Afghan President Ashraf Ghani on the sidelines of OIC (Organisation of Islamic Cooperation) summit in Makkah, last week. — ANI

Siachen, INS Khanderi, Apache Copters, Kargil Event on Rajnath Singh's To-do List



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New Delhi: Defence minister Rajnath Singh is set to begin his South Block stint with a visit to the Siachen glacier, the world's highest battlefield, on Monday. He is likely to interact with troops and pay tributes at the war memorial there.

The minister will also be briefed by Leh-based 14 Corps in the Ladakh region, which shares borders with both Pakistan and China.

In the coming weeks, the three Services are likely to make detailed presentations before the minister, ranging from key appointments to be made to urgent procurements to rolling out of policy decisions on Make in

India. "A number of presentations have been planned for the minister as per his instructions," a South Block official said.

The minister's first big engagement with the Navy is likely to be the commissioning of INS Khanderi, the second of the Scorpene class submarine, which has undertaken extensive sea trials and is now ready for operations. Named after the island fort of Khanderi that was constructed by Chhatrapati Shivaji, the diesel-electric submarine will be a useful addition to the force.

Singh is also likely to visit Air Force facilities soon, with the upcoming induction of Apache attack helicopters likely to be his first major engagement. The first of the 22 choppers, bought under a \$2.2 billion contract, have been handed over to the Air Force in Arizona and are expected to be delivered within a month.

Singh will also preside over the largest commemoration event planned for the Kargil battle. Officials said a series of events that have been planned in Delhi and in Ladakh will be reviewed by him. While the main function will be held on July 26, Kargil-related events, including 'missing man' formation flights led by IAF chief BS Dhanoa and a motorcycle rally to the Karakoram pass, have already started.

OPPN RJD REFUSES COMMENT, SAYS 'IT IS CM'S RIGHT TO CHOOSE CABINET'

Nitish Expands Ministerial Team with Only JDU Members, says 'No Problem in NDA'

Nitish has offered BJP to fill the vacant ministerial seat. BJP decided to fill it in future: Sushil Modi

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New Delhi: Within 72 hours of the new Council of Ministers taking oath at the Centre, Bihar CM and JDU chief Nitish Kumar expanded his ministerial team on Sunday with eight new members, all from his party. The JDU had earlier refused to be part of the Union Cabinet after BJP, which leads NDA, offered it just one ministerial berth. Seeking to play down the inevitable inference of a possible rift between the two parties given the timing of the expansion, Kumar said in Patna: "There were a number of vacancies from JDU quota and we filled that. Other parties would be accommodated in future. There is no problem within NDA."

Deputy CM and BJP leader Sushil Kumar Modi tweeted: "Nitish



Nitish takes everyone along. He doesn't let injustice happen to minorities or most backward classes. Unfortunately, there is no representation of most backward classes from Bihar in the Union Cabinet

KCTVAGI JDU secretary general

Kumar has offered BJP to fill the vacant ministerial seat. BJP decided to fill it in future. Like BJP, LJP, the third member of



Ram Vilas Paswan Union Minister
All is well in NDA. Nitish is our leader. He has also said that he was, is and will remain in NDA. Moreover, I am there to act as a cementing force

The NDA in the state, was also left out. With the lone LJP minister in Bihar, Pashupati Paras, winning the recent parliamentary election, he has to resign from the state Cabinet. "It is the CM's prerogative to choose his cabinet," said Paras.

The leaders who took oath on Sunday are Sanjay Jha, Niraj Kumar, Shyam Rajak, Narendra Narayan Yadav, Ashok Choudhary, Bima Bharti, Lakshmeshwar Rai and Ram Sevak Singh.

Jha was eyeing the party ticket to contest the Lok Sabha election from Darbhanga. But the seat went to BJP. He has now been accommodat-

ed as a minister. Niraj Kumar comes in as a Bhumihar minister to replace Lalan Singh, who won the Lok Sabha election. Narendra Narayan Yadav comes in as a replacement for Dinesh Chandra Yadav, who also won the Lok Sabha election.

The choice of ministers suggests that Kumar sought to balance castes and his support base keeping in mind the assembly elections due next year. Among the new ministers, two each are from the most backward classes and Mahadalits, a caste base nurtured by the CM in the past 15 years. Two are from the OBCs and the remaining two are from upper castes.

While terming the expansion a "routine exercise", JDU secretary general KC Tyagi said: "Nitish Kumar is a leader who takes everyone along. He doesn't let injustice happen to minorities or most backward classes. Unfortunately, there is no representation of most backward classes from Bihar in the Union Cabinet."

Tyagi's comment follows a series of similar expressions of disappointment by JDU leaders over the composition of the new government at the Centre. RJD leader Manoj Jha said: "It is the CM's right to choose his Cabinet and it is their internal matter. We can't comment on that."

INCIDENT DATES BACK TO 2006

Centre to Challenge in SC Acquittal of Five SIMI Activists

Kerala HC in April observed 'serious error' on the part of NIA special court

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New Delhi: Nearly two months after five alleged members of the banned Students Islamic Movement of India (SIMI) were acquitted by the Kerala High Court, the Centre has decided to challenge it in the Supreme Court. This is likely to be the first review plea in SC by the Narendra Modi government in its second term.

ET has learnt that the Ministry of Home Affairs has given its go-ahead to the proposal. An official said the MHA will also seek the views of the law ministry and the attorney general. These SIMI activists were convicted by a special court of the National Investigation Agency (NIA).

In 2006, a group of youths had met in Kerala's Aluva to discuss alleged 'killings in Kashmir by the Army' and had 'decided to fight under SIMI's leadership'. The meeting, attended by 17 persons, had also discussed the 'role of Muslims in India's Independence', according to NIA's charge sheet. The case — initially probed by Kerala police — was taken over by NIA in 2006 and charge sheet was filed in 2011 against 16 persons. The NIA court had sentenced Rasik and Anwar to 14 years of imprisonment. PA Shaduli, Nizamuddin and Shammam were sentenced to 12 years of jail; 11 others were acquitted.

One of the accused was a juvenile and a separate charge sheet was filed against him in the Juvenile Justice Board. This was also quashed by the HC. The Kerala HC, while acquitting the five, in April this year observed "serious error" on the part of the NIA special court. A division bench of Justices AM Shafiq and Ashok Menon held there was no evidence of the alleged speeches. The prosecution's main witness was the imam of Panayikulam Salafi Masjid from

Case History

Case — initially probed by Kerala police — was taken over by National Investigation Agency in 2008 and charge sheet was filed in 2011 against 16 persons

NIA court had sentenced Rasik and Anwar to 14 years of imprisonment; PA Shaduli, Nizamuddin and Shammam were sentenced to 12 years of jail; 11 others were acquitted

One of the accused was a juvenile and a separate charge sheet was filed against him in the Juvenile Justice Board; this was also quashed by the high court



ANTI-TERROR STEP

India, Maldives may Agree on Legal Assistance During Modi's Male Trip

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New Delhi: PM Modi's trip to Maldives this week could see the two countries agree to operationalise an arrangement on mutual legal assistance on criminal matters as part of a strategy to join hands to combat terrorism in the region.

During Maldives President Ibu Solih's visit to Delhi in December 2019, the two countries had decided to create institutional linkages and establish a framework of co-operation on mutual legal assistance. This could fructify into a formal arrangement during Modi's visit, a person familiar with the matter indicated to ET.

Mutual legal assistance arrangement is pertinent amid expanding terrorism and drug smuggling network in India's southern neighbourhood. In the context of transnational crime and its linkages to terrorism, the proposed arrangement will provide a broad legal framework for bilateral cooperation with Maldives in investigation of crime and prosecution of criminals as well as in tracing, restraint and confiscation of proceeds, and instruments of crime as well as funds meant to finance terrorist acts, the person said.

Mutual Legal Assistance Treaty (MLAT) is an agreement between two or more countries for the purpose of gathering and exchanging information in an effort to enforce public laws or criminal laws. Mechanisms have been developed among nations for requesting and obtaining evidence for criminal investigations and prosecutions. When evidence or other forms of legal assistance, such as witness statements or the service of documents, are needed from a foreign sovereign, states may attempt to cooperate informally through their respective police agencies or resort to what is typically referred to as requests for mutual legal assistance. Since change of guard in Male in April, India and Maldives have been operationalising several arrangements for closer ties across sectors. During the then external affairs minister Sushma Swara's visit to the Maldives in March, the two sides had agreed to ease their visa regimes and signed memorandums of understanding, with India pledging grant assistance for 'High Impact Community Development Projects' and collaboration on energy efficiency and renewable energy.

Ranchi likely to Host Main Event of Yoga Day



NEW DELHI: The main event of International Yoga Day on June 21 this year will be held in Ranchi, with Prime Minister Narendra Modi attending it, official sources said. It will be the government's first mega public event after Modi became the PM for a second term. "The PMO finalised Ranchi as the venue for the main function of International Yoga Day to be held on June 21," an official source said. — PTI

Over 1-L Pilgrims Register for Amarnath Yatra



JAMMU: Over 1.10 lakh devotees have registered for the annual pilgrimage to the Amarnath cave shrine in south Kashmir, officials said on Sunday. It begins on July 1. J&K governor Satya Paul Malik had launched last week an online registration process for pilgrims. The registration process for the annual Amarnath yatra through the Baltal and the Chandanwari routes began on April 2, they said. — PTI

Plant Trees and Click Selfie For Gun Licence in MP



GWALIOR: Want a gun licence? Plant trees and shoot a selfie — this is the new rule in MP's Gwalior-Chambal region. An exception will be made if the licence is sought because of an immediate threat to life. "Gun licence seekers will need to plant at least 10 saplings. If the person does not own land, the administration has earmarked revenue land where he/she can plant saplings," said Gwalior DC Anurag Choudhary. — PTI

Tribute to Martyrs



SALUTING VALOUR AND COURAGE: Union home minister Amit Shah lays a wreath at the National Police Memorial in New Delhi on Sunday — PTI

THIRD EYE



Sidda 'Tense' Over Yeddy's Approach

Before the Lok Sabha results were announced, former CM Siddaramaiah was confident that Karnataka Congress MLAs would stick together and no one would join BJP. Post-results, the confidence seems to have given way to desperation. The senior leader has suddenly become hyperactive on Twitter. These days, he keeps tweeting that BJP's state unit chief BS Yeddyurappa is trying to 'poach' Congress MLAs. Yeddyurappa, on his part, isn't reacting, giving tense moments to Siddaramaiah.



No Iftar on Cong Menu

Congress has regularly organised Iftar parties during the month of Ramadan. However, this year, there are no signs of such an event by party chief Rahul Gandhi. After massive defeat in the just-concluded Lok Sabha elections, Congress is caught in an imbroglio over Gandhi's continuity as the boss. In such a scenario, hosting an Iftar didn't cross the minds of party leaders.



Threat to Life? 'Jail Best Place'

Justice MR Shah recently told an RTI activist seeking protection from arrest that 'jail was the best place for those whose life was under threat'. He is not the only judge from the Supreme Court to hold such a view. Chief Justice of India Ranjan Gogoi had made a similar remark while dealing with a case related to scurrilous remarks made by a scholar on Odisha. The Naveen Patnaik government had him interned for the remarks, only to release him later.

Poliloquy R PRASAD



Rocking the lifebuoy?



Congratulates

PM Narendra Modi & his Council of Ministers



CABINET MINISTERS



Shri Rajnath Singh



Shri Amit Shah



Shri Nitin Jairam Gadkari



Shri D V Sadananda Gowda



Smt Nirmala Sitharaman



Shri Ram Vilas Paswan



Shri Narendra Singh Tomar



Shri Ravi Shankar Prasad



Smt Harsimrat Kaur Badal



Shri Thawar Chand Gehlot



Dr Subrahmanyam Jaishankar



Shri Ramesh Pokhriyal 'Nishank'



Shri Arjun Munda



Smt Smriti Zubin Irani



Dr Harsh Vardhan



Shri Prakash Javadekar



Shri Piyush Goyal



Shri Dharmendra Pradhan



Shri Mukhtar Abbas Naqvi



Shri Pralhad Joshi



Dr Mahendra Nath Pandey



Shri Arvind Ganpat Sawant



Shri Giriraj Singh



Shri Gajendra Singh Shekhawat

MINISTERS OF STATE (INDEPENDENT CHARGE)



Shri Santosh Kumar Gangwar



Rao Inderjit Singh



Shri Shripad Yesso Naik



Dr Jitendra Singh



Shri Kiren Rijju



Shri Prahalad Singh Patel



Shri Raj Kumar Singh



Shri Hardeep Singh Puri

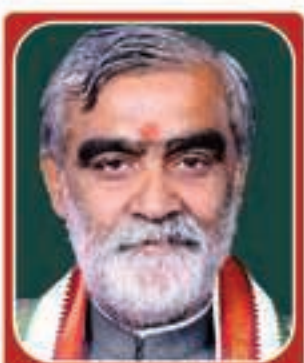


Shri Mansukh L Mandaviya

MINISTERS OF STATE



Shri Faggansingh Kulaste



Shri Ashwini Kumar Choubey



Shri Arjun Ram Meghwal



General (Retd) V K Singh



Shri Krishan Pal



Shri Danve Raosaheb Dadarao



Shri G Kishan Reddy



Shri Parshottam Rupala



Shri Ramdas Athawale



Sadhvi Niranjan Jyoti



Shri Babul Supriyo



Shri Sanjeev Kumar Balyan



Shri Dhotre Sanjay Shamrao



Shri Anurag Singh Thakur



Shri Angadi Suresh Channabasappa



Shri Nityanand Rai



Shri Rattan Lal Kataria



Shri V Muraleedharan



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EXPERT GROUPS ALSO RECOMMEND NATIONWIDE DRIVE TO ENCOURAGE PEOPLE TO SUPPORT STUDENTS

Govt May EQUIP Students With Direct Fee Transfers

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New Delhi: The Union government is looking at replacing fee subsidy across top educational institutes, like IITs, with direct transfers to students and is planning a national crowd-funding platform to assist students and institutions.

A key proposal being considered is a nationwide movement—Each One, Teach One—exhorting each family to support at least one student. This donation movement will be operated on a national digital platform (modeled on the Vidyadhan portal) that will connect donors with students and institution. The target is to raise well over

₹25,000 crore and support over 10 lakh students across disciplines based on clearly specified criteria to ensure full transparency.

These recommendations have come from the 10 expert groups, constituted by the Human Resource Development (HRD) ministry, formed to give shape to a five-year project—Education Quality Upgradation and Inclusion Programme (EQUIP)—to revamp higher education. The groups were headed by the likes of former revenue secretary Hasmukh Adhia, Niti Aayog CEO Amitabh Kant, principal scientific advisor K VijayRaghavan, Rediff founder Ajit Balakrishnan and former Infosys CEO Kris Gopalakrishnan. The PMO is learnt to be largely on

New Chapter

8,000 'samras' hostels for 16 lakh students from disadvantaged sections

50% fee waiver for SC/ST students to pursue education on distance mode with remaining disbursed on course completion

Finishing schools in backward areas for bridge courses and soft skills to enhance employability

500 vocational degree colleges on PPP model

Special autonomy for 40-50 'target group' institutes to match global standards

Model State Private University Act, mentoring of colleges and non-accredited institutes



board with the EQUIP project that is expected to be taken to the Cabinet and rolled out within the first 100 days of the government.

EQUIP also reflects several of the issues raised in the Draft National Education Policy released last week. The policy has also advocated a more hands off approach on fee regulation in both schools and higher education but with the caveat that institutes must ensure full financial disclosure and put in place comprehensive scholarship and policies to ensure students from disadvantaged sections are not deprived in any way.

EQUIP's expert group on Higher Education Financing, chaired by Gopalakrishnan, has recommended a

massive government funding but wants to link it to students. It has called for fee rationalisation to raise standards and accountability at institutes but with equitable access options.

It has suggested that instead of subsidising the institute, say an IIT, for the education of students, the student's tuition fee should be reimbursed directly to his account through direct benefit transfer. Other students should be given loans. It has called for full tax exemptions for donations to education to encourage philanthropy and alumni contributions. It suggests philanthropy offices to be set up at all institutes, better FCRA regimes for foreign donors and reduction or even waiver of GST on educational services.

AGUSTAWESTLAND VVIP CHOPPER SCAM CASE

Middleman Sushen Gupta Held Classified Papers of MoD, IAF and HAL: ED Charge Sheet

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New Delhi: The Enforcement Directorate has claimed that Sushen Mohan Gupta, alleged middleman in the VVIP chopper scandal, held classified documents, draft letters and sensitive information pertaining to the Ministry of Defence, the Indian Air Force and Hindustan Aeronautics Ltd., which should have been only in their possession.

Filing charges against Gupta for laundering ₹55.83 crore, allegedly paid as kickbacks to influential people in India for swinging the chopper deal in favour of AgustaWestland, the ED said it had recovered "confidential" documents from a pen drive that it claimed belonged to Gupta.

It said several references to defence deals contracted during the previous UPA regime were found in Gupta's two handwritten diaries and the agency told a court that "separate investigations would be undertaken" into them, apart from the AgustaWestland probe.

The charge sheet reads, "It has been revealed that payments have been made to influential people to manipulate the outcomes of various defence deals."

The ED told the court that the funds received for these deals were transferred to foreign entities incorporated and controlled by Gupta and transferred to entities

Pen Drive & Other Secrets

ED says it had recovered "confidential" documents from a pen drive that it claimed belonged to Gupta

Several references to defence deals contracted during the previous UPA regime were found in Gupta's two handwritten diaries

Separate investigations would be undertaken into them, apart from the ongoing AgustaWestland probe.

It has been revealed that payments have been made to influential people to manipulate the outcomes of various defence deals



related to individuals known to Gupta in lieu of cash received in India. In a bid to dig out details of these foreign entities, the Indian government has written letters to the UK, Switzerland and Singapore. The ED has said it is sending letters of request to "other jurisdictions due to withholding/concealment of information" by the accused.

BLAMING SAXENA

During interrogation, Gupta claimed the pen drive was accused-turned-approver Saxena's creation

PRIOR INFORMATION

The pen drive contains "forecast of requirements" of various aircraft by Indian Air Force

The ED said the pen drive "contains sensitive documents namely draft notifications, confidential documents with regard to supply

of weapons, air package protocols, records on procurement process of aircraft for air force, meeting notices, agreements to purchase, documents regarding benchmarking of costs; letters with revised offer for Typhoon written to Ministry of Defence; request for technical and commercial proposals for medium multirole combat aircraft; internal documents of HAL and Air Headquarters; records of discussions of IAF and Spetschnoexport (a Ukrainian company)."

The pen drive contains "forecast of requirements of various aircraft by Indian Air Force over a period of time," which suggests that Gupta had "prior information about the future requirements of IAF, something unavailable in the public domain." The charge sheet, accessed by ET, stated that Gupta not only bribed officers in India but also paid illegal gratification to individuals abroad to manage the chopper deal.

Gupta's company, Defsys Solutions, is also under the scanner of agencies. The Bengaluru-based company, which deals with aircraft simulators, was involved in projects from the Defence Research and Development Organisation, HAL and IAF.

Gupta's father and one of his employees have disclosed in their statements that the Guptas were advisors to Dassault Aviation and that Sushen Gupta had introduced one company to a team from the

French manufacturer that visited India in 2001.

The ED claimed the "kickbacks were transferred under the guise of market studies" and fake contracts. According to the charge sheet, the kickbacks from AgustaWestland and other defence deals were placed in the bank accounts of Interstellar Technologies, a company controlled by Gupta, and the accounts of Ravij Saxena, an accused turned approver.

The kickbacks were routed/layered through the accounts of corporate structures "created or maintained for the benefit of Sushen Gupta." They were "integrated by way of equity investments made in the name" of Gupta's companies and the construction of a lavish farmhouse, hotel and mall in Mysore and Katra.

The ED's list of Gupta's companies involved in money laundering included: DM South India Hospitality and American Hotel & Restaurant, a hotel in Katra. Some of the several references found in Gupta's diaries include "LADY: AW Budget; MHA Helicopters VVIP confirm; Baroda and lady pending."

During interrogation, Gupta tried to distance himself from the diaries, sheets and the pen drive. He tried to claim that the pen drive was Saxena's creation. A forensic examination of the pen drive showed it hasn't been tampered with.

WORK AS A TEAM

MEA a Facilitator at Best, New Govt's Foreign Policy Agenda Needs Comprehensive Approach



ARVIND GUPTA

The BJP's election manifesto made certain promises with regard to foreign policy, internal security and defence. In the realm of foreign policy, the manifesto talks about the propagation of ancient Indian wisdom that could become the basis of India's global cooperation; creation of an institutional mechanism to deepen engagement with the people of Indian origin; intensification of efforts to seek permanent membership of the United Nations Security Council; and setting up of a full-fledged university of foreign policy to strengthen research on foreign policy and geopolitical issues relevant to India.

There are many promises in the manifesto under different heads in which diplomacy will be called into play. For instance, zero tolerance to terrorism approach involves taking a firm line with Pakistan and strengthening international cooperation for countering terrorism and extremism. The implementation of the National Register Of Citizens will also concern relations with other countries, especially because some people may have to be deported. Building smart fences and improving border security impacts bilateral relations with neighbouring countries. Abrogating Article 370 and Article 35A of the Indian Constitution concerns Jammu and Kashmir where cross-border terrorism and infiltration from Pakistan are rampant.

If India becomes a \$5 trillion economy by 2024, it will strengthen and transform Indian diplomacy. On the economic front, the manifesto speaks about improving the competitiveness of the economy, making India a more attractive destination for foreign investments, increasing exports; conducting multilateral negotiations on free trade agreements with various countries; taking advantage of the US-China trade war to attract industry, which is shifting out of China; making India a hub of Industry 4.0 manufacturing, defence-man equipment, new technologies such as artificial intelligence and machine learning. Achieving these laudable objectives will involve active diplomacy one way or the other.

The idea of a foreign policy university is new. Other ideas have been around in some form or the other for a long time. On paper, the idea of a foreign policy university is good but the government should learn from the saga of National Defence University, which has still not been set up despite the fact that it was conceived 17 years ago.

The idea of seeking a permanent seat at the UN Security Council is laudable but looks unachievable at the moment because there is no appetite among the P5 and also many other nations for the expansion of the UN Security Council in the permanent members' category. India can try but it should not set its hopes too high.

The government's focus on India's culture through the propagation of themes such as Vasudhaiva Kutumbakam (world is a family) is laudable. It will require a lot of diplomatic effort. India should try and get a UN General Assembly resolution passed on Vasudhaiva Kutumbakam. It should make diplomatic efforts to set up dialogues, discussions and consultations with other countries both at the official and unofficial levels to promote the idea.

The foreign policy agenda of the new government should also incorporate defence diplomacy in the overall diplomacy. This requires a fundamental overhaul of the internal mechanisms to improve coordination between the ministries of defence and external affairs and the armed forces. Such coordination so far has been ad hoc and inadequate.

free trade agreements (FTAs) signed in the past few years have only made the balance of trade worse. There is tremendous pressure on India from other countries to open its economy. India has been cautious considering that several sectors of its economy are not in a position to withstand the competition from cheap imports. India must learn to leverage its vast market and human resources in the negotiations on FTAs.

The foreign policy agenda cuts across several ministries and departments of the government. A comprehensive government approach to foreign policy needs to be devised. The ministries of external affairs, finance and commerce need to work together to identify and implement winning strategies. At the same time, other departments like that of industry will have to take steps to improve India's productivity. International trade negotiations are

DIPLOMATIC PUSH

There are many promises in the manifesto under different heads in which diplomacy will be called into play



ANIRBAN BORA

DEFENCE ANGLE

The foreign policy agenda of the new government should also incorporate defence diplomacy in the overall diplomacy

mostly done by other ministries; external affairs ministry is a facilitator at best. The government should set up a multi-ministry taskforce, duly empowered, to deal with international negotiations on trade issues. There is a need for creating effective mechanisms within the government to implement the foreign policy agenda.

The Author is Former Deputy NSA

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E-TENDER NOTICE

Himachal Pradesh State Civil Supplies Corporation Limited, Shimla invites Global E-Tenders for the procurement of **EDIBLE OILS (Mustard Oil and Soya Refined Oil) for three months supply.** The detailed tender notice, tender documents and other instructions can be down-loaded or viewed on-line from the portal <https://hptenders.gov.in>. The last date of submission of on-line tenders, earnest money deposit, tender document fee, processing fee and samples shall be till **24.06.2019 up to 5.00 PM**. The tenders of Edible Oils shall be opened on **25.06.2019 at 11.00 AM**.

Managing Director

INTEGRAL COACH FACTORY

TENDER NOTICE No. ICF / EL / Cons / 2019-20
Date: 03.06.2019

For and on behalf of The President of India, The Dy. Chief Electrical Engineer / Construction / Shell, Integral Coach Factory, invites E-Tender for the following work.

Tender No.	Name of the Work	Approx. Value in Lakhs (₹)	EMD (₹)	Tender Closing Date and Time	Tender Document Cost (₹)
(1)	(2)	(3)	(4)	(5)	(6)
EL-CAMC-2019-20-67	CAMC for the maintenance of Air conditioning plant in Thiruvallur Marriage Hall at South Colony for 3 years	8.38	16,800/-	03.07.2019 at 15.30 Hrs	2,000/-

Web site for submission of offer : www.ireps.gov.in.

GREEN ICF ! CLEAN ICF !

INTEGRAL COACH FACTORY

TENDER NOTICE No. MS / C / OT / 10 / TIG Welding / LHB / 2019-20 Date: 03.06.2019

For and on behalf of The President of India, The Dy. Chief Electrical Engineer / Production, Integral Coach Factory, invites E-tender for the following work from the reputed contractors:

Name of the Work	WORKS CONTRACT FOR TIG WELDING OF DIFFERENT VARIANTS OF LHB SHELLS AT ICF, CHENNAI
Earnest Money Deposit	₹ 3,47,200/- (Rupees Three lakhs Forty Seven thousand and Two hundred only)
Proposed Quantity in metre	2,71,983.67 Metre in 1800 LHB Shells of different variants
Value of Contract (inclusive of GST)	₹ 3,94,32,192/- (Rupees Three crore Ninety Four lakhs Thirty Two thousand One hundred and Ninety Two only)
Eligibility Criteria	Applicable
Completion Period of Contract	31.03.2020
Cost of Tender Document	₹ 10,000/- (Non-refundable)
Closing Date and Time	24.06.2019 at 14.45 Hours

Website for submission of offer : www.ireps.gov.in. The tenderers are also advised to regularly monitor the website for any amendments / corrigendum issued.

GREEN ICF ! CLEAN ICF !

INTEGRAL COACH FACTORY

CHENNAI RAIL MUSEUM
TENDER NOTICE No. CRM / CAMC / LS / OT / 01 / 19
Date: 03.06.2019

For and on behalf of The President of India, Curator / CRM, Integral Coach Factory, Chennai-38 invites e-tender for the following work from the reputed contractors:

Name of the Work	Works Contract for Landscape development, Annual Maintenance of Landscape and Beautification at CRM.
Period of Contract	Two years
Tender Value (inclusive GST)	₹ 22,19,500/- (Rupees Twenty Two Lakh Nineteen Thousand and Five Hundred only inclusive of GST)
Cost of Tender Document	₹ 3,000/- (Rupees Three Thousand only) (Non-refundable)
Earnest Money Deposit	₹ 44,400/- (Rupees Forty Four Thousand and four Hundred only)
Tender Inviting Authority	Curator/CRM, Integral Coach Factory, Chennai - 600 038.
Completion period	Two years
Last date and Time for submission of e-Tender	24.06.2019 up to 14.30 Hours

Website for submission of offer: www.ireps.gov.in

The tenderers are also advised to regularly monitor the website for any amendments / corrigendum issued. If the date of receipt and opening of Tender happens to be declared holiday at a later date the same will be done on the next full working day.

- The tenderer should note that No Standing Earnest Money will be accepted against the Earnest Money.
- Earnest Money and Cost of Tender Document should be submitted through Net banking or payment gateway only.
- The tenderer shall submit attested copies of documentary proof of the work done/completion certificates along with the tender to establish Technical Requirement by uploading them.

Sd
Curator/CRM/ICF
For and on behalf of The President of India

GREEN ICF ! CLEAN ICF !

INTEGRAL COACH FACTORY

For and on behalf of The President of India, The Dy. Chief Electrical Engineer / Production, Integral Coach Factory, invites E-tender for the following works.

Tender No.	Name of the Work	Tender Value (₹)	EMD (₹)	Last date of receipt / Date of opening of tender form	Cost of tender document (₹)
(1)	(2)	(3)	(4)	(5)	(6)
ICF/CEE / LHB/418 Dt: 24.05.2019	Wiring work in EOG LHB AC Coaches (AC2T / AC3T) & Chaircar coaches including handling & installation of equipments at ICF Chennai.	7,44,44,232/-	5,22,200/-	14.06.2019 14.30 Hrs./ 14.06.2019 14.45 Hrs.	10,000/-
ICF/CEE / LHB/420 Dt: 28.05.2019	Wiring work in EOG LHB Power Car including handling & installation of equipments at ICF Chennai.	5,45,60,132/-	4,22,800/-	18.06.2019 14.30 Hrs./ 18.06.2019 14.45 Hrs.	10,000/-

Complete details can be obtained at the Office address given below or in the website.

Office of the Chief Electrical Engineer / Fur., Ground Floor, Admn. Office / Furnishing division / ICF, Chennai - 600 038.

Website for downloading the tender Document : www.ireps.gov.in

Dy. Chief Electrical Engineer / Prod.

GREEN ICF ! CLEAN ICF !

OFFICE OF THE EXECUTIVE ENGINEER SUBERNAREKHA CANAL DIVISION, GHATSILA

e-Procurement notice

Tender reference No. WRD/SCD/Ghatsila/SBD/02/2019-20 Dt. 31/05/19

(1) Name of work :- Const. of Guard wall, Parapet wall & C.C. Block of SLR, DLR Bridges and aqueduct at Km 49.470, 49.800, 50.130, 50.310, 50.430, 50.670, 50.070, 54.000, 54.240, & 54.870 of Galudh Left Main Canal near the constructed structure.

(2) Estimated Cost :- 3,78,60,641.44

(3) Time of Completion :- 360 days

(4) Last date/Time for submission of bids :- 27/06/19 (5.00 P.M.)

(5) Date of publication of Tender in Website :- 12/06/19

(6) Name and Address of Office Inviting Tender :- Executive Engineer, Subernarekha Canal Division, Ghatsila.

(7) Contact No. of Procurement Officer :- 8294610229

(8) Helpline No. of e-Procurement Cell :- 0657 2372765

Note:- Only e-Tenders will be accepted. Further detail can be seen on Website :- <http://harikhandtenders.gov.in>.

Note:- Estimated Cost may be increased or decreased.

Executive Engineer
Subernarekha Canal Division, Ghatsila

A NAVEEN CONFIDANT

Pinaki Misra Named BJD Parliamentary Party Leader

Meera.Mohanty@timesgroup.com

Bhubaneswar: The Biju Janata Dal has appointed four-time MP Pinaki Misra as its parliamentary party leader. Misra, a confidant of CM Naveen Patnaik, won the Puri LS seat for the straight third time, defeating BJP's Sambit Patra.

Expressing his gratitude to Patnaik, Misra tweeted: "I shall make every earnest endeavour to repay the faith in full measure for Odisha's benefit. We shall all work as a cohesive team." The BJD won 13 of the state's 21 Lok Sabha seats. A Supreme Court advocate, Misra has strong connections across party lines and will steer the BJD which has adopted an "equidistant" policy in Delhi but has BJP as its principal rival in the state. Six-time MP Bhartruhari Mahtab is expected to be nominated to a parliamentary standing committee.

OTHER NEWS OF THE DAY

Cong Social Media Head Spandana Deletes Twitter A/C

New Delhi: Congress's social media in-charge Divya Spandana has deleted her Twitter handle, along with the tweet history, triggering speculation over her future plans. Twitter was abuzz with speculation over her political future as none of her controversial tweets were available on the micro-blogging website. While her official Twitter handle disappeared, all the tweets from her verified Twitter handle showed as deleted.—PTI

SJM to Write to PM on Monsanto 'Violations'

Slow pace with which Competition Commission of India is allegedly deciding cases & agriculture ministry's 'negligent attitude' on Manch's agenda

Anubhuti.Vishnoi
@timesgroup.com

New Delhi: The government may have come back with a resounding majority that frees up its arm considerably but there is unlikely to be any let-up in the persistent nudges from the RSS-affiliated Swadeshi Jagran Manch (SJM).

The new Narendra Modi government has just taken charge and the SJM is preparing to write its first letter to the prime minister pointing out the violations of rules by 'powerful MNCs' like Monsanto, the slow pace with which the Competition Commission of India (CCI) is allegedly deciding on cases against them and the negligent attitude of the agriculture ministry. While the Manch's first communication to the new government will go out this week on the CCI and Bt Cotton issue, a bigger agenda is being set. ET has learnt that next on SJM's target is the strategic disinvestment plan for Air India and the increasing tendency of government departments to deploy big foreign consultants.

Both are issues that the Manch is preparing to take up strongly with the go-

Alert to Government

First communication to the new government will go out this week on the CCI and Bt Cotton issue

SJM is using social media to alert the government against the alleged 'business' rather than philanthropic interests of top global charities in India

SJM social media posts also mention deep discounts by Amazon and Flipkart hurting Indian e-commerce startups



SJM is likely to seek PMO's intervention to ask CCI to expedite the process and punish the company for its violations

NEXT TARGET

Next on SJM's target is the strategic disinvestment plan for Air India

vernment at all levels over the next few months. The SJM is already using social media to alert the government and its new ministers against the alleged 'business' rather than philanthropic interests of top global charities in India, deep discounts by Amazon and Flipkart hurting Indian e-commerce startups and US 'bullying' the new go-

vernment through withdrawal of special trade status.

The RSS-affiliate was unsparing to the first Modi stint as well. It strongly criticised the Niti Aayog and its first chairman Arvind Panagariya for its approach and kept the pressure lobbying for price control of medicines and medical devices, red flagging the Gates Foundation in India and the impact of global e-commerce giants on the Indian retailers. Under Modi 2.0, first up on the Manch agenda, however, is Monsanto and the delay in action against it. SJM is likely to seek PMO's intervention to ask CCI to expedite the process and punish the company for its violations. ET first reported how CCI had recently submitted a confidential report confirming that Mahyco Monsanto Biotech Ltd (MMBL) had abused its dominant position in the market for Bt Cotton technology by charging unfair licence fee and entering into pricing agreements directly aimed at overcharging farmers who use Bt Cotton seeds. MMBL is an equal joint venture of Maharashtra-based seed company Mahyco and Monsanto Holding Pvt Ltd which has been acquired by German drugmaker Bayer.

US Preferential Trade Call a Bid to 'Bully' India: SJM



New Delhi: Terminating the Trump administration's decision to end preferential treatment to India an attempt to "bully" the country, RSS-affiliate Swadeshi Jagran Manch (SJM) on Sunday claimed that the US wants India to tweak its policies in interest of Walmart and Amazon. The US has said it will withdraw incentives to Indian exporters with effect from June 5. "What the US is trying to do is bully India on certain issues where India cannot take a decision in favour of the US," SJM co-convenor Ashwani Mahajan said. -PTI

MAHARASHTRA ASSEMBLY POLLS

BJP & Sena to Contest in 135 Seats Each: Patil

BJP, in spite of winning 122 seats in 2014 assembly polls, would only contest on 13 additional seats



Our Political Bureau

Mumbai: The BJP and Shiv Sena have reached a seat-sharing deal for the Maharashtra assembly polls, a senior BJP leader has said. Revenue Minister Chandrakant Patil told reporters on Sunday that the BJP and Sena would contest 135 seats each, out of the 288 seats.

If Chandrakant Patil's claim is to be believed, then the BJP, in spite of getting 122 seats in the 2014 assembly polls, would only contest on 13 more seats whereas the Shiv Sena which got 63 seats

Maha Cong in Panic Mode for Assembly Polls

Mumbai: The Maharashtra Congress is floundering, spooked by the results in the state where it won just one out of 26 seats it contested in an alliance with the Nationalist Congress Party (NCP). The party brass met last Thursday to review its dismal poll performance in Lok Sabha 2019 and many seem to have pressed the panic button regarding the future. Maharashtra is set to go to polls after three months and leaders fear the party may not even get the 42 seats that it got last time. "We could follow Andhra Pradesh where the Congress has no presence," said a senior Congress leader from Mumbai. - Krishna Kumar

SENA'S SHARE

There are talks about equal share in govt leading to speculation that Sena could be given Dy CM post

In the last assembly polls would get to contest in 72 more seats this time. While this could lead to a lot of heartburn among the BJP cadre, party leaders said this was the formula the party gave the Sena to convince it to enter into an alliance before the Lok Sabha polls. The BJP and Sena's seat-sharing adjustment for the assembly polls also talks about equal share in the government leading to speculation that the Sena could be given the Deputy Chief Minister's post."

BID TO STRENGTHEN BASE IN SOUTH INDIA

BJP Eyes TDP Leaders in Telangana, Andhra

BJP accused of abusing regulatory agencies to coerce defections

CR.Sukumar@timesgroup.com

Hyderabad: Bharatiya Janata Party (BJP), which retained power at the Centre and recorded historical electoral gains by winning four Lok Sabha seats in Telangana, is now looking at consolidation in the state by poaching the erstwhile ally Telugu Desam Party (TDP) leaders. The ruling party at the Centre is also eyeing the disgruntled TDP members of Andhra Pradesh.

While many senior BJP leaders said many TDP leaders disillusioned after their party's debacle in both states are in touch with them, the top leaders of TDP alleged that the saffron party was abusing regulatory agencies to coerce defections in both states.

After Karnataka, BJP is now looking to turn the Telugu states into its second large base in south India, inspired by the encouraging electoral bene-

fits reaped in Telangana.

"BJP had mostly lured the senior Congress leaders in both the Telugu-speaking states over the last few years and fielded them on its ticket," said political analyst Manchala Srinivasa Rao. "Looking at the growing political vacuum being left by the opposition parties in the two states, the saffron party will now look at poaching the TDP leaders in these states, including those in Andhra who recently got elected for assembly and Lok Sabha elections."

BJP spokespersons in both Andhra and Telangana deny efforts to poach TDP and Congress leaders through coercive measures but claim that there is growing interest among TDP and Congress leaders to join the saffron brigade.

In the latest Lok Sabha polls, BJP improved its vote share in Telangana to nearly 20% from around 7% in 2014 and bagged four out of 17 Lok Sabha seats, up from one in 2014.

47 VISITS IN HIS FIRST STINT AS CM

HDK to Resume Village Tour Programme, Stay in Govt Schools

To focus on improving infra and urge farmers to switch to modern farming for better yield

KR.Balasubramanyam
@timesgroup.com

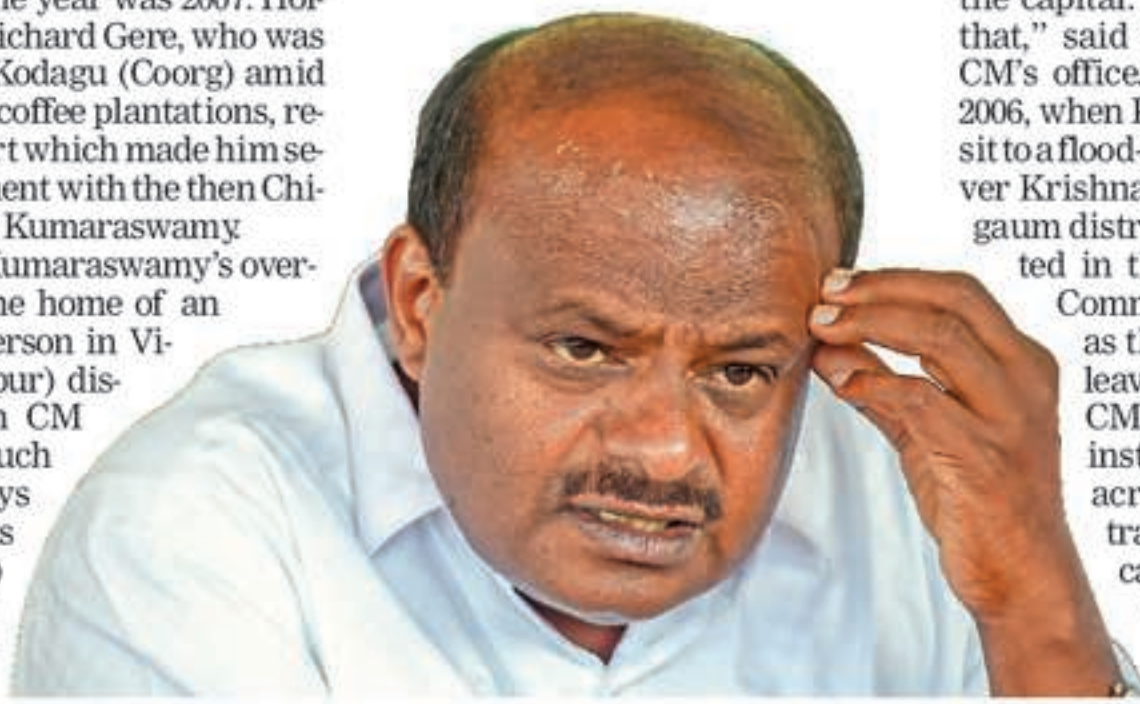
Bengaluru: The year was 2007. Hollywood actor Richard Gere, who was holidaying in Kodagu (Coorg) amid the lush green coffee plantations, read a news report which made him seek an appointment with the then Chief Minister HD Kumaraswamy.

It was about Kumaraswamy's overnight stay at the home of an HIV-infected person in Vijayapura (Bijapur) district. The then CM used to make such overnight stays (around 47 visits from 2006-2008) at the homes of unknown citizens in remo-

ols which will help him interact with people, understand their problems and get feedback on how the government was functioning, the CM said. He will also focus on improving infrastructure and will interact with farmers with an appeal that they switch to modern farming methods to improve yield.

"In India, Kumaraswamy was the first CM to kickstart the practice of staying at the homes of unknown people in remote villages far away from the capital. He holds the patent for that," said a senior official at the CM's office. The idea was born in 2006, when Kumaraswamy paid a visit to a flood-affected village across river Krishna in Athani taluk of Belgaum district. As rains were expected in the evening, the Deputy Commissioner kept hurrying as the CM was scheduled to leave by helicopter. But the CM ignored the request, and instead, headed to a village across the flooded area on tractor. Two other tractors carrying officials and the media followed.

He stayed at the local MLA's house.



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GRE Score	329+	326 - 328	320 - 325	315 - 319	306 - 314
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Tweet OF THE DAY



CHRIS ANDERSON
@CHRISA
It's upsetting but true that 80% of startups are inevitable zeros (which becomes obvious in the first 1-3 years), 5% are obvious hits (also soon obvious) and 15% are going to take longer - often as much as a decade - to know whether they're going to be 0x, 1x or 10x returns

Tech Buzz
Coder: Sorry for the Tool to Track Women



San Francisco An anonymous programmer who claimed to have created a face-recognition technology to track women appearing in porn videos realised the harm the tool could cause and deleted the project and all its data, said a media report. In a post on popular Chinese social network Weibo, the Germany-based programmer claimed that he built a tool to cross-reference women's photos on social media, causing global outrage.

-IANIS

Quick Byte ANIRBAN BORA

US Demands Social Media Details from Visa Applicants



New-age Vetting

19.35 crore
Twitter accounts the company asked to verify in H2 2018

Give Privacy Records: US Judge to FB



San Francisco A US judge has asked Facebook to hand over data privacy records related to the massive Cambridge Analytica scandal. According to a report, Facebook shareholders in September 2018 sued the social networking platform to obtain information pertaining to the data leak of 87 million users. "Today, a US judge sided with shareholders, ordering Facebook to release the documents," said the report.

-IANIS

Jargon Buster
Cruft
Slang for useless, redundant, or poorly written code

WAITING GAME Firms such as WeShare, 9F Group and CashBUS are exploring investment opportunities in the P2P lending segment, while they wait for RBI to ease the current norms

China Firms Look for Inroads into India's P2P Lending Space

Biswarup.Gooptu
@timesgroup.com

New Delhi: A host of Chinese companies, including WeShare, 9F Group and CashBUS, are exploring investment opportunities in the nascent Indian online lending sector, particularly in the peer-to-peer (P2P) lending segment, even as they wait for the country's central bank to ease the current set of norms governing the space.

According to multiple sources briefed on the developments, the Chinese entities are waiting on the sidelines for the Reserve Bank of India (RBI) to further clarify norms regulating the space.

The RBI, in 2018, had issued guidelines for the P2P segment, restricting single lenders from lending more than ₹10 lakh across P2P platforms at a time.

Additionally, the central bank had also restricted borrowings by a single entity from P2P platforms to ₹10 lakh. According to media reports, there are about 11 companies that have been issued with NBFC-P2P licences with a total loan book size of around ₹200 crore.

While interest from Chinese investors stretches back to more than 18 months, with many undertaking the necessary due diligence of various entities, while also figuring out the maze of regulatory require-

LONG WAY AHEAD



Current RBI norms
• Restriction on single lenders lending more than ₹10 lakh at a time
• Restricted borrowings by a single entity to ₹10 lakh

11 Companies issued NBFC-P2P licences

₹200 crore Total loan book size

MICHAEL ROEHLICH/CREATIVELIVE/WALL OF CHINA

ments in Asia's third-largest economy during this period, it is only now that they are actively looking to establish their presence in the space, by either backing existing entities or actively looking to set up their own platforms.

Emails sent to WeShare, 9F Group and CashBUS did not elicit any response till the time of going to press. CashBUS, through its investment vehicle, Jade Value, has already made its maiden investment in India, in microcredit card provider Oily Credit in August last year. Additionally, in the broader fintech space, major Chinese investors, such as Alibaba Group, along with its affiliates, and Shunwei Capital, among others have shelled out millions of dollars in backing home-grown ventures.

The RBI has been holding consultations on relaxing the norms for the P2P segment, after calls by the nascent industry for a

higher investment cap from individual lenders, given that the current cap of ₹10 lakh is being seen as insufficient for the businesses to scale operations. "The RBI is working on it. They have held multiple consultations with various stakeholders and may be coming out with different limits for different classes of lenders," said an industry insider, who has been part of the consultation process, but spoke on the condition of anonymity.

According to various sources ET spoke to, the central bank is considering raising the limit for individual lenders to range between ₹25-50 lakh, while lending limits for institutional investors may be done away with. The development comes after the Chinese government's crackdown on the segment to root out fraud and improve lending startups, a move that forced well-established fintech companies to scout for opportunities out of the country.

Currently, there are no restrictions for foreign investors to participate in the space. Investors can back P2P companies through the automatic foreign direct investment route, or even apply for their own licences.

"They'll have to go through the licensing process. It remains to be seen whether they have the patience or the propensity to go through the same. In the end, it will depend on how they value the market," one of the sources told ET.

GSTN Move to Give Leg-up to Software Product Firms

Six firms to offer software free of cost to the targeted 8 m small businesses

Anandi Chandrasekhar & Ayan Pramanik

Mumbai | Bengaluru: A government bid to democratise access to accounting software by making it free for small companies and ensure compliance with the indirect tax regime will give a leg-up to Indian software product companies, helping them scale their user base and strengthen business.

The Goods and Services Tax Network (GSTN) last week allowed small businesses, with a turnover of ₹1.5 crore or lower, to download a software that would help create invoices and account statements, manage inventory and prepare GST returns.

Six firms are listed on the GSTN website which will offer software free of cost to the targeted 8 million small businesses, or nearly a seventh of India's estimated 55 million SME base.

The move by the government is aimed towards making digitisation easier for small companies, said a senior executive of GSTN.

"The GST Council wanted to help small businesses digitise and thereby have hassle-free compliance. These should also help them in streamlining day-to-day operations," said the official, who did not want to be named.

Zoho Books, part of Zoho Corporation, one of the selected vendors, said that this would encourage higher adoption of the software and increase engagement with its entire cloud suite of software products. "We definitely want to help SMEs maintain proper books so that getting access to credit becomes easier and we also want to expose them to latest technologies," said Sivaramakrishnan Iswaran, director, product management at Zoho Corporation.

"Once they start using Zoho Books and when they grow beyond the particular size, we are assuming they will stick to us and that will increase the subscriber base," Iswaran said that the ₹1.5 crore turnover figure is the "magic number", beyond which companies may be in a position to afford a de-

cent software, even if they can't afford a big accounting team.

India is witnessing a surge of software product firms that offer their software as a service. They also adopt a freemium model of business that encourages customers to use their basic product for free and pay a monthly rental fee to use additional features. Other home-grown companies also feel that the move would increase their visibility and help them target a large base of potential users.

"For us, reaching out to every nook and corner and to 3 million taxpayers who have turnover of ₹1.5 crore and below would not have been easy. So we thought it could help us get more visibility," said Nitin Patel, director, Relyon Softech, which offers Saral Accounts, a GST software. He said the agreement to offer these accounting and billing software services is for two years. "In cases where some companies use our solution beyond the listed free applications, it would be a paid service. (Also, the assumption is some of these companies may continue to use our solutions after two years."

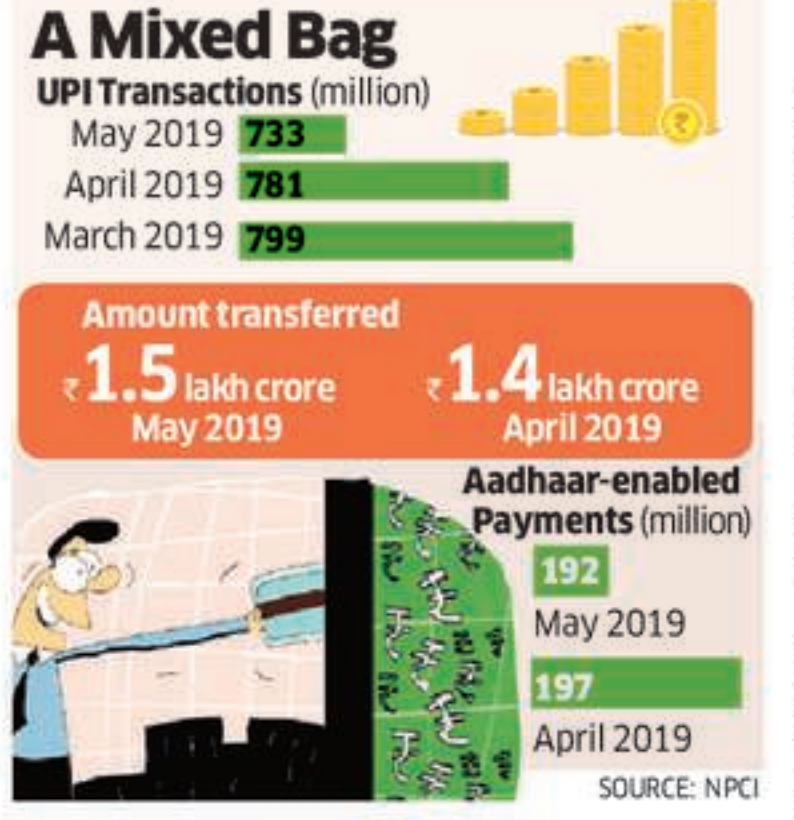
An industry analyst said that these companies may treat this as a marketing cost to onboard more small businesses, which eventually may buy services which are not free.

Tally Solutions, a large Indian service provider of enterprise resource planning software, which also offers a GST compliance software tool, only offers a paid version. The company believes that free and paid software vendors will be able to co-exist.

"We are happy with the initiative taken by the government since it will be a major driver for automation in SMEs," said Tejas Goenka, MD of Tally Solutions.

UPI Transactions Fall 6% in May

However, amount transferred registered a record high of ₹1.5 lakh crore last month



Our Bureau

Bengaluru: Payments made through the Unified Payments Interface, an interbank fund transfer system, have fallen 6% month-on-month in May against April, the second consecutive decline in terms of number of transactions. As per the data shared by the National Payments Corporation of India (NPCI), UPI transactions reached 733 million in May, as against 781 million in April and around 799 million in March, the highest ever.

In terms of the amount transferred, UPI registered a high of ₹1.5 lakh crore, which is the most till date, up from ₹1.4 lakh crore in April.

While digital transactions tend to fluctuate every month, UPI has been growing consistently over the last one year. From around 189 million transactions in May 2018, it jumped 287% over the last 12 months. Among the major players driving transactions are PhonePe, Google

GROWING STRONG

While digital transactions tend to fluctuate every month, UPI has been growing consistently over the last one year

Pay and Paytm.

Besides UPI, National Electronic Toll Collection, which allows vehicles to pay tolls digitally through Fastags, has also been growing. As per transactions in May, the volumes stood at 27.5 million, a jump of 6%, from 25.9 million in the previous month.

Further, through Aadhaar-enabled Payments (AePS) which allows transactions through micro ATM terminals, NPCI said there were 192 million transactions in May reported against 197 million in April.

HOW IT WORKS

GSTN last week allowed small businesses to download a software that would help create invoices and account statements, manage inventory and prepare GST returns

UC Browser Pivots to Short-form Content

Co says short video accounts for over 40% of newsfeed consumption

Megha.Mandavia@timesgroup.com

Bengaluru: UC Browser, a web browser developed by China's Alibaba Group-owned mobile internet company UCWeb, has jumped on to the short-content bandwagon as part of a strategy to address the slowing growth of its user base in India.

Earlier this year, UC Browser launched a short-content channel on the application aggregating memes, jokes, GIFs, motivational quotes, funny quotes and images.

"Based on our internal research, short-form content has already started evolving and reshaping the content space. UC has taken initiatives to capture the trend," the company told ET in an email. "We are glad to see a rapid growth of short-video creators on UC platform. As for now, the short video has accounted for more than 40% of overall newsfeed consumption."

Technology content platforms are

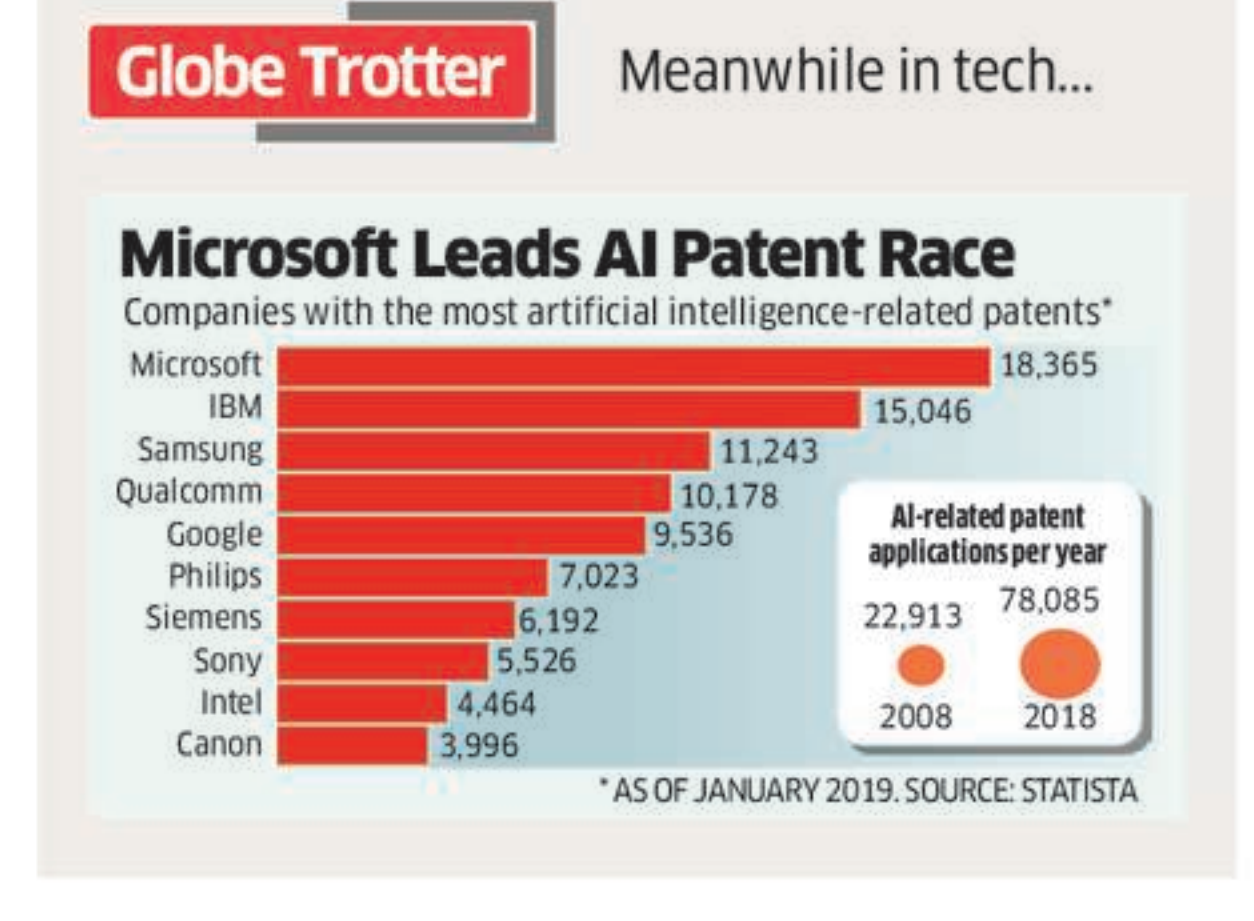
1 in 5 LGBTQ+ People Come Out on the Internet First, says Tinder Study

Members of the LGBTQ+ community are more likely to first come out online before formally coming out to friends and family members, according to a recent study.

The research study, conducted by dating app Tinder, found that 1 in 5 LGBTQ+ people are coming out online, whether that's in a video on YouTube or a post on Twitter. Ahead of Pride Month in June, Tinder surveyed 1,000 members of the LGBTQ+ community who use the dating app and asked them about their experiences coming out, being out and having queer relationships.

The results of the study show just how integral of a role social media plays for those in the LGBTQ+ community. While coming out in person can be nerve-racking when you're unsure how friends and family will react, coming out online offers a place to trial-run the conversation.

For Gen Z, a generation that identifies more as LGBTQ+ than any other previous age group, social media can be a way to spread word of an LGBTQ+ identity and avoid having to have that scary coming out conversation over and over again. An overwhelming amount of Gen Z respondents in Tinder's survey - 75% - came out on an online platform or closed group first before coming out to their friends or family. - **Business Insider**



More Youngsters are now Ditching the Social Media Party

Many are seeing the ill effects of using social media - addictive and productivity killers - as well as how it hurts their self-esteem

SELF ESTEEM ISSUES

Social media sets standards that everyone is forced to abide by. Self-esteem issues stem from this... The presence of a truckload of editing and filter apps creates the need to succumb to one kind of body image

Veena Suryanarayan

Bengaluru: A small but growing number of youngsters are deleting their social media accounts and shying away from installing these apps on their smartphones, even as India emerges as the largest open internet market in the world. Indians downloaded about 4.8

EXPERTS SAY

Most youngsters on social media begin to feel that everyone's life is perfect. They don't feel fulfilled enough

Narayan from Chennai. She added, "The presence of a truckload of editing and filter apps creates the need to succumb to one kind of body image."

Many complain that social media is a major productivity killer: "I reached a point where I began to look forward to notifications from social media apps. It distracted me while I was in class and my grades started dipping," said 21-year-old medical student Vivek, who quit Facebook, Instagram and Snapchat eight months ago.

Lakshmi echoed a similar sentiment. "It is so easy to waste time on

social media. There is already very less time at the moment. This is just unproductivity waiting to happen."

Hours of endless scrolling that does not accumulate to anything productive leads to users consuming repetitive content and feeling overwhelmed. "After a point, there is nothing new to witness on platforms like Facebook and Instagram. With people imitating each other's content, we are seeing only clones on the platform. There is a dearth of originality," Vivek said.

While clicking a photo, it has now become a norm to check if the picture is 'Instagram worthy' or 'Facebook worthy'.

"I started feeling the pressure to click pictures and upload it on Facebook, even though I didn't want to. I became privy to too much information all at once. It became an overwhelming experience," said Rakshitha R, a college student who quit Facebook four years ago and hasn't joined any other social media platform after that.

Experts say that social media's instant gratification affects the morale of youngsters.

"Most of the youngsters on social media begin to feel that everyone's life is perfect. They don't feel fulfilled enough," said Aatma Shetty, a psychologist, who has seen a rise in the number of youngsters seeking counselling for addiction during holidays.

She asks youngsters to get off any kind of social media, while counselling them for mental health problems.

However, Digital Media brand strategist Karthik Srivastava insists that young adults must be on social media because they would be missing out on a lot of perspectives that others in their age bracket would be exposed to. "That perspective is important as it is coming from people in their age group, talking about things that matter to them that aren't necessarily covered by mainstream media. There is a lot to gain through these perspectives."



JANUARY-MARCH GDP GROWTH AT A 20-QUARTER LOW Brokerages Expect a 25 bps Rate Cut

Our Bureau

Mumbai: Brokerages expect the Reserve Bank of India to cut repo rate by 25 basis points in its upcoming monetary policy review on Thursday in response to the slowdown in the GDP. India's economy grew slower-than-expected to a 20-quarter low in the January-March period, dragging the overall growth to a five-year low in FY19. GDP grew 5.8% in January-March. Here's what brokerages are forecasting for the economy:

CITI
There could be further downward revision to RBI's GDP growth forecast, particularly for the first-half where the RBI is penciling in 6.8-7.1% growth, said Citi. The bank said a third consecutive rate cut of 25 bps is warranted. Citi said

some monetary policy committee members may even consider cutting rate by more than 25 bps but it has attached only a 20% probability to it. It might be difficult for the MPC to shift to an accommodative stance when there is not much visibility over rate cuts beyond the June policy, said Citi.

DEUTSCHE BANK
The bank has revised down its FY20 GDP growth forecast to 7% from 7.4% earlier. Deutsche expects a negative base effect to keep India's headline GDP growth depressed at about 6.0-6.2% in first-half of FY20 it has forecast growth momentum to improve to 7.5% plus in the second-half of the fiscal year, as the base effect turns favourable and government spending coupled with RBI monetary easing start propping up consumption growth. Deutsche expects the RBI



to cut rates by 25 bps on Thursday and possibly reduce CRR by 50 bps to expedite monetary transmission in the economy.

EMKAY
The slowdown perseverance is likely to exist in most of FY20, said Emkay. Limited space of government spending, which is the driving force of growth in the last couple of years, is likely to keep growth sluggish till the third-quarter of FY20, it added. The NBFC liquidity crisis if addressed immediately also might take a couple of quarters to perk up demand conditions, it added. Spillover impact of the trade protectionism measures could pose the risk of widening CAD and growth, said Emkay. Core inflation is likely to remain soft, which is likely to pave the way for the RBI to cut rates by 25 bps in June policy, it said.

NOMURA
The GDP growth was in line with expectations, said Nomura. The

slowdown reflects combination of global weakness and continued drags from the domestic economy, it added. The brokerage expects a slow recovery to start from the third-quarter but said that risks to its 6.8% growth forecast for FY20 remain skewed to the downside. Nomura expects the RBI to cut rates by 25 bps on June 6 while retaining neutral stance.

HSBC
The softness in the growth data is likely to continue into the April-June quarter, said HSBC. The firm expects growth to pick up again to 7% in second-half of 2019 with improvement in banking sector liquidity and pick-up in activity as election-related uncertainties fade. HSBC expects RBI to cut rate by 25 bps in June meeting and maintain liquidity at slight surplus thereafter.

India is Much Less Exposed to Trade War Issues, Oil is the Biggest Worry

ET Q&A

CHRISTOPHER WOOD
GLOBAL HEAD OF EQUITY STRATEGY, JEFFERIES



The re-election of the coalition led by Prime Minister Narendra Modi is constructive for the Indian stock market, said Christopher Wood, global head of equity strategy at Jefferies, in his first interview after joining the firm. Wood, who has joined Jefferies after spending around two decades at Asian securities firm CLSA, told **Sanam Mirchandani** that he would buy Indian equities on any pullback and India is one of his top bets within the emerging markets as the country is less exposed to the trade war issues compared to other markets. Wood remains double overweight India in his Asia Pacific ex-Japan relative-return portfolio. Edited excerpts from the interview:

The economy is little slow, but I don't think it is a disaster. One thing causing the slowdown is the liquidity squeeze in the NBFC space. That is an issue which is going to take time to resolve. NBFCs' lending has slowed dramatically. In the medium term that should be compensated by the private sector banks gaining market share.

BULLISH ON

India is definitely not a cheap market. I am overweight India. My major core portfolio holding in India remains private sector banks

What is your reading of the trade war between the US and China?
Right now the trade war issue is looking like a potential major negative for markets. It looks unlikely that anything is going to be agreed upon at the G20 summit in June end. Right now the prospects of a trade deal are looking much less than two months ago. That's a risk to the global economy without a doubt.

What will US Federal Reserve do given all the uncertainty around the trade war? Do you think a rate cut is on the cards?
Not immediately, no. The Fed will just be watching.

GOVT'S FOCUS

I got the impression that agriculture would be the priority of the government because rural incomes have slowed dramatically

The BJP-led coalition has won with a bigger majority than they did in 2014. Do you think Indian markets have more scope to rally even after the gains seen over the past few months?

The scale of the majority surprised many people. You can get some consolidation but basically, I view the election results as constructive for the Indian stock market. Obviously, foreigners began re-investing in India from March. My stance on India remains positive and I will be looking to increase weight on India on any pullback. The biggest risk to India right now is an external one, oil prices. I am expecting oil to go higher. If investors own India, they should hedge the oil risk by also owning oil stocks.

How does Indian market valuation compare to other EMs?
Indian market valuations are high. They are always high. India is definitely not a cheap market. I am overweight on India. My major core portfolio holding in India remains private sector banks.

Is it among your top bets within emerging markets?
Yes absolutely because India is much less exposed to the trade war issues than many other Asian and emerging markets.

With the government facing spending constraints, do you think it will be able to revive the economy from the slowdown?

Will easing fiscal deficit targets to kick-start the economy be a good idea?

Ideally India is running quite a loose policy, but again I don't think it is a disaster. The key point is how the bond and currency markets behave. So far, the currency market and the bond markets are not suggesting great concern on the fiscal situation. The bigger risk is not the fiscal situation. The biggest risk to India's ability to manage the economy could be an external shock - oil going to \$100 or higher. That's the biggest risk.

The Modi government has allocated ministries and Nirmala Sitharaman has been named finance minister. What is your view on the appointments?

To me the key thing about this election is that the Prime Minister has a sufficient majority to continue to run India from the Prime Minister's Office. While ministers are not unimportant, they are not as important as in a different kind of government. The good point is that these announcements have come very quickly.

What are your expectations in terms of reforms from the second innings of the Modi government?

The most important thing is to consolidate the reforms introduced, one of which is GST. Second is the growing use of direct benefit transfers. The third one is consolidation of the Real Estate Regulation Act. My understanding is that the priority of the new government will be the agriculture sector. There may be a reassessment of the whole minimum support price schemes. Labour reform is also under consideration. That would be very positive, but I am not sure it will happen. Based on my meetings in New Delhi a month ago, I got the impression that agriculture would be the first priority of the re-elected Modi government because rural income has slowed dramatically. But also, I think there is a potential, though it is less certain than agriculture reform, the reforms of labour laws. Obviously that's more tricky, because labour is a state issue under the Indian constitution.

Do you have any particular expectations from the Budget in July?
The major thing to look out for is the new government's initiative in the agriculture sector. The most important point is to consolidate the reforms that have already been made.

Continued on ►► Money Matters

TECH VIEWS

Upside Looks Capped for Nifty at 12,100

NAGARAJ SHETTI

Important supports for the index are at 11,750-800 levels. IT, pharma could outperform in near term. Auto, realty, mid- and small-caps may underperform



SWAPNEEL V MANTRI

Any weakness in the markets due to global factors can be a very good opportunity to accumulate quality stocks for the long-term. Stocks to watch out for: L&T, SBI, Maruti, Apollo Hospitals and Shriram Transport Finance

VISHAL B MALKAN

Range movements in the index are the best times to trade options strategies. One could sell straddle and strangle to take best advantage of range movements

A LIKELY RATE CUT, SOFTENING CRUDE OIL PRICE AND INCREASE IN GOVT SPENDING SEEN AS POSITIVES

Easing Yield Spread Indicates Better Liquidity for Higher-rated NBFCs

Spread between top-rated NBFCs and the benchmark govt security yield falls to 137 bps from 146bps in Early April

Joel.Rebello@timesgroup.com

Mumbai: The spread between AAA rated non-banking finance companies (NBFCs) and the 10-year benchmark government security is on the downward trend, indicating better liquidity conditions for higher-rated NBFCs.

However, the Reserve Bank of India's suggestion to introduce a liquidity coverage ratio (LCR) for these NBFCs is likely to increase their cost of doing business.

The difference or spread between the top-rated NBFCs and the benchmark government security yield has come down to 137 basis points at the end of May from 146 ba-



CHANGE OF SEASONS

sis points at the start of April and 168 basis points in March. One basis point is 0.01 percentage point. Though this difference is still higher than the 75 to 85 basis points difference in normal times, the indication is that the liquidity situation has improved.

"The situation has improved. A few months ago, the market had no inclination to buy NBFC paper, but now government-backed NBFCs

and higher-rated corporate NBFCs are clearly in a better position and that is what is reflecting in the spreads," said Naveen Singh, senior vice-president at ICICI Securities Primary Dealership (ISecPD).

Expectations of a further rate cut by RBI due to slowdown in India's growth rate, a likely increase in government spending after the elections and lower global crude oil prices are seen supporting easier liqui-

ASSETS JUMP FROM ₹3,773 CR TO ₹5,275 CR IN APRIL 2019

Index Funds see 60% Jump in Assets in a Year as Actively Managed Funds Struggle

Prashant.Mahesh @timesgroup.com

Mumbai: Index mutual funds—a category that aims to mimic returns of benchmarks, like Nifty or Sensex—have seen their assets surge 60% over the past year as better returns than schemes that invest in a broader set of stocks have drawn smart investors to them. As per data compiled by ETIG database, Index funds (excluding Exchange Traded Funds or ETFs) saw their assets jump from ₹3,773 crore in April 2018 to ₹5,275 crore in April 2019.

Index funds invest in fixed set of stocks that comprise key market gauges like the Sensex and Nifty and thus require minimum skills of the fund manager. In the past one year, actively-managed schemes—portfolios decided by fund

managers—underperformed their benchmark indices like the Sensex and Nifty.

As per data from Morningstar India, the multi-cap fund category returned 4.05% and the large-cap funds category returned 7.28% in the last one year. Compared to this, the Nifty 50 has returned 11.1%, while the S&P BSE Sensex gave 12.4%. The most common funds in the passive space are based on the Nifty 50 and the Nifty Next 50, which put together cover the top 100 Indian stocks.

"Increasingly, many retail investors who want to keep things simple and want a basket of stocks start with index funds. Smart HNIs, who want to buy for the long term and do not want to track performance, are allocating some money to passive funds," says Anil Ghelani, senior vice president, DSP Mutual Fund.

Post SEBI categorisation and rationalisation of mutual fund schemes, many fund advisors and financial planners believe index funds are likely to make their presence felt in the India in the coming years. As large-cap funds need to invest a minimum of 80% of their portfolio in the top 100 stocks by market

capitalisation, the category could struggle to beat the indices. Earlier, many such large-cap funds took exposure to mid- and small-cap stocks and managed to beat their benchmarks.

Financial planners believe the biggest advantage of an index fund is its low cost with passively managed funds costing as low as 20 basis po-

ints in regular plans—those advised by distributors. In contrast, actively-managed equity funds could charge 150-225 basis points in the regular plan. ETFs, a substitute for index funds, are cheaper than index funds but that could mean maintaining a demat account and paying brokerage when buying or selling.

"Index funds are well diversified so there is no concentration risk and there is no cash holding," points Harshvardhan Roongta, CFP, Roongta Securities. Roongta recommends deploying 25% of an equity portfolio in an index fund.

Fund houses have increased passive investment products over the past couple of years. Recently, Indiabulls launched Nifty 50 ETF, while DSP Mutual Fund has launched DSP Nifty 50 Index Fund and DSP Nifty Next 50 Index Fund and DSP Quant Fund, a mix of active and passive management.

FIRM WARNS OF IMPACT ON GLOBAL ECONOMY, says investors underestimating threat of increased tariffs on China

Morgan Stanley Sees a Recession Within a Year if US-China Trade War Gets Any Worse

Bloomberg

Investors may still be underestimating the full risk to the global economy from a trade war, even after US stocks capped the worst month of the year.

A recession could begin in as soon as nine months if President Donald Trump pushes to impose 25% tariffs on additional \$300 billion of Chinese imports and China retaliates with its own countermeasures, according to Chetan Ahya, chief economist and global head of economics at Morgan Stanley.

The rift between the Trump administration and China has escalated as each side blames the other for the breakdown in talks. Over the weekend, Trump celebrated his trade policies and the recent move to impose tariffs on Mexican goods



TWEET BAZAAR

Donald J. Trump @realDonaldTrump

When you are the "Piggy Bank" Nation that foreign countries have been robbing and deceiving for years, the word TARIFF is a beautiful word indeed! Others must treat the United States fairly and with respect - We are no longer the "fools" of the past!

in response to illegal immigration. While stocks have declined, investors are still overlooking the impact the trade war will have on the global macroeconomic outlook, Ahya wrote in a note on Sunday. Growth will suffer as costs increase, customer demand slows and

companies reduce capital spending, he said.

As the negative effects of the tariffs become more apparent, it may be too late for political action, according to Ahya. Policies to ease the impact are likely to be too reactive and slow to take effect.

Contagion Fear Puts Markets on Alert for Fresh Risk Selloff

Investors may be about to get further confirmation that they have misread how deep and lasting the global trade war could be.

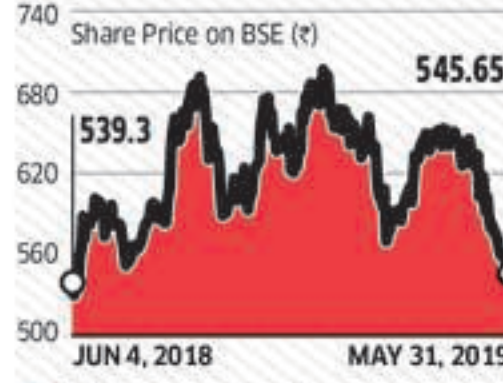
After last week's retreat in risk assets, the stand-off between the world's two largest economies deepened at the weekend as Beijing

blamed the US for the latest breakdown in talks. Traders were also left digesting a move by the Chinese toward blacklisting FedEx Corp., a threat by President Donald Trump to slap tariffs on all Mexican goods and a decision to end an arrangement that lets India export almost 2,000

products to the US tax free. As the outlook on trade deteriorated, US Treasury yields registered their biggest five-day decline since 2014, reflecting growing speculation an economic downturn will prompt the Federal Reserve to cut interest rates by year-end. The S&P 500 Index posted its worst week of 2019.

—Bloomberg

What to Buy, Sell and Hold



■ Citi has a sell rating on Glenmark Pharmaceuticals with a target price of ₹615. Notwithstanding the recent weakness in the stock, Citi said it is looking for signs of meaningful traction in the US business to turn constructive...

■ IIFL has an add rating on Bharat Electronics with a target price of ₹149. While gross margins are likely to moderate in FY20/21 due to sales mix, benign employee expenses and other fixed overheads will help operating profit margins sustain at 20-21% levels...

■ Kotak Institutional Equities has maintained add rating on Ujjivan Financial Services with a target price of ₹375. The brokerage believes that FY20 should start seeing normalisation of the cost-income ratio, a key concern.

■ IDBI Capital Markets has maintained buy rating on Nava Bharat Ventures and trimmed target price to ₹125 from ₹127. The company's EBITDA in the March quarter was lower than expected due to weaker-than-expected profitability in the power segment...

■ CLSA has maintained buy rating on J Kumar Infraprojects with a target price of ₹315. The key message from J Kumar Infra's fourth quarter result was its pick-up in new orders despite election-led, slow-down fears and robust execution...

TECH VIEWS

Upside Looks Capped for Nifty at 12,100

The Nifty is likely to find support at 11,700-11,800 levels and upside could be limited up to 12,100 in this week, said technical analysts. Among sectors, IT and pharma could outperform in the near term while automobile, realty, and the mid-cap and small-cap stocks could underperform, according to analysts.



NAGARA J SHETTI, SENIOR TECHNICAL RESEARCH ANALYST, HDFC SECURITIES

Where we are: Nifty witnessed high volatility last week near the all-time high of 12,041 levels; it, however, was able to show upside recovery from the lows. A long bear candle was formed as per daily timeframe chart on Friday with upper and lower shadows. This pattern signals high volatility and an emergence of selling pressure near the all-time highs. Though, Nifty declined from the highs on Friday, the near-term uptrend status remains intact and there is no indication of any sharp reversal pattern as of now.

What is in store: After showing a sharp upside breakout on the event of general election results in the previous week, the Nifty shifted into a minor upmove amidst a range movement last week, as per weekly chart. We observe a formation of upper shadows in the last couple of week's candles, which indicates an emergence of selling pressure from near all-time highs.

What could investors do: The near-term trend continues to be positive. There is no indication as yet of any reversal pattern at the highs. However, the weekly chart pattern signals cause of worry for bulls at the new highs. Upside could be limited up to 12,050-12,100 levels for the next 1-2 weeks, but selling pressure and volatility could keep emerging from all-time highs.



VISHAL B MALKAN, FOUNDER, MALKANSVIEW

Where we are: The election results had the Nifty forming a high-wave candle pattern of the range of about 430 points. Bank Nifty followed suit with a wide range of about 1,500 points. Through RSI, the momentum indicator has moved above 60 levels, there are divergences visible on weekly and monthly charts on both the indices.

What is in store: An analysis of price movement post declaration of election results for the three instances reveals an interesting structure. Whenever the price has moved in a big range on the results day forming a high wave candle pattern, the subsequent price action for almost over the next three months has been restricted within this range.

What could investors do: Range movements are the best times to trade Options strategies. One could sell straddle and strangle to take best advantage of range movement. Also, fresh long positions could be avoided for the time being as the risk-reward ratio may be poor in most trades.



SWAPNEEL V MANTRI, TECHNICAL ANALYST, INSTITUTIONS, SUSHIL FINANCE

Where we are: The post-poll optimism on the Street was somewhat mitigated by the global tariff wars concerns resulting in Nifty largely trading rangebound throughout the expiry week. Nifty closed the week at 11,922.

What is in store: Expect rangebound trade on Nifty to continue with results-based stock specific action amongst the mid-cap/small-cap counters. Levels wise, 12,100-12,200 is the target zone. On the downside, 11,890-11,810 support zone.

What could investors do: With one of the major macro events behind us, investors can think of fund allocation from a long-term point of view and rebalance the portfolios accordingly.

Any weakness in the markets due to the global factors can be a very good opportunity to accumulate quality stocks from long-term point of view. Stock specific infra-engineering conglomerate L&T is looking good on charts and can be accumulated at current levels for long term target of ₹1,750.

MODERATION in volumes and probability of below normal monsoon likely to weigh on earnings; co expects single-digit growth in FY20

Headwinds in Tractor Business may Limit Gains for M&M

Ashutosh Shyam @timesgroup.com

ET Intelligence Group: The stock of India's largest tractor maker Mahindra & Mahindra is expected to have limited upside on moderating volume growth over the last four months and forecasts of below normal monsoon showers.

This is expected to weigh on earnings as the farm equipment segment generates a third of its volumes and about half of its operating profit. Volumes for the tractor industry fell 8% in the last four months after growing at 21% in 2018.

During the January-March quarter of FY19, Mahindra's tractor volumes fell 14% to 60,878 units, while for the industry the dip was 5.8%. This led to the company's market share in the tractor segment falling to 35.8% in the March quarter from 40.53% in the previous quarter. KIE data show: This shrunk revenues from the tractor segment to 23% in the March quarter from 36% in the previous quarter. In FY19, the company's tractor volumes grew at 4%, as against an average of 22% during the previous two fiscals.



The Street is pencilling in a negative-to-low single-digit volume growth for FY20 after private weather forecaster Skymet said monsoon showers could touch only 93% of the long-period average and the India Meteorological Department observing that the pre-monsoon period has been the second driest in 65 years. In addition, the current inventory levels are three weeks higher than the average for the industry, which could keep discount levels elevated and impact profitability.

The gloomy scenario in farm equipment notwithstanding, Mahindra's automotive business has seen a gradual recovery in volumes due to new launches such as the XUV 300 and Marazzo, which has added 7,000 units per month over the past three months. The models made up 30% of the total SUV volumes, but legacy model sales remain sluggish. Several models will be retired in compliance with crash test and emission norms.

Quantitative Strategies

By Motilal Oswal Quantitative Research

Option Writing

STRATEGY 1

Writing against Cash / Future Holding

Sell ASHOKLEY 100 CE 27-JUNE-19 at ₹0.80 Target Level : 0.10 Stop Loss Level : 1.10 Gross Monthly Yield : 0.90% ROI : 3.10% Margin : ₹90,000 Days to Expiry : 25

Writing with Hedging

Leg 1: Sell ASHOKLEY 100 CE 27-JUN-19 at ₹0.80 Leg 2: Buy ASHOKLEY 110 CE 27-JUN-19 at ₹0.25 Target Level : 0.05 Stop Loss (Spread) Level : 0.85 Gross Monthly Yield : 0.75% ROI : 2.25% Margin : ₹89,000 Days to Expiry : 25

STRATEGY 2

Writing against Cash / Future Holding

Sell INDIACEM 120 CE 27-JUNE-19 at ₹1.10 Target Level : 0.10 Stop Loss Level : 1.50 Gross Monthly Yield : 1.05% ROI : 4.70% Margin : ₹95,000 Days to Expiry : 25

Writing with Hedging

Leg 1: Sell INDIACEM 120 CE 27-JUN-19 at ₹1.10 Leg 2: Buy INDIACEM 130 CE 27-JUN-19 at ₹0.35 Target Level : 0.05 Stop Loss (Spread) Level : 1.05 Gross Monthly Yield : 0.70% ROI : 3.15% Margin : ₹93,000 Days to Expiry : 25

Pair Trading

STRATEGY 1

Leg 1: BUY BAUFINANCE 1 LOT 27-JUN-19 at ₹3,478.70 AND 46 SHARES IN CASH at ₹3,477.10 Leg 2: SELL BAJAJ FINSERV 1 LOT 27-JUNE-19 at ₹8,214.10

Tenure : 7-8 Days Target Profit : 2.85% Stop Loss : 1.40% Margin : ₹4,96,000

This pair has 97% correlation over the last one year. Pair has Trade lot ratio of 1.20 with price ratio of 0.42. It has been moving towards its average mean levels so may continue to bounce more with stability in Bajaj Finserv and buying interest in Bajaj Finance as per its statistical data of 25D band.

Pair Trading

STRATEGY 2

Leg 1: BUY HDFC LTD 1 LOT 27-JUN-19 at ₹2,188.85 Leg 2: SELL HDFC BANK 2 LOT 27-JUN-19 at ₹2,418.40

Tenure : 7-8 Days Target Profit : 2.65% Stop Loss : 1.25% Margin : ₹4,08,000

This pair has 98% correlation over the last one year. Pair (HDFC Ltd / HDFC Bank) has Trade lot ratio of 0.60 with price ratio of 0.91. It was moving in between price spread difference of 200 to 350 points from last couple of months. It has turned lower from its spread band of 350 basis to 250 basis and trend shows sign or narrow down of its spread gap as per its statistical data of 25D Band.

Six of Top 10 Cos Add ₹99k-cr in Market Cap

Press Trust of India

New Delhi: Six of the 10 most valued Indian companies together added ₹99,994 crore in market valuation last week, with Tata Consultancy Services (TCS) topping the list.

HDFC Bank, Hindustan Unilever (HUL), HDFC, Infosys and Kotak Mahindra Bank were also on the gainers' side, while Reliance Industries (RIL), ITC, SBI and ICICI Bank suffered losses in market capitalisation (m-cap) for the week ended Friday.

The valuation of TCS soared by ₹5,235.1 crore to reach ₹8,24,342.63 crore. HDFC Bank's m-cap advanced ₹14,333.73 crore to ₹6,60,795.95 crore and that of Infosys jumped ₹11,970.87 crore to ₹3,21,924.71 crore.

The market cap of HDFC climbed ₹9,538.27 crore to ₹3,75,774.07 crore and that of HUL advanced ₹7,799.37 crore to ₹3,86,449.46 crore. Kotak Mahindra Bank's valuation rose by ₹1,116.72 crore to ₹2,90,098.18 crore.

In contrast, the m-cap of ITC dropped ₹14,097.4 crore to ₹3,41,586.77 crore and that of ICICI Bank dived ₹5,197.06 crore to ₹2,73,072.28 crore. RIL's valuation tumbled ₹4,452.13 crore to ₹8,42,933.64 crore and that of State Bank of India (SBI) declined ₹1,829.54 crore to ₹3,14,637.18 crore.

Day Trading Guide | Motilal Oswal Securities



Nifty index opened positive but failed to surpass its recent life time high of 12,041 mark and remained highly volatile throughout the session. During the day it fell down sharply towards 11,830 zones but again managed to recover and closed with losses of around 20 points. It formed a Bearish Candle with long lower shadow on daily scale while small Bullish Candle on weekly scale. It has been consolidating in between 11,800 to 12,041 zones from last five trading sessions and requires a decisive breakout on higher side to extend its gains towards new life time high territory. Now it has to hold to continue to hold above 11,800-11,850 zones to witness and up move towards 12,041 then a fresh leg of rally while medium-term supports exist at 11,761 levels.

Tech Picks

CHANDAN TAPARIA, Derivatives & Technical Analyst

HDFC

Breakout from small Pole and Flag formation on daily scale; supports are gradually shifting higher

LAST CLOSE ₹2,182 STOP LOSS ₹2,140

BUY TARGET ₹2,265

MUTHOOT FINANCE

Higher top-higher bottom formation and strong momentum in the entire sector

LAST CLOSE ₹650 STOP LOSS ₹635

BUY TARGET ₹678

MARICO

Consolidation breakout and holding well above its multiple hurdles

LAST CLOSE ₹371 STOP LOSS ₹362

BUY TARGET ₹390

HCL TECH

Reversal formation after the decline of last four weeks and managed to hold above its 50 DEMA

LAST CLOSE ₹1,092 STOP LOSS ₹1,070

BUY TARGET ₹1,135

F&O Strategy

CHANDAN TAPARIA, Derivatives & Technical Analyst

India VIX fell down by 2.43% in the last week from 16.47 to 16.07 levels. In the last two weeks volatility fell down sharply from recent high of 30 to 16 zones post the election outcome and stable volatility suggests that any small decline could be bought in the market. On the option front, Maximum Put OI is at 11,500 followed by 11,000 strike while maximum Call OI is at 12,500 followed by 12,000 strike. We have seen Put writing at 11,500 and 11,700 strikes while Call writing is seen at 12,200 and 12,400 strikes. Option data suggests a wider trading range in between 11,550 to 12,250 zones.

Bank Nifty opened positive and made a new life time high of 31,783 mark on Friday but failed to hold its gains and drifted sharply towards 30,600 zones. However it recovered well from lower levels and managed to close above 31,350 zones. It formed a Bearish Candle with long lower shadow on daily scale while Long Legged Candle on weekly scale which suggests a state of confusion at higher band. Now Bank Nifty has to hold near to 31,150 zones to witness an up move towards 31,783 then 32,000 levels while major support exists at 31,000 then 30,500 zones.

STRATEGY:

NIFTY - BULL CALL SPREAD (Monthly Expiry - June 27, 2019) BUY 1 LOT OF 11,950 CALL at ₹158.15 SELL 1 LOT OF 12,100 CALL at ₹88.15; NET PREMIUM: 70 POINTS KEEP SPREAD SL OF 40 POINTS; RISK: 30 POINTS (₹2,250) KEEP SPREAD TARGET OF 130; REWARD: 60 POINTS (₹4,500)

RATIONALE:

- 1. It has been respecting to its support zones and major trend is positive
2. Decline in volatility with shift in support zone suggests a move beyond recent life high of 12,040
3. Intact Put writing and fresh built up of long position suggests further up move
4. Thus suggesting, Bull Call Spread to play the positive to range bound move of the market

Fx Technical

KISHORE NARNE Head - Currency & Commodities

USD/INR Status: Sideways to negative moves could be seen in the short term

CMP: ₹69.8725 Target: ₹69.05 Stop Loss: ₹70.65

Trade: The pair is likely to trade sideways to negative as long as 70.65 level is held as short term resistance. Selling on rallies is thus advised targeting 69.05 on the lower side.

Table with 4 columns: RESISTANCE, SUPPORT, and values 70.15, 70.40, 70.65 and 69.65, 69.30, 69.05

USD/JPY Status: Pair is looking weak in short-term as long as it trades below 110.10 level.

CMP: ¥108.85 Target: ¥107.10 Stop Loss: ¥110.10

Trade: Selling on rallies is advised in the pair as long as 110.10 is held as short term resistance. It has immediate resistance placed around at 109.30 mark, whereas initial supports are placed in the range of 108.20-108.00 mark.

Table with 4 columns: RESISTANCE, SUPPORT, and values 109.30, 109.70, 110.10 and 108.20, 107.60, 107.10

Commodity Calls

AMIT SAJEJA AVP - Commodities

Table with 4 columns: COMMODITY, EXCHANGE, STRATEGY, and values for Gold, Copper, Crude, Soybean

NPS Scorecard

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

TIER I: Equity Plans

Table with 5 columns: Fund, NAV, Returns (3-Mth, 6-Mth, 1-Year), Assets (₹ cr)



TIER I: Government Bond Plans

Table with 5 columns: Fund, NAV, Returns (3-Mth, 6-Mth, 1-Year), Assets (₹ cr)

TIER I: Corporate Debt Plans

Table with 5 columns: Fund, NAV, Returns (3-Mth, 6-Mth, 1-Year), Assets (₹ cr)

Returns as on May 31, 2019. Assets as on Apr 30, 2019 Source: Value Research

Oil Remains the Biggest Worry: Wood

►► From ET Markets Page 1

The important point is that what ever happens fiscally should not destabilise the currency unduly or the bond market. The biggest risk from the macro standpoint is not domestic, it would be a big increase in oil price. The point about oil is that risk has increased because of the American policy of trying to stop Iranian oil exports.

How high is the risk of oil going above \$100 a barrel?

On a one-two year view it is very high. The Indian government needs to understand that's a major risk.

ON SLOWDOWN

The best chance of reviving the economy is the recovery of residential property sector

What is your view on the consumption space which has been hit the most by the economic slowdown?

Partly, in the short term, it has been exaggerated by the liquidity squeeze in NBFCs. On a one-two year view, that will sort itself out. Right now, that is definitely an issue. I am hoping that the residential property market, which has been in a downturn in India since 2013-2014, will pick up sooner or later. But again, the liquidity squeeze in the NBFCs in the short term is accentuating that downturn because lot of developers can't get financing. On a five-year view, residential property market in India will see a pickup, which will be good for the economy. That will boost the construction sector. The construction sector has the potential to add a significant number of unskilled jobs. The best chance of reviving the economy is the recovery of residential property sector.

What is your view on Indian auto stocks?

In the short term, they are under pressure but for the long term that's a buying opportunity.

Is the worst over for the NBFC stocks?

The key issue there is the parentage of the non-bank banks. If the non-bank bank has an established parent, then I believe it is easy for them to get funding. If the non-bank bank doesn't have parentage then the market no longer trusts credit ratings. So the key issue is the parentage of the non-bank banks. So many of them are now trying to get bank licences so they can access deposits.

Correction

The May 30 story on the acquisition of a majority stake in International Paper APMP should have said that International Paper Investments, SARL Luxembourg and IP International Holdings will sell 51-60% of the India unit to West Coast Paper Mills. The error is regretted.

ESCALATING TRADE TENSIONS between the US and China, and Trump's threat of tariff hikes on Mexican goods send stocks to worst month of year; more downside likely

S&P 500 Wipes Out \$4 T in Its Second-worst May Since '60s

Bloomberg

If euphoria was the concern, you can stop worrying.

With books now closed, the S&P 500 has formally delivered its worst May return in seven years and second-worst since the 1960s, falling 6.6%. For tech traders watching the Nasdaq 100, the experience was only a shade less harrowing than the crash months of October and December.

Peace has been shattered, and for now, those voices calling for a 1990s-style melt-up have gone silent. As the US-China trade spat escalates further and Donald Trump threatens higher tariffs on Mexican goods, this month's \$4 trillion global plunge is making dip-buying perilous.

"Clearly there's potential for further downside," Steve Chiavarone, a portfolio manager with Federated Investors, said in an interview at Bloomberg's New York headquarters. "For markets to really rebound, I now need positive clarity on China, Mexico, politics in general and the Fed's probably going to have to do something. That's an awful lot to ask for."

The list of May casualties is long.



BONDS FOLLOW

The yield on the 10-year Treasury took it below levels of three-month rates

All but one of the 11 S&P 500 groups fell, with real-estate shares getting a boost as the 10-year Treasury yield plunged to a 20-month low. Chipmakers exposed to China got hammered, sending the Philadelphia Semiconductor Index down 17% for its worst month since the financial crisis. Technical support levels crack-

ed as the S&P 500 sank through its 50-, 100- and 200-day moving averages for the first time in months.

Echoes of the mayhem from December abound, from erratic bets on volatility to the boom in hedging and the surge in defensive trading.

The Treasury market has delivered the most ominous signals in recent weeks. A 37-basis-point plunge in the 10-year yield took it below the level of three-month rates, inverting a key part of the yield curve by the most since 2007. While declining bond yields initially buoyed valuations in the first quarter, they're now ostensibly reflecting deteriorating growth prospects

that are bringing down equity multiples. While lower valuations can boost the allure of equities relative to bonds, the prospect of a prolonged global trade conflict is an ever-present threat to corporate earnings and risk appetite.

"There needs to be a clear catalyst" for stocks to rebound, said Edmund Shing, global head of equity derivative strategy at BNP Paribas SA in London. "A US-China trade deal could be one, but this is not our central scenario. The hardening of positions will be difficult to step back from, in the short term at least."

The uncertainty is reflected in the options market. While S&P 500 swings have remained relatively subdued this month, the VIX hasn't bounced around this much since November. In fact, the Cboe Volatility Index spent time both above 21 and below 15 during two different weeks in May, something that's never happened in the same month, according to data compiled by Twitter user OddStats and Bloomberg.

"A month ago the stock market was not only pricing in a trade deal with China, but the Iran issue wasn't a problem, Brexit didn't look that bad. Suddenly all of these issues are on a table," Matt Maley, equity strategist at Miller Tabak & Co.

INFLATION REVIEW TAKES PLACE AMID TRUMP SNIPING, TRADE JITTERS

Everything is Up for Review at Fed's Big Meet in Chicago

The US central bank wonders if it's taking the right approach to prices and jobs



Bloomberg

Stable prices? Check. Low unemployment? Check. Judging by the main gauges of the US economy, Federal Reserve officials might have good reason to pat themselves on the back when they gather in Chicago this week.

Instead, they'll be taking a second look at everything they do.

For Americans, from wealthy investors to minimum wage-earners, the two-day conference starting Tuesday could be a big deal if it paves the way to a new strategy for managing inflation and fighting recessions.

In the immediate future, that would probably mean lower interest rates for longer, as central bankers step aside and let the job market keep heating up. President Donald Trump, chipping away at the barrier that's supposed to separate central bankers from elected politicians, has been urging them to go even further.

The Chicago conference is billed as the main event in a yearlong review of how the Fed tackles the goals it's been given by Congress: maximum employment and price stability.

Baked in? Chairman Jerome Powell and his fellow policy makers will be joined by academics to debate new research on all kinds of

complex topics. But the question that's likely to dominate boils down to: Does the Fed need a new approach to inflation that's persistently fallen short of forecasts?

"The Fed needs inflation up at a reasonable level to have room to deal with the next crisis," Adam Posen, a former Bank of England policy maker who'll take part in the conference, told Bloomberg TV on Friday.

"We all need inflation up, because that's more conducive to wage growth and a good market," said Posen, now president of the Peterson Institute for International Economics. "We're in a low-rate, low-risk, low-inflation, secular stagnation environment."

The central bank's favored inflation measures have undershot the 2% target through most of the current recovery. That's getting baked into the outlook of investors and households - creating, Fed officials fear, a self-fulfilling expectation that prices will remain stagnant.

That would compound the bigger problem of low interest rates, which don't leave much room for cuts in a recession. The Fed worries that powerful long-term forces, like slower population and productivity growth, have hobbled its ability to raise rates in expansions, which makes propping up inflation even more important.

Stock Bets Beat 'Coin Toss' After Yield Inversion: Researcher

Bloomberg

Common wisdom dictates that yield-curve inversions, like the one that hit US rates in May, are among the surest early indicators of a coming recession. Researchers at Dimensional Fund Advisors say history tells a different story, at least for stock investors.

"We didn't see much reliable evidence that yield-curve inversions were indications you should get out of equities," said Marlena Lee, co-head of research at Dimensional, an Austin, Texas-based asset manager that oversees \$576 billion. "About 70% of them were followed by positive equity returns. Much better than a coin toss."

Yields on US 3-month Treasury bills exceeded the 10-year note by a margin last seen in 2007, sounding what many analysts consider the loudest recession warning since before the financial crisis. Rates in Germany, Britain and Canada also flattened as investors sought safe havens amid mounting global trade tensions.

Dimensional looked at stock performance in the aftermath of 15 yield-curve inversions in Australia, Germany, Japan, the UK and US dating back to 1985. In the US, which had three inversions between 1989 and 2006, returns were positive two times at the one-year mark and once after three years, according to a Dimensional research report in August. Looking at the broader group of nations, equities had positive returns 86% of the time 12 months after an inversion and 71% of the time after 36 months.

CONSUMERS BENEFIT

Crude Stumbles to Worst May in Seven Years

Since peaking in late April, prices have fallen off over 19% on US-China tensions

Bloomberg

Oil posted its worst May performance in seven years as global trade tensions escalated, undermining the outlook for energy demand growth.

Futures tumbled 5.5% in New York on Friday to a depth not seen in more than three months. Equities also plunged as investors deserted risky asset classes for the safety of gold and US Treasuries. President Donald Trump's threat to punish Mexico with tariffs because of illegal immigration darkened already-parlous global trade prospects.

Oil surged more than 40% to start the year on the strength of OPEC output cuts and crises in Venezuela, Iran and other suppliers. But since peaking in late April, prices have fallen off more than 19% as the US-China trade dispute intensified. A jump in US gasoline stockpiles disclosed in a government report this week added to angst about slackening demand.

"People are trading to the market and that's dragging down oil," said Jay Hatfield, whose energy-focused Infrastructure Capital Advisors LLC oversees about \$750 million. "People have fears that global GDP is going to be reduced."

West Texas Intermediate crude for July closed down \$3.09 to \$53.50 a barrel on the New York Mercantile Exchange. For the month, the futures were off 16%, for the worst May since 2012.

Brent for July settlement retreated \$2.38 to \$64.49 on London's ICE Futures Europe exchange. The global benchmark crude



was trading at a premium of \$10.99 a barrel to WTI, the widest in almost a year.

A key Chinese manufacturing gauge for May dropped more than forecast. The world's second-largest economy is mobilizing its state-run energy industry to prepare for a long struggle with the US, and also has readied a plan to restrict exports of rare earths, according to people familiar with the matter.

For more, listen to Bloomberg's mini-podcast on global commodities markets.

"Given oil markets are tethered to the hip of risk markets currently, this is bad news for oil bulls," said Stephen Innes, head of trading at SPI Asset Management.

Infracap's Hatfield said crude's slump is an overreaction. The American economy remains strong, with summer driving season about to kick up fuel demand, while OPEC stands ready to support prices with continued output cuts, he said. Fuel consumption in the US has also been artificially depressed in recent weeks by heavy rains and flooding, he said. "People tend to overreact on both sides," Hatfield said. "We don't see this move down to the mid-\$50s as sustainable."

Russia Meets Opec+ Target Amid Dirty Crude Oil Crisis

Bloomberg

Russia's average daily oil output in May fell below its OPEC+ target for the first time this year after buyers refused to take exports via Druzhba, the nation's key pipeline to Europe, because of contamination. The country produced just more than 47 million tons of crude oil and condensate in May, according to preliminary data from the Energy Ministry's CDU-TEK unit. That implies a daily average of about 11.14 million barrels, which is 76,000 barrels a day below the cap for the nation set under the OPEC+ deal, Bloomberg calculations show.

May was the first full month of compliance by Russia this year, just weeks before the country meets with members of the Organization of Petroleum Exporting Countries to determine whether the cuts should be extended. Russia pledged to reduce its oil production under the deal by 228,000 barrels a day from the October baseline of about 11.418 million barrels a day.

For more than a month, Russia has suffered interruptions to its exports through Druzhba after the crude in the giant pipeline was found to be tainted with organic chlorides. Pipeline operator Transneft PJSC said in early May that producers were maintaining supplies to the Russian network, and Lukoil PJSC insisted the crisis hadn't cramped its output.

ET in the Classroom

The Mechanics of Hedging Gold

In this edition, ET explains the basics of hedging in gold through the futures market

1. What is hedging?

Insuring oneself against price risk and volatility by taking a position contrary to the one on the physical market.

2. How does it happen in gold?

If you are a jeweller having an order to sell a quantity of jewellery to a customer by say end of June. You have to buy gold bars from a bank or bullion dealer, make jewellery and sell it by June end. Assume by June end gold price falls from the current levels. You make an inventory loss if you buy gold today.

So, the moment you give an order to purchase gold from the spot market, you sell an equal quantity on a commodity derivatives exchange. Assume gold costs ₹30,000 per 10 gm today. You buy a kilo of gold for ₹30 lakh and simultaneously sell a futures contract for around the same sum. Now assume by June end gold falls to ₹29,000. Had you not hedged yourself, you would face an inventory loss of



₹1,000 per 10 gm, and the price of jewellery too would reduce. Had you hedged, by selling gold futures, the loss of ₹1,000 on spot would have been made up by a corresponding gain on the futures market. When you actually sell jewellery worth a kilo, you would buy back what you sold on the futures market and be net neutral.

In practice hedging has a cost and only those companies with scale and experienced treasury hedge themselves.

3. Where do companies hedge gold?

Either on the over-the-counter market, dominated by banks, or on commodity exchanges, like MCX. More recently BSE and NSE have launched gold derivatives. With time these would gain traction, stakeholders believe.

4. Who is the counterparty to the hedger?

The counterparty is the speculator - hedge fund or retail - who takes an informed decision contrary to that of the hedger.

TEXT: Ram Sahgal

With Credit Risks Escalating, China's Banking Cleanup Needs a Bigger Mop

Expert Take
ANJANI TRIVEDI

China's banking cleanup has moved into a fresh phase with the seizure of a small city-commercial lender. It's far from clear that regulators have the right supplies to finish the job.

The central bank and the banking and insurance regulator are assuming control of Baoshang Bank Co. for one year because it poses serious credit risks, in the first government takeover of a lender in more than two decades. They're bringing in state-controlled China Construction Bank Corp., one of the country's largest lenders, to manage Baoshang's business operations.

While a broader effort to rein in shadow-banking activity has been going on for several years, regulators haven't assumed control of a bank in this way. In 2015 and 2016, they recapitalized lenders by injecting share capital while writing off or transferring troubled assets. They've also merged stronger with weaker banks, in transactions that had little commercial logic. These restructuring efforts were haphazard, mostly inadequate and didn't address the issue of moral hazard.

So why the more forceful approach now? To begin with, there's the concern of direct contagion.

Baoshang's assets of 576 billion yuan (\$84 billion) are a drop in the ocean for a banking system with about 270 trillion yuan of assets. Yet a collapse, if allowed, could still threaten some disruption, particularly in the interbank market. The city lender had 193 billion yuan of borrowings and repurchase agreements outstanding, of which 169 billion yuan was due to other financial institutions, as of September 2017, the latest available data. It also holds large stakes in several village and other smaller banks. Liquidating those holdings would probably affect those lenders.

Baoshang has a tainted history: It was banned from some inter-bank trading for two years in 2013 and has had trouble raising capital. Contagion risks posed by Baoshang are among the highest for small city commercial banks, although still low within the system as a whole, according to an analysis last year by a researcher at Shandong University.

After the Baoshang takeover, retail and corporate deposits under 50 million yuan will be fully protected by regulators and the deposit insurance fund. There's no guarantee that all corporate deposits above this notional value will get the same treatment. Construction Bank won't bail out the lender or underwrite any of its risks.

Also, if regulators are worried about extensive contagion from a single bank, why rock the boat



DANGER AHEAD

The Baoshang takeover suggests problems may be emerging at other small lenders

now? More worrying is that there are probably several other smaller lenders where problems are emerging, and regulators still haven't found a way to manage them. The timing speaks to the perceived urgency of the issue. With no big bank willing to absorb a smaller lender, the People's Bank

of China is still trying to get its arms around the problem. Bigger lenders have struggles of their own: Loan write-offs are piling up, and they're being asked to rescue and finance China's small and medium private enterprises.

Speculation in Chinese media has centered on the links between Baoshang and the Tomorrow Group conglomerate, whose former Chairman Xiao Jianhua has been in custody for more than two years. The group owns at least 70% of the lender through various subsidiaries and has been used as its piggy bank, Chinese financial website Caixin has reported. In a similar situation, Anbang Insurance Group - also seized by the government - held more than a

Nickel (250 Kgs) and Lead (5MT) will be DELIVERABLE from June 2019 contract onwards




Tweet of the Day

OleS Hansen
@OleSHansen
Money managers sold crude oil for a fifth week with the combined net-long in WTI and Brent falling by 77k lots to 553k, a three month low. Tight supply focus is being replaced by increased risk of lower growth and demand as TradeWars add to existing growth worries.

Quarts & Ounces

\$30.96 BILLION
GEMS AND JEWELLERY EXPORTS IN 2018-19



Did You Know?
Is There Really a Global Shortage of Crude Oil?

From Russia to Saudi Arabia, Iran to Venezuela, the list of crude oil supplies being curtailed or disrupted around the world is growing longer by the month. Is the market's biggest supply shifts actually netting out into a global shortage of oil? The answer is a complex one, hinging on the type of crude in question and the time-frames selected. The simplest supply measure is all the oil pulled out of the ground globally. On this view it does indeed look like global production has fallen sharply over the past six months, as the Opec+ group of countries slashed supply, while the US has toughened sanctions on the oil industries of Iran and Venezuela. Figures by the Energy Intelligence Group show that global oil production was 96.79 million barrels a day in April. But just a slightly longer time-frame gives a different picture. — Bloomberg

Cotton Marks Worst Month in Three Years

BENGALURU Cotton prices fell about 2% on Friday following losses in the grain market after Donald Trump threatened to place tariffs on imports from Mexico. Cotton also marked its worst month in nearly three years. The July cotton contract, settled down 1.8%, at 68.08 cents per lb. It traded in a range of 68.00 and 69.69 cents per lb.

Copper Slips on Weak Chinese Factory Data

LONDON Copper was set for its biggest monthly fall since November 2015 as weak Chinese factory data and a US threat to impose tariffs on Mexican goods fanned fears that trade disputes will damage the global economy and demand for metals. Benchmark copper on the London Metal Exchange (LME) ended down 0.4% at \$5,830 a tonne. The metal used in power and construction has slipped 9% this month, its third straight monthly fall. Most other industrial metals also fell in May, with zinc having its biggest monthly tumble since 2012.

Focus on Loan Recovery

From Page 1
LVB will also focus on building a quality lending book, controlling expenditure and putting a large part of its manpower to work on expediting loan recovery. "The stress in the book has played itself out. Now we are focussing on recoveries," Mukherjee said. "If all this goes as per plan we will turn profitable by year end."

ANOTHER REDEMPTIVE MEASURE follows bank's failed attempt at a share sale to a broader set of investors

Yes Bank in Talks with PE Funds For Equity Money



- THE PLANS**
- YES BANK is in talks with two private equity investors - Advent International and Apax Partners
 - THE BANK may raise as much as ₹3,000 crores from the share sale to private equity investors
 - THE BANK could dilute less than 10% and less than 5% to the two private equity firms each
- Yes Bank is undergoing management change amid doubts about the quality of assets**

Shilpy Sinha & Saloni Shukla
Mumbai: Yes Bank, facing investor wrath over the actual amount of its stressed assets, is in talks with two private equity investors - Advent International and Apax Partners - to raise equity funds to build investor confidence after attempts for a share sale to a broader set of institutional investors did not materialise, said two people familiar with the matter. The bank may raise as much as ₹3,000 crore from the share sale to private equity investors as its new chief executive Ravneet Gill tries to rebuild the image of the bank which took a knock in the past six months after the RBI turned down its proposal for another term for founder

Rana Kapoor. "The bank has to raise capital quickly and Gill doesn't have the luxury of time," said one of the persons cited above. "Raising funds in a qualified institutional placement was proving to be difficult, so the choice has now come to private equity investors." Apax and Advent declined to comment on the discussions with Yes Bank and a likely investment in it. Yes Bank did not respond to an email seeking comment. There is no certainty that the discussions will lead to a transaction. Yes Bank is undergoing management change amid doubts about the quality of assets. While it reported a record loss of ₹1,506 crore in the March quarter due to exposure to aviation, infra and real estate turning bad and

said the worst may be over, investors are sceptical. The stock has fallen more than 45% since its March peak of about ₹280. To gain confidence, the management has to raise fresh capital, which could also be used to provide for any deterioration in future. Apart from segregating risk and credit approvals, Yes Bank is working towards reducing portfolio concentration in real estate and project finance. It is adopting conservative accounting norms, especially on fees, and much stricter early warning system for portfolio control. The bank could dilute less than 10% and less than 5% to the two private equity firms each. At current prices it may be ₹3,400 crore. The private lender has been under the

RBI radar had last raised about ₹4,906 crore through QIP in March 2017 at a price of ₹300 per share (adjusted to stock split from ₹10 to ₹2). This was after an aborted attempt to raise a billion dollar through QIP in September 2016, that had to be pulled out soon after its launch. For private equity investors too, this could be an opportunity to take a slice of that Indian financial services that is set to benefit from the forecast economic growth revival in Prime Minister Modi's second term. Fortunes of corporate of banks are on an upswing with IICI Bank and Axis Bank trading at near life-time highs as investors bet that these are set to benefit after the clean-up of their bad loans.

NOT SO SWEET FACTS Record sugar production has raised carrying cost; mills forced to keep sugar in the open even as monsoon season has arrived

Millers Struggle to Sell Sugar at MSP, Opt to Export via Third-party Quota

Jayashree.Bhosale
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Pune: Finding it tough to sell sugar at the government set minimum selling price (MSP), a large number of millers from Maharashtra have opted to export sugar using third party quota at much below the MSP. Record sugar production has not only increased the carrying cost, but mills are also forced to keep sugar in the open even as the monsoon season has arrived. With tepid demand for sugar in the domestic market, sugar millers are finding it tough to sell sugar at MSP. "The monthly sugar quota allocated to the state has been lapsing almost every month. As such, selling sugar on third party export quota over and above their own export quota, helped the mills liquidate the excess sugar with them," said sugar broker Abhijit Ghorpade. It is estimated that Maharashtra mills sold 3-4 lakh tonnes of sugar under third

- The Hurdles**
- ESTIMATES SHOW Maharashtra mills sold 3-4 lakh tonnes of sugar under third party export quota at ₹28/kg to ₹28.50/kg
 - WITH THE 2018-19 sugarcane crushing season at its fag end, the industry expects total sugar production of the country to touch 330 lakh tonnes
 - EXCLUDING LOCAL consumption of 26 lakh tonnes and export of 35 lakh tonnes, India will have a record opening stock of 139 lakh tonnes when the new crushing season begins on October 1, 2019



are allowed to sell the quota to others. With the 2018-19 sugarcane crushing season at its fag end, the industry expects total sugar production in the country to touch 330 lakh tonnes. With a carry forward stock of 104 lakh tonnes, total availability of sugar will be 234 lakh tonnes. Excluding local consumption of 26 lakh tonnes and export of 35 lakh tonnes, India will have a record opening stock of 139 lakh tonnes when the new crushing season begins on Oct 1, 2019.

During his meeting with officials of the PM's office, Dilip Walse Patil, president, National Co-operative Sugar Factories Federation (NCSFF), said the federation has sought extension for the scheme of making buffer stock of 30 lakh tonnes of sugar and demanded that the stock volume should be raised to 50 lakh tonnes to help support sugar prices, by removing excess from the supply chain. The industry body has also demanded that MSP of sugar should be increased from the present level of ₹31/kg. "We have also demanded that North India and South India should have separate minimum selling price," said Walse Patil. The government of India has extended subsidy to sugar mills to make cane payment to growers against the export of quota allocated to them.

Seafood Industry Pins Hope on New Govt as Catch Falls, Resources Overexploited

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Kochi: The fishery and seafood industry hopes the newly formed ministry will focus on some critical aspects like conservation of resources, expansion of aquaculture zone and promotion of the domestic market. Though fishery is clubbed with dairy and animal husbandry in the ministry, the stakeholders feel the sector will get more attention. Fishery was earlier under the agriculture ministry. Giriraj Singh will be heading the department. Dwindling sea catches is a major issue that the industry hopes the ministry will address. "We expect them (the government) to conduct a study and find a solution. Our association will be meeting Giriraj Singh with our suggestions," said Alex K Ninan, president of the Kerala Chapter of Seafood Exporters Association of India. Fishing up to 12 nautical miles from the coast is now controlled by the state. But there is no monitoring up to 200 nautical miles beyond that. Most maritime states have enacted laws on mesh size and boat engine power which are strictly implemented in the waters till 12 nautical miles. "Almost 70% of our catch comes from 12 to 200 nautical miles, where the state rules cannot be enforced as it is out of their jurisdiction," said K Sunil Mohammed, principal scientist of Central Marine Fisheries Research Institute (CMFRI). He said that to en-

- IN TROUBLED WATERS**
- DWINDLING SEA catch is one major issue that the industry is expecting the ministry to address
 - CURRENTLY, FISHING up to 12 nautical miles from the coast is controlled by the state. But beyond that up to 200 nautical miles there is no monitoring
 - TO ENSURE the long-term sustainability of the fishery resources, the new ministry can make laws for the catches in 12 to 200 nautical mile area



S CHANDRASEKHAR
President, Society of Aquaculture Professionals
The new ministry can help bring more areas, especially brackish waterbodies, under aquaculture which will help in employment generation. "There is a huge potential in the local market. The local consumption is only around 10% and this can be doubled or more," he said. India exports around 70% of the ₹45,000 crore worth of seafood annually, comprising mostly frozen shrimp from aquaculture farms. It ranks only below China in farmed shrimp production.

new ministry to look after the sector," he said. "The new ministry can help bring more areas, especially brackish waterbodies, under aquaculture which will help in employment generation," said S Chandrasekhar, president of the Society of Aquaculture Professionals. Development of the domestic market for shrimp and other farmed fishes is another step Chandrasekhar expects the new ministry to take up. "There is a huge potential in the local market. The local consumption is only around 10% and this can be doubled or more," he said. India exports around 70% of the ₹45,000 crore worth of seafood annually, comprising mostly frozen shrimp from aquaculture farms. It ranks only below China in farmed shrimp production.

Finger Pointed at RBI's Oversight

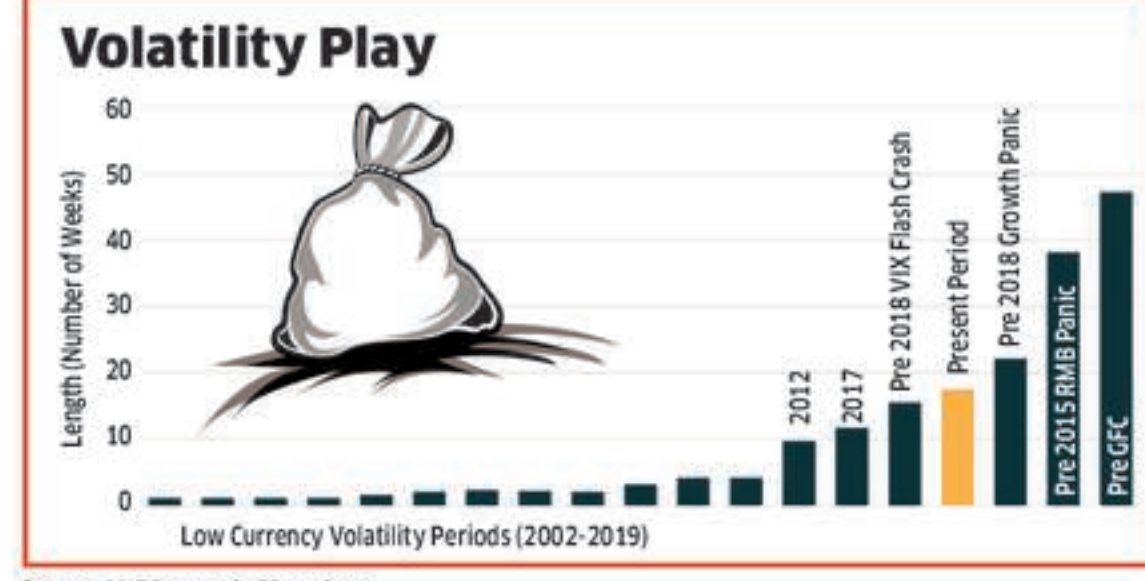
From Page 1
The investigation arm of the Ministry of Corporate Affairs recommended that its report be shared with the central bank. "RBI should conduct an internal investigation as to the reason for the delay and take appropriate action and also take suitable policy measures to prevent such fraudulent action," it said. The central bank didn't respond to queries. This is the first time an official body has pointed a finger at the RBI's oversight of IL&FS. The SFIO relied on RBI inspection reports in its investigation and these form part of the chargesheet submitted last week to a special court in Mumbai against 30 individuals and entities in the IL&FS case. The central bank had expressed reservations on loans granted to borrowers and group companies in violation of the RBI Act. Optionally Convertible Debentures (OCD) of Rs 190 crore to the Siva Group were "used to evergreen the earlier loan", the RBI had said. Tata Teleservices Ltd (TTSL) shares had been pledged as collateral by the Siva Group with IFIN. In its FY15 inspection, the RBI asked IFIN to make full provision against the TTSL shares of Rs 254 crore. In another loan to the Siva Group, the SFIO said the RBI had asked for full provision of Rs 190 crore against OCDS during the FY16 inspection report. Provision of Rs 108 crore was made in FY18.

LOANS WITHOUT SUFFICIENT COVER
The RBI had said loans had also been given to ABG International without sufficient security cover, according to the chargesheet. "RBI in its report for FY15 had pointed out insufficient security cover in case of exposure to ABG International Pvt Ltd, and in the year FY16-17, insufficient security cover has been pointed out on the loan to Onaway Industries Ltd," the chargesheet said. "Whistleblower in its letter dated March 3, 2017, has pointed out the connivance of the management of IFIN and also Ravi Parthasarathy and Ramesh Bawa to release the security cover in case of ABG." The SFIO also cited the manner in which the IFIN board loaned money to group companies, especially IL&FS Transportation Networks Ltd (ITNL). In its November 2017 report, the RBI had observed that IFIN had loaned money to eight entities belonging to its group for onward lending to IFIN. It is pertinent to note that the IL&FS crisis first came to light in July 2018, when the road arm was facing difficulty in making repayments due on its bonds. "RBI in its inspection report for FY16 had advised that the classification of group companies in order to arrive at NOF and CRAR needs to be done as specified in the RBI Act, listed out group companies and pointed out exposure in excess of 10% of own funds to arrive at NOF... The company should run down its exposure to group companies with no fresh lending to them," the chargesheet said. "In a letter dated July 20, 2018, sig-

ned by Bawa (to RBI), it has been stated that IFIN has not undertaken any fresh exposure post November 2017 to IL&FS group entities." **CIRCUMVENTING RBI RULES**
The SFIO probe has revealed that the accused directors, in order to circumvent RBI directions, gave loans to external parties that were then transferred to IL&FS group companies, mainly ITNL. In his statement, accused erstwhile IFIN director Vibhav Kapoor has stated that the former IFIN board had asked the company to request the RBI to give it time till 2021. "RBI had instructed IFIN to reduce group exposure below 10% of owned funds," the chargesheet said. "Since many of the group companies were going through difficult conditions... the IFIN board felt that the company would need more time to meet this instruction of RBI and accordingly the board requested IFIN to request RBI to give time till 2021 to accomplish this." IFIN falsified financial statements and did not disclose details of NOF and CRAR obligations, which continued to give it the highest rating till the latter part of 2018, the SFIO said. Investors in the NCDs (nonconvertible debentures) also relied upon this information. The chargesheet states that IFIN did not disclose the negative NOF amount as assessed by the regulator for FY14-15, FY15-16 and FY16-17 in its financial statements. "The users of the financial statements were unaware of the critical information regarding negative NOF, negative CRAR," it said. "This information was very critical and material for investors of NCDs."

CALM BEFORE THE STORM?

Currency Market Turning Boring



Source: ANZ Research, Bloomberg
Business Insider
Based on recent history, when currency market volatility has been this low for this long, it's been followed by a significant spike in volatility. Whileno one knows the answer as to whether history will repeat, ANZ's FX strategy team believes the risk of such a scenario is growing given mounting trade tensions between the United States and China. "Since the last round of talks, when disagreements on the final text of the agreement arose, both sides have hardened their stance, and the likelihood of a resolution has diminished," ANZ said in a note released on Thursday. "This combination means that the hopes of recovery, which were underpinning market sentiment and liquidity, are looking fragile again." Should concerns about the global economy lead to a decline in currency market liquidity, ANZ said the streak of low volatility could well come to an end. Australia: If you're thinking currency markets have been a little dull this year, you'd be right. They've been undeniably boring. It shows the number of consecutive weeks where FX volatility has spent below the 20th percentile from 2002 until today. The 20th percentile refers to the bottom 20% of results over this period. It's now been over 20 weeks since weekly volatility wasn't in the bottom 20% of results, indicating just how dull it's been for currency traders. In terms of duration, the current stretch of low volatility has only been surpassed on three occasions since 2002: before the GFC hit in 2008; before the Chinese announced a one-off devaluation in the Chinese yuan back in August 2015; and before the abrupt selloff in the financial markets that occurred late last year.

AGRI COMMODITIES INDEX GAINS 1.15%
Onion Prices Surge

The Agriwatch Agri Commodities Index gained 1.15% to 114.35 during the week ended June 1, 2019 from 113.05 the previous week, led by surging onion prices. The Onion Index broke above its seven-month long low price trading range, gaining 31.9% to 73.28. The Urud Index was the other notable gainer, rising 7.4% to 105.75. The base for the Index and all sub-Indices is 2014 (= 100). Six of the nine commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices gained during the week. The group sub-Index values and their weekly changes are: Cereals: 123.41 (+1.83%), Pulses: 132.33 (-0.07%), Potato & Onion: 68.79 (+14.59%), Edible Oils: 108.62 (-0.88%), Spices: 122.52 (-0.06%), Sweeteners: 106.71 (+0.67%), Fibres: 126.03 (+2.84%) and Other Non-Food Articles: 96.24 (+2.32%). Details can be viewed on the ET website and on Agriwatch.com.



Former Maruti Exec Roped In

From Page 1
Great Wall is likely to follow a similar game plan as MG Motor and may come out with a range of locally produced SUVs in India from Rs 10 lakh to Rs 20 lakh. While the immediate priority is to look at conventional internal combustion engine vehicles, Great Wall is also exploring electric vehicles for the Indian market, with the company having in-house expertise in making batteries and EVs, said the people cited above. Great Wall sold 1.1 million vehicles at home last year, registering a marginal decline of 1.6%. However, its overseas sales grew in double digits in 2018, albeit on a low base, to about 50,000 units. "The immediate focus is to localise some of the Chinese products in the Indian market," one of the people said, though the existing portfolio is exported to about 60 global markets. "However, over the medium term, there may be a dedicated emerging market architecture, which will be driven by India — approval on the same is awaited." The company hired former Maruti Suzuki executive Kaushik Ganguly last year to define its product road map in India. Besides that, it has hired Mainak Chanda to lead overseas procurement. Chanda worked briefly with another Chinese company Changan, in its bid to enter the Indian market, before Great Wall. Chanda was with Mahindra's sourcing team before moving to Changan. His presence in the global office could help bolster the India operation. Great Wall didn't respond to queries. "One thing is for sure, dynamics of the Indian market are in for a big transformation with new regulations and new entrants like Kia, PSA, MG Motor and now Haval who will change the competitive landscape," said Gaurav Vangaal, country lead for production forecasting at IHS Markit. "For Great Wall, it may make logical sense to explore acquisition of plants of other vehicle makers which are highly utilised in the market to get a quick access."

Short Takes

External Commercial Borrowings Drop 20% in Apr

MUMBAI: Indian industry's borrowings from foreign markets fell by nearly 20% to \$3.16 billion in April 2019 compared to the year-ago month, according to Reserve Bank data. Domestic firms had raised \$3.92 billion from overseas markets in April 2018. Of the total external commercial borrowings (ECBs) in April 2019, \$2.66 billion was raised through the automatic route, \$500 million through approval route while the rest of \$304.462 came through the issue of rupee denominated bonds (RDBs), the RBI data showed. Under the automatic route, Shriram Transport Finance Company (\$750 million on sub-lending), Dhamra Lng Terminal (\$600 million for rupee expenditure), Indian Railway Finance Corporation (\$300 million for infrastructure development), and Ikea India Pvt Ltd (\$257.82 million as working capital loan) were among the major borrowers. —PTI

CIL Production Declines 1.1% to 46.59 MT in May

NEW DELHI: State-owned Coal India Ltd (CIL) produced 46.59 million tonnes of coal in May, registering a decline of 1.1% from the year-ago period, as per a regulatory filing. CIL had produced 47.12 million tonnes of coal in the same month last year, it said in a BSE filing Sunday. Coal offtake during May 2019 fell about 1.4% to 52.09 million tonnes as compared with 52.81% in the year-ago period, it added. The production and offtake figures are provisional, the company said. Bharat Coking Coal Ltd and South Eastern Coalfields Ltd witnessed sharp decline of 27.6% and 14.7%, respectively in production during the month under review over the corresponding month of 2018, which in turn had impacted CIL's consolidated production. —PTI

Gems, Jewellery Exports Dip 5.32% in 2018-19

NEW DELHI: Gems and jewellery exports declined 5.32% to \$30.96 billion in 2018-19, mainly on account of slowdown in demand in major developed markets. According to data from the Gems and Jewellery Export Promotion Council (GJEPC), exports stood at \$32.7 billion in 2017-18. The labour-intensive sector contributes about 15 per cent to the country's overall exports. The decline in shipments is mainly due to negative growth in the export of silver jewellery, coloured gem stones, rough diamonds, gold medallions and coins. As per the data, silver jewellery exports in 2018-19 dipped 75% to \$837.81 million. Similarly, outbound shipments of gold medallions and coins contracted 55.5% in the last fiscal. —PTI

India Expects US Govt to Restore Benefits Under GSP

TRADE HURDLES India terms US move unfortunate, vows to resolve 'ongoing issues'

Kirtika.Suneja @timesgroup.com

New Delhi: The US pulling the plug on duty concessions on \$5.6 billion of Indian exports may not mean the end of benefits under the Generalized System of Preferences (GSP), officials said, citing instances when the benefits were reinstated. "This is not the end of GSP (benefits), possibly because the US has restored the benefits in the past to other countries after withdrawing them," said an official aware of the details. "There have been instances where they have restored the GSP. They withdrew the benefits from Argentina but subsequently restored them."

Argentina, Liberia and Myanmar are the few countries that has the benefits reinstated after they made "sufficient progress" to become eligible for them. The US terminated preferential tariffs on Indian exports on Friday after determining that it has not committed to provide "equitable and reasonable access to its markets" for the US.

Continuation of GSP was a key element of India-US negotiations on a trade package, which fell through in March when Washington announced its decision to end the benefits. India has termed the US decision unfortunate and vowed to protect national interest even as it continues to build on its strong ties and resolve "ongoing issues." It once again extended a deadline to impose retaliatory tariffs on 29 goods originating in the US, this time to June 16.

However, India is yet to decide whether to seek restoration of the GSP duty concessions. "We have to see. We know their expectations and there are areas where our national interests need to be balanced, not compromised," the official said.

Another official said the US concerns over price caps on medical devices need to be balanced with affordable healthcare for the Indian people.

Though the two sides have been interacting regularly through telephones and video conferencing, the possibility of a meeting would be decided after internal consultations. "Restoration looks uncertain at the moment, but India should be careful as it would have to meet strict compliance norms to be able to get GSP benefits again," said a New Delhi-based expert on trade issues.

Wait and Watch

In the past, Argentina, Liberia and Myanmar have had benefits reinstated after they made "sufficient progress"

India has once again extended deadline to impose retaliatory tariffs on 29 goods originating in the US to June 16

US PERSPECTIVE

As per US norms, a beneficiary nation must meet 15 discretionary and mandatory eligibility criteria to qualify for GSP

These include providing the US with equitable and reasonable market access, among other conditions

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Goyal Begins New Innings with Marathon Meets over Weekend

Kirtika.Suneja @timesgroup.com

New Delhi: Piyush Goyal, who took charge as commerce and industry minister on Friday, held detailed meetings with the officials of the two departments over Saturday and Sunday.

The meetings were aimed at getting familiar with the organisation of the Department of Commerce and the Department for Promotion of Industry and Internal Trade, zeroing in on the likely actionable issues and discussing the roadmap ahead, officials who attended the meetings said. "Minister @PiyushGoyal met officials of Ministry of Commerce and Industry and discussed promotion of trade within the country," Goyal's office tweeted.

"During the meeting, officials gave a detailed presentation of the functioning of the ministry," his office said in another tweet. The two ministers of state Hardeep Singh Puri and Som Prakash also attended the meetings.

THE ATTENDANCE

Both ministers of state Hardeep Singh Puri and Som Prakash also attended the meetings

"During the meeting, officials gave a detailed presentation of the functioning of the ministry," his office said in another tweet. The two ministers of state Hardeep Singh Puri and Som Prakash also attended the meetings.

"He was carefully studying and looking at the presentations made by secretaries to the two departments," said an official. Officials from the agencies attached with the ministries were present and certain meetings such as that of the Board of Trade will be called immediately, the official added. "He was trying to find the actionable issues," said another official.

Crucial issues like trade talks with the US, Regional Comprehensive Economic Partnership trade agreement and foreign direct investment (FDI) will be taken up in separate presentations. India faces multiple challenges. Merchandise exports grew 9% to \$331 billion in 2018-19. But, FDI inflows declined for the first time in the past six years in 2018-19, falling by 1% to \$44.37 billion. The US withdrew benefits to Indian exports worth \$5.6 billion, shortly after Goyal took charge.

BENEFIT RESTORATION

As per US norms, a beneficiary country must meet 15 discretionary and mandatory eligibility criteria established by Congress to qualify for GSP. These include providing the US with equitable and reasonable market access, combating child labour, respecting internationally recognised worker rights and providing adequate and effective intellectual property rights protection.

However, reinstatement of GSP benefits is conditional. Argentina's GSP benefits were restored in January last year after the resolution of certain arbitral disputes with US companies, new commitments to improve market access for US agricultural products and improved protection and enforcement of intellectual property rights.

In the case of Myanmar, the US suspended GSP benefits in 1989 due to worker rights concerns. After the Asian country requested reinstatement in 2013, the preferential trade status was brought back in 2016 following a review of its compliance with the eligibility criteria, including steps it was taking on internationally recognised worker rights.

Indians with Swiss Bank Accounts Still Getting Notice

New Delhi/Berne: Amid a continuing crackdown on Swiss bank account holders with suspected illicit money, Switzerland has stepped up its process to share details of such individuals with Potluri Rajamohan Rao being the latest Indian national to get a notice in this regard. At least 14 Indians, with accounts in Switzerland-based banks, were issued notices by the Swiss authorities last month, in which they have been given one last chance to appeal against sharing of their details with India.

According to officials, many more such notices are in the offing in the coming weeks. —PTI

The Repercussions

On Friday, the United States decided to end preferential tariffs on Indian exports under the Generalized System of Preferences (GSP) scheme. Kirtika Suneja looks at the implications.

WHAT IS GSP?

Non-reciprocal, non-discriminatory benefits by developed countries to developing ones	Under GSP, exports allowed at zero or low duties	India gained duty concessions of \$190 million in 2017 from the US under GSP
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WHY US WITHDREW GSP

- Trade imbalance with India
- Washington has cited lack of reciprocity
- No access to Indian market for US dairy, medical device industry
- Market access sought for US dairy, medical device industry
- Tariff reduction on information and communications technology products
- Easier telecom testing, conformity requirements for ICT products
- Robust intellectual property rights regime sought
- Issues with proposed e-commerce policy, data localisation norms

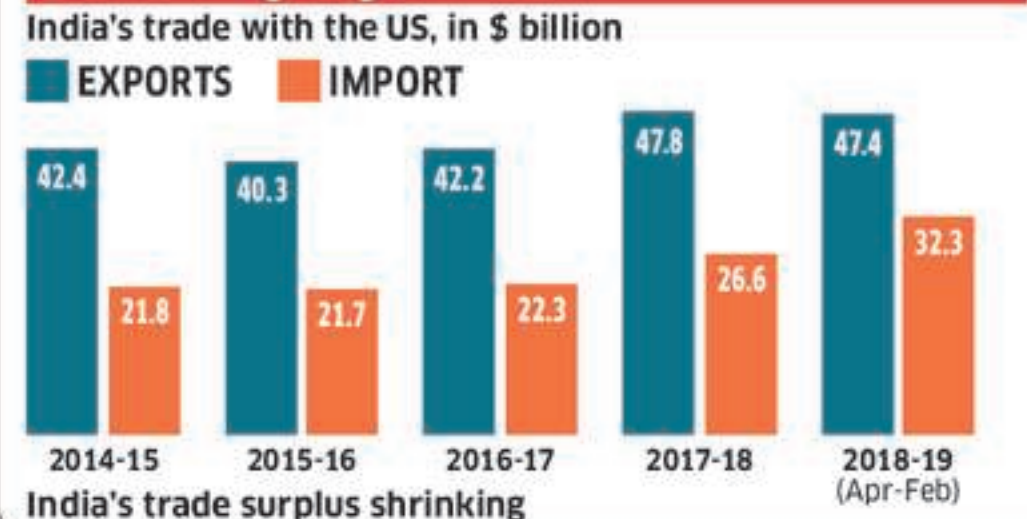
WHAT INDIA SAYS

US demands disproportionate to GSP benefits for India	Linking benefits with other issues uncalled for, violates GSP principle	Duty reduction will need to be offered to other countries as well	India is buying defence goods and crude, which will address trade deficit
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India's benefits

- Total exports to US in 2018: \$51.4 b
- Exports drawing GSP benefits: \$6.35 b
- Net duty benefit: \$260 m
- Processed food, leather products (except footwear), engineering goods, made-ups, building material & tiles top users of GSP
- India's chemical, leather, farm, pharma, imitation jewellery exports to get costlier
- 18,770 tariff lines in the US, India got benefits on 5,111 tariff lines
- Tariff advantage of 4% or more only on 2,165 tariff lines

Bilateral trade getting more balanced



Way ahead

- US can restore GSP: Argentina, Myanmar, Liberia have had GSP benefits reinstated in the past
- Move WTO: India challenged discriminatory EU GSP in 2002
- Levy retaliatory tariffs: Fate of 29 American goods hangs in balance till June 16

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Extracts of Consolidated audited Financial Results for the Year ended March 31, 2019

Yearly Growth FY19 vs FY18		Yearly Growth FY19 vs FY18	
↑	128%	↑	133%
Revenue		PBT	
EBITDA		PAT	
↑	102%	↑	114%

Particulars (in Rs. Mn)	Year Ended 31 / 3 / 19	Year Ended 31 / 3 / 18
Revenue	2132.6	934.3
Net Profit	182.8	85.4
EPS (In Rs.) Basic	6.34	8.08

Bhavnagar, Jiya Eco Products limited (BSE: 539225), leader in manufacturing and supplying of Bio Fuel products, announced its audited results for the quarter and Full year ended March 31, 2019

- Processed Agri-waste**
This product continues to be a star performer within JEPL's product basket. With ~50k MT of processed agri-waste sold during the quarter, this product already contributes more than 50% of the company's standalone revenues in FY19! Robust enquiries continue in this segment
- Progress on application developed earlier**
Brass manufacturers We have now installed 25 burners incrementally, taking the total burner installations to 45
- Progress on Gandhidham Expansion**
 - Fencing work around the premises has been completed and erection of the factory shed is in full swing and should complete over the next couple of weeks. 2 pellet mills and some related machineries have already been procured, and orders placed for chippers and hammer mill, which should arrive over the next couple of days
 - We intend commencing commercial production from this plant, latest by June end
- Progress on retail Expansion**
We have installed ~100 incremental burners at retail client sites, in Gujarat. With this, our total burner installations cross 375 by end FY19

Heatwave Rages on as Monsoon Pauses

Private forecaster Skymet says monsoon will remain weak even after arrival, which itself will be delayed

Our Bureau

New Delhi: The southwest monsoon has lost momentum, making only marginal progress since reaching the Andaman and Nicobar Islands two weeks ago. An intense heatwave in parts of northern, central and western India has raised temperatures above 50°C Celsius.



The India Meteorological Department (IMD) said rains will hit the Kerala coast on June 6. Private forecaster Skymet, which initially forecast a June 4 arrival, now says it will take another three days. The arrival date has little bearing on the subsequent progress of the monsoon, which has a significant influence on rural income and demand for consumer goods, automobiles and gold. Farmers can also put up with some delay without taking a hit on yields. However, Skymet said monsoon will remain weak even after arrival. "In fact, it may go silent soon after its onset," it said in a recent update.

The only good news is that India's 91 large water reservoirs are at a level higher than normal, according to the Central Water Commission. On May 30, these reservoirs had 31.65 billion cubic metres of water, which is about 20% of total capacity but higher than last year's 27.78 billion cubic metres. "Thus, the live storage available in 91 reservoirs as per May 30, 2019 Bulletin is 114% of the live storage of corresponding period of last year and 103% of storage of average of last ten years," the Central Water Commission said. The reservoirs in western India, however, are drained out to hold barely 11% of their capacity, down from 15% at this time last year and an average of 19% over a decade.

ru, Rajasthan, tops the charts with a maximum of 50.8°C. Apart from the obvious health hazards, farmers face severe depletion of soil moisture. There has also been an surge in power demand as refrigerators and air conditioners consume that much more energy. The scorching heat is forecast to intensify. "Maximum temperatures are very likely to rise gradually by 2-4°C over major parts of northwest India in the next three to four days. They are likely to remain above normal by 2-3°C over some parts of south peninsula in the next three days. No significant change in maximum temperatures is likely over rest of the country in the next two to three days," said IMD's latest weather bulletin.

Strong Recommendations

► From Page 1

Even in this #MeToo era of heightened gender sensitivity and changing office dynamics, nobody seemed to mind or care about the non-consensual sex and violence. "It was initially tough to watch the first few seasons because of all the nudity. Violence, at least, we have seen before in movies, but this series kept pushing my moral boundaries." "Thus, the live storage available in 91 reservoirs as per May 30, 2019 Bulletin is 114% of the live storage of corresponding period of last year and 103% of storage of average of last ten years," the Central Water Commission said.

Such a smash hit and took such a hold on popular culture, the fact is it did. And, alongside, it changed TV for good and the way people live, work and play and interact.

"I actually had somebody on my Instagram who put up a picture of a household which was witness marriage in a few hours coming together to watch the finale with the bride in her full attire," said Rohit Raj, cofounder and creative chief for The Glitch, a WPP agency. "I used to make notes on key characters and plot the probabilities and then re-watch previous seasons before the beginning of a new season so that nothing is missed out," adds Nadir Kanthawala, a Mumbai business development manager.

Naturally then, after the finale aired on May 19, life for this collective—part of unbowed, unswayed, unbroken and unbent global tribe—seems to be meaningless.

Monday morning weekly reviews are no longer rescheduled, dedicated WhatsApp groups have disbanded, meeting rooms that were named after the kingdoms of Westeros—the continent where most of the action in GoT takes place—might soon be rechristened with the hackneyed names of India's rivers, mountains or cricket stadiums. Seldom are people scurry-

ing to their desks now for an online peek-a-boo and neither are they transfixed to their mobile screens while travelling. No longer are alarms being set for earlier than usual to catch episodes, which in the last season, were streamed live with the US telecast.

GLOBAL PHENOMENON

Catch phrases such as "Winter is Coming," "A Lannister Always Pays His Debts" and "Red Wedding" to describe a disastrous meeting, which became so commonplace, now seem lame. It had become especially intense for Indian fans after they got to watch episodes simultaneously with the global audience, which added to the thrill and the excitement of being part of a larger, global phenomenon. The anticipation led many to download the Hotstar app, the only platform to stream it live, and tune in to the uncensored version.

"We've seen a 6x increase in tune-ins at 6.30 am compared to the previous season as well as growth in subscriptions for Hotstar Premium," said Varun Narang, chief product officer of Hotstar, the streaming service owned by Star India. That's why a new first-of-its-kind #GOTHelpline has been launched by STAR World—to help fans cope with the supposed "five stages of grief" following the finale and help them navigate their emotional turmoil. Thousands called in the first week after its launch.

"SANJEEVINI - KSRLPS"
Karnataka State Rural Livelihood Promotion Society
(Department of Skill Development, Entrepreneurship and Livelihood)
Office of Mission Director, No. 55, Abhaya Complex, 4th Floor, Risaldar Street, Sheshadripuram, Bengaluru - 560 020 Phone: 080-23083000
e-mail: nrilmkarnataka@gmail.com

No: KSRLPS/PROC/18/2018-19 Date: 01.06.2019

Short Term Tender Notification through e-Procurement
Request for Expression of Interest (EOI)

The Sanjeevini - KSRLPS invites "Request for Proposal" from the eligible registered firms to submit their proposals for Providing the Human Resources Management Agency under Karnataka State Rural Livelihood Promotion Society.

Date & time for downloading from e-Procurement portal: 01.06.2019 after 11.30 am.
Last Date & time for receipt of tender: 15.06.2019 on or before 5.30 pm.

Detailed notification regarding eligibility criteria for submitting the EOI can be obtained by logging on to www.eproc.karnataka.gov.in EOI can be downloaded from e-Procurement portal.

Further details can be obtained from the office of the undersigned during the office hours from 10:00AM to 5:30PM in person or over phone (080-23083000) & Email: nrilmkarnataka@gmail.com

Sd/- Mission Director,
"Sanjeevini - KSRLPS" Bengaluru

"SANJEEVINI - KSRLPS"
Karnataka State Rural Livelihood Promotion Society
(Department of Skill Development, Entrepreneurship and Livelihood)
Office of Mission Director, No. 55, Abhaya Complex, 4th Floor, Risaldar Street, Sheshadripuram, Bengaluru - 560 020 Phone: 080-23083000
e-mail: nrilmkarnataka@gmail.com

No: KSRLPS/DDU-GKY/16/2018-19 Date: 01.06.2019

Short Term Tender Notification through e-Procurement
Request for Expression of Interest (EOI) - Technical Support Agency

The Sanjeevini-KSRLPS invites "Expression of Interest" from the eligible registered firms to submit their interest for Providing the services of Technical Support Agency for Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY).

Date & time for downloading from e-Procurement portal: 01.06.2019 after 11.30 AM.
Date & time for receipt of EOI: 15.06.2019 on or before 5.30 pm.

Detailed notification regarding eligibility criteria for submitting the EOI can be obtained by logging on to www.eproc.karnataka.gov.in and www.ddugky.gov.in EOI can be downloaded from e-Procurement portal. Further details can be obtained from the office of the undersigned during the office hours from 10:00AM to 5:30PM in person or over phone (080-23083000) & Email: nrilmkarnataka@gmail.com

Sd/- Mission Director,
"Sanjeevini - KSRLPS" Bengaluru

ONGC Most Profitable PSU

New Delhi: ONGC, India's top oil and gas producer, has topped Indian Oil Corp (IOC) to regain crown of being the country's most profitable public sector company. According to earnings statements of the listed companies, Oil and Natural Gas Corp (ONGC) reported 34% jump in its 2018-19 fiscal net profit to ₹26,716 crore, from ₹17,274 crore. PFI

H.P. STATE CIVIL SUPPLIES CORPORATION LIMITED
(A STATE GOVERNMENT UNDERTAKING)
Registered Office: Block No. 16 & 17, SDA Complex, Kasumpti, Shimla-171009
PHONE NO: 0177-2621583, 2621703, 2620539 FAX: 0177-2625537
E-mail Address: mdhpssc@himapurti.com

E-TENDER NOTICE

Himachal Pradesh State Civil Supplies Corporation Limited, Shimla invites Global E-Tenders for the procurement of Iodized Salt for six months supply. The detailed tender notice, tender documents and other instructions can be down-loaded or viewed on-line from the portal <https://hptenders.gov.in> The last date for submission of online tenders, samples, earnest money deposit tender document fee and processing fee shall be till 24.06.2019 upto 5:00 (PM). The tenders of Iodized Salt shall be opened on 26.06.2019 at 11.00 (AM).

Managing Director

म.प्र. वेअरहाउसिंग एण्ड लॉजिस्टिक्स कॉर्पोरेशन
प्रधान कार्यालय - ऑफिस कॉम्प्लेक्स, ब्लॉक 'अ', गौतमनगर,
पोपल-462028, फोन नं. : 0755-2600148, 2600524, 2600518,
2600503, 2600507, फैक्स नं. : 0755-2600384
Website : www.mpwarehouseing.com
E-mail : hompwlc@gmail.com

No.MPWLC/ACcts/2019/1464 Dt. 01.06.2019

CORRIGENDUM

In continuation to this office NIT No. 1311 Bhopal, Dated 27.05.2019. The tender document may be downloaded online from portal www.mptenders.gov.in in place of M.P. e-procurement portal www.mpeproc.gov.in online details can be viewed on our website/www.mpwarehouseing.com.

EXECUTIVE DIRECTOR
M.P. Madhyam/93926/2019 (FINANCE)

Canara Bank
TENDER NOTICE

Canara Bank Invites Request for Proposal (No.RFP DBS 03/2019-20 dated 01/06/2019) from the interested vendors for "Renewal of Canara Bank Card Insurance Programme [Lost card policy and Cancare policy] under Non-Traditional Insurance Policies". The details are published in the Bank's website: <http://www.canarabank.com/english/announcements/tenders/> and NIC website: <http://eprocure.gov.in> Interested parties may go through & submit their response in time. Amendments, if any, will be hosted in our Bank's website only.

Date: 01.06.2019 DEPUTY GENERAL MANAGER

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TENDERS

REQUIRED job work for making and packaging of Namkeen & Chips at Delhi-NCR factory, contact 9871129289.

RENEWAL OF Data Centre Maintenance at DC-Kolkata & DR - Mumbai "e-Tender No. MSTC/19-20/ET/11. Please Log on to www.mstcindia.co.in for detail. All future Corrigendum/ Addendums/ Time Extension will be published in the website only. Bidders should regularly visit above website to keep themselves updated, for amendments, if any.

IT is notified for the inform ation that my Original Certificate of Main Secondary Exam of Year 2003 & Roll No. 6233540 issued by CBSE has been actually lost. Name of Candidate Vihang Kapoor R/o 4A/15 Tilak Nagar Delhi-110051.

IT is notified for the inform ation that my Original Certificate of Main Secondary Exam of Year 2001 and Roll No. 6154614 issued by CBSE has been actually lost. Name of Candidate Vihang Kapoor R/o 4A/15 Tilak Nagar Delhi-110051.

IT is notified for the inform ation that my Original Certificate of Main Secondary Exam of Year 2001 and Roll No. 6154614 issued by CBSE has been actually lost. Name of Candidate Vihang Kapoor R/o 4A/15 Tilak Nagar Delhi-110051.

SOUTH EAST CENTRAL RAILWAY
Expression of Interest (E.O.I.)

EOI No. Com/G/BSP/NINFRIS/27.05.2019

SECR, Bilaspur Division is looking for genuine ideas to increase the share of Non-Fare Revenue. We have decided to open our doors to any ideas or suggestion that promises more generation of Non-Fare Revenue. The focus of this scheme shall be on all new innovative ideas, concepts, themes etc that have not been tested before and which have a potential to enhance Non-Fare Revenue earnings.

Divisional Railway Manager (Commercial), Bilaspur division, South East Central Railway on behalf of president of India, EOI (Expression of Interest) invited by the undersigned from the interested advertisers/Individual/Firms/Companies/agencies to promote new ideas and concepts related to passenger convenience in order to generate Non-Fare Revenue in Indian Railways for a period of 12 months over Bilaspur Division. These concepts will be dealt under new Innovative and Non-Fare revenue ideas scheme (NINFRIS). The parties interested in above mentioned subject at various railway stations over Bilaspur division of South East Central Railway can submit their application form in the Contract (Earning) section of the Senior Divisional Commercial Manager office in the office hours from 11:00 AM to 15:30 PM on 03.07.2019.

The applicant has to submit the advance license fee after approval of proposal. Interested applicants have to submit other documents like Aadhar card, PAN card, Voter ID card, GSTIN of individual or Agency/Firm along with application. It is noteworthy that the license fee will attract GST @ 18% separately and applicant is liable to pay it. The details of terms & conditions of this scheme and application format shall be uploaded in website: www.secrindianrailways.gov.in. This scheme is open for one year from the date of commencement.

CPR/10/108
Divisional Railway Manager (Commercial)
S.E.C. Railway/Bilaspur

RailTel
(A Govt. Of India Undertaking)
CIN No. U54202DL2000GH07905

OPEN E-TENDER NOTICE

Railtel, Mumbai invites open tender in single packet system for "Rectification/Patch work of OHS, OCF, Section of Trenches and laying of OCF through ducts, testing, commissioning and maintenance of OCF in the sections of all the blocks of following Divisions of Gujarat State by RailTel."

1. e-Tender No. RailTel/e-Tender/OR/NON/2019-20/03 Dt: 03.06.2019, District: Kheda, Approx. Cost: ₹ 70.8 Lakhs
2. e-Tender No. RailTel/e-Tender/OR/NON/2019-20/07 Dt: 03.06.2019, District: Patan, Approx. Cost: ₹ 33.55 Lakhs

Last Date & Time for submission: Up to 10:00 hrs on day of e-Tender (Online) 24.06.2019
Date of Opening of e-tender: 15:30 hrs on 24.06.2019

(i) Tenders are requested to visit the website www.ireps.gov.in or www.railtelindia.com for details of tender after 02.06.2019 (ii) Tenderer may participate in above e-tender electronically through website www.ireps.gov.in only. (iii) Tender document cost & EMD will be accepted through net banking or payment gateway only. (iv) All intending tenderer will have to register on www.ireps.gov.in for participating in e-tender. (v) Any further corrigendum/modification will be issued on website only.

EAST CENTRAL RAILWAY
TENDER NOTICE

Tender Notice No. SNT-RE-DNR-107D
Open e-tenders in single packet system are invited by Dy. Chief Signal & Telecom, Engineer, Railway Electrification, Danapur for & on behalf of the President of India for the work of -
Description: Details: S. No. 1 Name of the work with its Location: Work of trenching & laying of 6 Quad Telecom, Cable, PJF Cable & OFC Cable, Backfilling, Jointing, Termination and Tensing of OFC, 6 quad & PJF cable etc. and Installation & Commissioning of Way Station Equipments, Head Quarter Control Equipment with Power Supplies, Emergency Sockets etc. in SP/SSP/TSS/ Adjacent Sidings and Adjacent Block Section to provide Communication and to clear Induction Zone in connection with Electrification in Raxaul-Sugauli-Vaalkinagar section of East Central Railway. 2. Approximate Cost of Work: ₹s. 13704008.85 (Rs. One crore thirty seven lakh four thousand eight and paise eighty five only) 3. Earnest Money: Rs. 218500.00 (Rs. Two lakh eighteen thousand five hundred only) 4. Tender closing date and time: 10.07.2019 up to 12.00 hrs. 5. Website particular and notice board location where complete details of tender can be seen: (<https://www.ireps.gov.in>). Notice Board at the office of Chief Project Director, Railway Electrification, Danapur, Near Jagjeevan Stadium, PO Khagaul, District Patna, PIN-801105. NOTE:- Original/ revised bids are to be submitted online up to closing date and time on IREPS website only. Manual offers are not allowed against this tender and any such manual offer received shall be summarily rejected. Tenderer should get the digital signing certificate and register them on this website to participate in the tender.

Chief Project Director, HPFECPP
HIM SUCHANA AVAM JAN SAMPARK

NCL Northern Coalfields Limited
(A Subsidiary of Coal India Limited)

Tender Notice

Open Tender is invited under E-Procurement Mode No.: NCL/BP/PUR/OTE/2019-20/21 Dated 30.05.2019 for Procurement of full AC system for Dozer model BD355 & Estimated cost (Lakh): Rs.11.20, due date of opening on 27.06.2019.

Open Tender is invited under E-Procurement Mode No.: NCL/SGR/CMC/NGH/19/182 Dated 30.05.2019 TID 2019_NCL_139355_1 Estimated cost: Rs. 299,00,56,270/- (Rupees Two Hundred Ninety Nine Crores Fifty Six Thousand Two Hundred Seventy only) for the work of "Excavation of Overburden of first Dig (Solid) & loose by mechanical means such as Excavators, Dumpers/Tipplers, Drills Dozers, Grander and Water Sprinklers for Composite work consisting of Blast Hole Drilling, Excavation, Loading, Transportation of Broken Rocks/Soil/Earth, Unloading/Dumping, Spreading, Dozing, Water Sprinkling and Grading etc. as per Instruction of Engineer-in-charge at Specified Places at Nigahi. & Due date of opening on 26.06.2019.

Note:- Above tender(s) has/have been uploaded on website <https://coalindiatenders.nic.in> of Coal India Limited (CIL). All prospective bidders are advised to visit aforesaid website for participation against the above tender(s). Full details of above tender(s) are also available on websites "nclcil.in" or "eprocure.gov.in" or "tenders.gov.in".

Himachal Pradesh Forest Ecosystem Climate Proofing Project
Forest Complex, Dharmsala, District Kangra, Himachal Pradesh-176215
Phone: 01892-223000, 223002.

Notice Inviting Request for Proposals for Baseline Study For Kangra and Chamba Districts

1. RFP No. D1/2019 Date: 03.06.2019

2. The KFW, German Development Bank in partnership with Himachal Pradesh Forest Department (HPFD) Govt of Himachal Pradesh is undertaking the Himachal Pradesh Forest Ecosystems Climate Proofing Project (HPFECPP). The project objective is to make selected forests and linked communities more resilient to impacts of climate change.

3. Himachal Pradesh Forest Ecosystems Climate Proofing Project (HPFECPP) intends to hire the service for Baseline Study For Kangra and Chamba Districts as part of this project.

4. Chief Project Director, Himachal Pradesh Forest Ecosystems Climate Proofing Project (HPFECPP) in Himachal Pradesh, invites proposals from eligible Consultancy Firms for Consultancy for Baseline Study For Kangra and Chamba Districts through Himachal Pradesh Forest Ecosystems Climate Proofing Project (HPFECPP).

5. Eligibility Criteria for participating Consultancy Firm:

- The Consultancy Firm should be registered under any Statute in India and have Service Tax Registration and PAN [To provide all Certificate of Registration including certificate of incorporation].
- Consultancy Firm should have been in operation in India for at least 5 years after registration.
- Consultancy Firm should have at least 5 years of experience in working/consulting in the Baseline survey, Impact studies and conduct of similar studies [To provide brief details and a Declaration signed by the Principal Officer of the Firm in this respect].
- Consultancy Firm should have at least 5 years of experience in working/consulting in India.
- Average annual turnover of the bidder for the last three financial years ending on 31st March 2019 should be equal to or greater than Rs. Two Crore (Rs. 20,000,000) [To provide copies of audited Financial Statements for all the 3 years].
- The consultancy firm shall give detail of Human resources and capacities, including backstopping capacities, if necessary supplemented with external resources for the envisaged activities;
- Submission of a Declaration of Undertaking by the bidder signed with legal effect pursuant to Annex D of the bid document.

6. Interested Consultancy Firms may download the complete Request for Proposal (RFP) Document, from tender/procurement section on the website www.hpforest.nic.in from 03.06.2019 or Shall obtain from HPFECPP office.

7. No liability will be accepted for downloading the incomplete document.

8. Sealed Completed Proposals will be received at the address mentioned below on any working day up to 15:00 hours on 02.07.2019 and Technical Proposal of Bids shall be opened on the same day at 15:30 hours at following Address:

Himachal Pradesh Forest Ecosystem Climate Proofing Project
Forest Complex, Dharmsala, District Kangra, Himachal Pradesh-176215,
Phone : 01892-223000, 223002, Fax: 01892-223002

9. A Pre-proposal meeting will take place on 20.06.2019 at 11:30AM, Conference Hall, Forest Complex Dharmsala, Himachal Pradesh. All prospective Consultancy Firms are advised to go through the RFP Document and communicate their queries, if any, in writing before the pre-proposal meeting.

10. The proposals will be evaluated based on the information provided by the Consultancy Firms. The eligibility criteria will be first evaluated as defined in Request for Proposals for each bidder. Detailed technical evaluation will be taken up in respect of only those bidders, who meet with the prescribed eligibility criteria. The Consultant will finally be selected using Quality-cum-Cost Based Selection (QCBS) method.

11. Chief Project Director, HPFECPP reserves the right to accept or reject any or all proposals without incurring any obligation to inform the affected applicant/s of the grounds.

EAST CENTRAL RAILWAY
TENDER NOTICE

Open Tender Notice No- ENHM-RAJ/R-19-20, Date: 29.05.2019. The Divisional Railway Manager, E.C. Railway, Danapur is inviting online Open E-Tender in Two Packet System on or behalf of the President of India from reputed contractor with experience, financial capability including those registered/working with Railway/Irrigation/CPWD/MES or any other public sector undertaking for the following work: 1. Name of the Work with its Location: Manual Cleaning of Rajgir Railway Station of Danapur Division for 1461 days. Location: Danapur Division. 2. Approx. cost of work (in ₹): ₹3,28,58,025.49 (Three Crore Twenty-eight lakh Fifty-eight thousand Twenty-five and Forty-Nine paise only). 3. Earnest Money to be deposited (in ₹): ₹3,13,300/- (Rs. Three lakh thirteen thousand three hundred only) Payment of Earnest Money Deposit (EMD) in respect of E-tendering, should be accepted through net banking or payment gateway only on www.ireps.gov.in. 4. Date & Time for submission of tender and opening of Tender: Date & Time for submission of tender - 20.06.19 up to 12.00 hrs. on www.ireps.gov.in. Date & Time of opening of tender - 20.06.19 at 12.30 hrs. on www.ireps.gov.in. 5. Website particulars, Notice board location where complete details of tender can be seen etc. The E-tender notice is available on website www.ireps.gov.in.

Divisional Railway Manager (Mech./)
PR/0430/DNR/T/40 ECR/Danapur

EAST CENTRAL RAILWAY
TENDER NOTICE

Tender Notice No. RE-DNR-Engg-Gr-202-WT-05 Date 30.05.2019. On behalf of President of India, Chief Project Director, Railway Electrification, Danapur, invites open & sealed tender for the following work from experienced, financially and technically sound contractors, to be opened on 28.06.2019. 1. Name of the work & its location: Execution of balance work of OHE Cum PSI Depot, DEE Office, TSS Control Building, TVS & Siding along with all ancillary works like Earth Work Boundary wall, Retaining wall, Approach Road, Drains, Pipeline & Sanitary Work etc. at Sheikpura Station in Gr-202 of Danapur division in E.C.Railway. 2. Approximate cost of the work: ₹1,92,82,895.26, 3. Earnest Money to be deposited: 2,46,400/- 4. Date for submission of the tender and opening of Tender: For submission: From 14.06.2019 & up to 11:00 Hours on 28.06.2019. Tender will be opened at 11:30 Hrs on 28.06.2019. 5. Website particulars, Notice board location where complete details of tender can be seen and address of the office from where the tender form can be purchased etc.: website <http://ireps.gov.in/> Notice board location & Add. of the office: Office of the Chief Project Director (Engg.), Railway Electrification, Danapur, (Near Jagjeevan Stadium), PO- Khagaul, Patna-801105, (Bihar). Chief Project Director (Engg./)RE/PR/0426/RE/T/40



SUITS & SAYINGS

ET's weekly roundup of the wackiest whispers and murmurs in corporate corridors & policy parlours

Look Who's Talking OTT

A recent open house of the Trai on regulating OTT apps in the telecom sector saw an unusual bunch of participants, a number of retired senior officers of the armed forces, marking the first time a meeting of the telecom regulator that had such a representation. And they were there for a cause for sure, according to a participant, as they lent their weight in support of regulation of OTT telecom apps to enable lawful interception so as to ensure that principles of national security are upheld above anything else.

How Old is Too Old for a Bank CEO?

When companies can have CEOs aged above 70, why can't banks? Shaktikanta Das, who, as RBI governor, has stabilised the rocky relationship with the government, faces this poser from a lobby group which wants the age limit for bank CEOs to be raised. We hear that RBI may contemplate, though reluctantly, to provide two more years beyond 70 rather than five. Or, instead of pushing the problem of CEO selection by two years, it may impose a condition that would show the succession plan.

Missing at IATA AGM

The IATA annual general meeting is one of those annual pilgrimages that many in the aviation world can ill-afford to miss. Jet Airways founder Naresh Goyal, for instance, made it a point to never miss one. Networking, schmoozing aviation industry leaders and building future alliances was something the otherwise reclusive entrepreneur revelled in on the sidelines of the meeting. At the ongoing AGM in Seoul, though, he is conspicuous by his absence, as he was stopped by the authorities at Mumbai airport en route to Dubai. Our guess is that his trip to Dubai would have ended in Seoul in time for the IATA event. While he'll be missed, an addition from India this year is Ajay Singh of SpiceJet, a new IATA member. Can Singh and SpiceJet fill in for Goyal and Jet Airways, respectively?

Jet Set... Go?

When we saw the Hinduja, Gopi and Ashok, and Anshuman Mishra, banker for the high and mighty and the connected at the palace in Abu Dhabi last Monday at the Iftar banquet held by Sheikh Nahyan bin Mubarak Al Nahyan, the Indophile minister in the UAE, we were quite sure the Jet deal was done and the new owners were ready to strap up at the cockpit. For desserts, there was an exclusive special screening of the Modi biopic for the VIP guests and dignitaries and mangoes – a weak spot for the host, we are told.

Drumming Up a New Profile

When you have a boss who unwinds on the DJ console after taking some of the biggest names in public, guess you can't hide your musical talent that easily while moonlighting. So Sonjoy Chatterjee, Goldman Sachs' boss in India for the past six years and drummer for Victor and the Crows found himself on the bank's Instagram page. Yet another indication how much the firm has changed over the years.

Honest High

Recently, after a boozy night out, the poster boy of Indian startups, had one pearl of wisdom for some of the starry-eyed followers: Never take money from an Indian VC! We will avoid the expletives that followed thereafter, but we can say that considering he has been leading the tirade against foreign capital spoiling the local ecosystem, most of his young followers in the party came out bewildered. Anything to do with his mega payouts, we wonder, but one is honest when high for sure.

Fast and the Furious

The Monaco Grand Prix has always been the epitome of glamour and glitz and the global elite will always find time for it. Gautam Singhania has been a regular, and often he is joined in his power yacht by the Shroffs of UPL. This time around we were surprised to see even Dabur's Mohit Burman come on board. We were so wrong to think the guy has only IPL in his mind.

Campus, the New Playground of Billionaires

Telecom wars, retail wars, wars over business and the big bucks – all that's passe. And the latest? University? Yes, that's the latest "passion project" of several of our business leaders and ET front page regulars. We hear two of the most aggressive billionaires in town are planning mega projects on the outskirts of Mumbai and so we are all keenly watching whose clearance comes through first. Till then, the gossip mills will keep churning stories about this new rivalry in town.

A Bond to Bank On

ICICI Ventures was one of the first home-grown PE firms of yore that nurtured many an entrepreneur, from Kishore Bhanu to Ajay Biji and DRL's G V Prasad. This weekend saw a grand reunion of sorts at the wedding of Ramya, the daughter of Renuka Ramnath, the grand dame of the industry who currently runs her own outfit. It was good to see P Vaidyanathan, Jayanta Banerjee, Aluri Rao and Bharghav Dasgupta come together to wish the newly-weds.

Following in the Footsteps of the CEO?

With the Indian-born chief executive of a US tech services company with a large offshore base resigning last month, speculation is rife that the company could see an exodus of senior executives hired by the CEO. Incidentally, a few years ago the CEO in question was a contender for the top job in an Indian tech services firm.

Privy to the whispers in power corridors or juicy tips on India Inc? Do share with us at etsuits.sayings@gmail.com

South-Central Mumbai Hit by Unsold Luxury Residences

BUYERS SPOILT FOR CHOICE Developers trying to resize, reprice their offerings downward

Kailash.Babar@timesgroup.com

Mumbai: The luxury residential property market of south-central Mumbai, which had emerged as an alternative to the country's most expensive micro-market of south Mumbai, has been hit by oversupply. The south-central area encompasses the neighbourhoods of Worli, Lower Parel, Mahalaxmi, Tardeo and Prabhadevi.

While developers are trying to resize and reprice their offerings downward, buyers focused on the area are spoilt for choice. The Mumbai Metropolitan Region (MMR) saw new supply of nearly 27,000 units between 2013 and the first quarter of 2019 of properties priced at ₹4 crore and upward. Of this, south-central Mumbai accounted for 81% or 22,000 units, according to Anarock Property Consultants data.

Thanks to skyrocketing prices, infrastructure woes and a demand-supply mismatch, south-central Mumbai now has total unsold stock of nearly 11,000 units, half the stock launched since 2013.

"With fewer takers, too much supply and property prices that remain astronomically high even after downward revisions, the unsold inventory in this part of Mumbai will obviously take much longer to clear than that in less tonny areas," said Anarock chairman Anuj Puri.

One of the possible reasons for the overhang is size at the higher end compared with other hot spots such as Khar, Ville Parle, Bandra, Sion and Santa Cruz, he said. Apartments in south-central Mumbai start as low as 900 sq ft carpet area and go all the way up to 4,500 sq ft. In other localities, the minimum carpet area is 1,150 sq ft while the maximum is around 3,500 sq ft. So prices can be as high as ₹80 crore in south central against ₹15 crore in other luxury areas.

Also, most of the developers hit the market almost simultaneously.

Buyers' Luxury



Reasons for fewer takers

► **Luxury properties** in south Mumbai – the country's most expensive micro-market – are being recalibrated downward to attract buyers

► **The south-central area** encompasses the neighbourhoods of Worli, Lower Parel, Mahalaxmi, Tardeo and Prabhadevi

27,000 units: New supply of properties priced at ₹4 crore and upward between 2013 and first quarter of 2019

22,000 units: Properties located in south-central Mumbai

11,000 units: Total unsold units in south-central Mumbai (half the stock launched since 2013)

- **Size of the higher end properties** compared with other hot spots such as Khar, Ville Parle, Bandra, Sion and Santa Cruz
- **Apartments in south-central Mumbai** start as low as 800 sq ft carpet area and go all the way up to 4,500 sq ft
- **In other localities**, the minimum carpet area is 1,150 sq ft while the maximum is around 3,500 sq ft
- **So prices** can be as high as ₹80 cr in south central against ₹15 cr in other luxury areas
- **Of the total unsold stock** in south-central Mumbai, nearly 38% comprises units above 2,000 sq ft carpet area, which is too costly even for HNIs in Mumbai

ET spoke to several brokers and builders operating in this zone, most of whom declined to be named.

"Had the supply been more staggered, absorption could certainly have been healthier," said a realty developer. "In an effort to maximize FSI (floor space index) and TDR (transfer of development rights), many builders have come up with high-rises in areas such as Lower Parel, leading to a glut of luxury apartments."

Of the total unsold stock in south-central Mumbai, nearly 38% comprises units above 2,000 sq ft carpet area, which is too costly even for high networth individuals (HNIs) in Mumbai, experts said.

Developers have realised this and are offering smaller configurations besides cutting down on launches. A 52% decline in new offerings between 2013 and 2019 indicates that developers want to offload existing inventory and complete projects instead of adding new supply.

"However, they also need to consider the fact that a lot of the most recent demand in south-central Mumbai comes from well-heeled end-users rather than speculative investors," Puri added. "This fact calls for a change of game plan. Rather than premium sea-facing properties, these buyers look for luxury options with high-end amenities such as designer interiors and concierge services."

DoT May Auction 4G, 5G Spectrum by Oct

Gulveen.Aulakh@timesgroup.com

New Delhi: With the new government taking charge, the Department of Telecommunications (DoT) may auction 4G and 5G spectrum as early as September-October, likely at prices recommended by the regulator.

Telcos are "ready" for the next round of spectrum sale, a senior government official said, discounting views that the base prices recommended by the Telecom Regulatory Authority of India for some bands that support 5G are too high to attract bids.

"The committee (looking into the regulator's recommendations) has agreed that all available spectrum will have to be put up for auction, which we will take up to the DCC (Digital Communications Commission) on June 13," the official said, asking

not to be identified. "An inter-ministerial committee is going ahead with the selection of the auctioneer... We will move fast – September-October is by when the auctions can happen."

The auction is expected to be India's largest so far, with 8,293.95 MHz of airwaves at an estimated total base price of ₹5.77 lakh crore expected to go under the hammer. That's 3.5 times the 2,354 MHz of spectrum offered at the previous auction in 2016, for which the total base price was ₹5.63 lakh crore.

The 2016 sale ended with the government raising almost ₹66,000 crore after some spectrum bands failed to attract bids due to high reserve prices.

Airwaves across seven 4G bands, besides 5G spectrum, are set to be made available for bidding for top telcos Vodafone Idea, Bharti Airtel and Reliance Jio.

Telecom companies have said the prices suggested by Trai are unsustainable and too high. Pointing to low base prices set by countries such as South Korea, on a per MHz basis for 5G airwaves, they say India's pricing is seven times higher.

Intense competition in the sector since the entry of Jio in 2016 has weakened the balance sheets of telcos, eroded revenue and earnings and led to consolidation.

Bharti Airtel considers 5G spectrum prices exorbitant, CEO for India Gopal Vittal said on an earnings call last week. "We've made it clear that for 3.5 GHz spectrum, the reserve prices indicated by Trai in the ballpark of ₹50,000-55,000 crore for 100 MHz are prices we can't afford and they're exorbitant. We would hope that the government brings down prices of spectrum and that is when we would look seriously at 5G," he said.

NCLT Clears Merger of Indus Towers with Bharti Infratel

Our Bureau

Kolkata: The Chandigarh bench of the National Company Law Tribunal has approved the merger of Indus Towers with Bharti Infratel, which will create one of the largest telecom tower companies globally.

Bharti Airtel and the UK's Vodafone will jointly control the pan-India company, which will operate over 163,000 telecom towers across 22 service areas with an estimated valuation of \$12-13 billion.

"The NCLT, Chandigarh Bench, vide its order dated May 31, 2019, has sanctioned the scheme of amalgamation and arrangement between Indus Towers (transferor company) and Bharti Infratel (transferee company) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013," Bharti Infratel said in regulatory filings on Sunday.

The tower arm of Bharti Airtel said the Indus-Infratel amalgamation would "become effective" when a certified copy of the NCLT order is filed with the Registrar of Companies "upon fulfilment/waiver of other conditions prescribed in the scheme. The effective date, it said, would be communicated to the exchanges when the scheme takes effect.

Bharti Infratel shares had fallen 0.4% to ₹271.20 on the BSE on Friday.

Just over a week ago, Bharti Airtel and Vodafone Plc had said Indus Towers CEO Bimal Dyal would head the merged entity, while Hemant Rula would be its chief financial officer.

The merger, proposed almost a year ago, is expected to conclude by the end of June after obtaining regulatory approvals. In the interim, the existing leadership teams of Indus and Bharti Infratel will manage their respective businesses.

11.15% in Indus, is slated to exit at the time of merger.

ET reported earlier that Bharti Airtel and Vodafone Group are in talks with a consortium led by private equity firm KKR to slash their stakes by over half to 13% or less each in the new company. While Airtel is expected to use the funds to pare debt and free up cash to fight Reliance Jio Infocomm, Vodafone may infuse the funds into Vodafone Idea, its Indian mobility joint venture.

Vodafone Plc had said in its 2018 annual report that any additional funding in India would come from the sale of its stake in Indus Towers. The British telco is expected to eventually exit the tower company.

Trai Chief Allays Concerns on Dip in Mobile User Base

New Delhi: The recent drop seen in the mobile subscriber base is not a cause of worry nor does it call for the regulator's intervention as the fluctuation is on account of multiple factors like minimum recharge plans and will correct in due course, Trai chairman RS Sharma said.

India's total wireless subscriber base fell to 1,161.8 million on March 31, 2019, shedding 21.87 million users over the previous month, according to data released by the Telecom Regulatory Authority of India (Trai) recently. The overall tele-density in India declined to 90.11 at the end of March from 91.86 in February.

Sharma, however, sought to allay any concern on the headline subscriber numbers. "These are minor variations which I don't think are major fluctuations, and I don't think it is a cause for worry," Sharma said. —PTI.

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At a time when industrial capacity utilisation is not large enough to warrant big investment plans in capacity addition and private investment in infrastructure has dried up for a variety of reasons, one way to raise the investment rate, languishing below 30% of GDP for several years now, is to create a new line of private manufacture: defence production. The potential to produce locally a good part of what is currently imported remains unexplored for want of the needed political will to force the three forces to dis-



Mythili Bhusnurmath

The Monetary Policy Committee (MPC) can't complain. Compared to when it last met early April, just days before the first phase of the Lok Sabha elections, it is now faced with much less uncertainty when it meets tomorrow for the second bi-monthly monetary policy statement due June 6. Sure, as legendary baseball coach Yogi Berra said, 'The future ain't what it used to be'. But then it never is.

The fact is, both on the political and economic front, MPC has a much clearer picture than in April last. Fourth-quarter GDP numbers for 2018-19, released by the Central Statistical Organisation (CSO) on May 31, show the economy in even poorer shape than most observers had feared, with growth falling to 5.8%, the lowest in five years. Without doubt, things are far from hunky-dory on the economic front.

No Poll Position

On the political front, the picture is more mixed. Depending on which side of the political spectrum your sympathies lie, the election results could be cause for celebration or anxiety. But to

Reinforce the shift in the growth-inflation dynamics seen in the April monetary policy announcement. The question is by how much, 25 or 50 basis points

ECONOMIC POLICY

Lure Savers, Cheer Spenders



Sugata Ghosh

As someone who would love to preserve her sane and mannerly demeanour, Nirmala Sitharaman could be hoping for the din around her to die down — needless, yet acrimonious, arguments over growth and jobs raging for a year; and now the jubilation following her party's stunning, and seemingly cure-all, victory.

Beyond the maze of numbers and the puerile debate over whether growth was slower during UPA days, the economist in her must have sensed that growth is no longer a given — not an engine which, after sputtering for a while, will self-correct to gather pace.

There are no low-hanging fruits left for her to pluck, a situation dramatically different from 2014 when big-bang headlines — such as the rollout of a modern indirect tax regime or a stern bankruptcy code to make errant promoters pay for their sins — could stoke expectations, build momentum.

On the contrary, she is asked to pull up growth that is suffering from a ple-

thora of ills: shadow of a long liquidity squeeze caused by a once hawkish RBI, tottering finance companies with inherent flaws, thinly capitalised banks with low deposit growth, dip in consumer demand, reluctance of business houses to invest, and a depressed real estate sector — a trade, despite all its stigma, is still a large employer with multiple forward and backward linkages.

Not only has GDP growth for the last quarter of 2018-19 slipped below 6%, the numbers are no better in the first two months of the new fiscal. It would be naive, even perilous, to wager that things would automatically fall in place simply because the elections, holding back several decisions, are over. Or, that cash, sloshing around in the months leading up to the polls, would flow back into banks and soften interest rates.

No FM can fix all problems. But in the course of long, tiring meetings with her colleagues in the ministry, two questions are likely to crop up before Sitharaman. First, how does one lower the cost of capital? Second, how does one make the consumer spend more?

With deposits growing slower than loans, cut in RBI's benchmark rates alone would not lead to reduced lending rates. A cut in repo rate — or, the rate at which banks borrow short-term funds from RBI — would make



Being welcoming

tion is imperfect... the conventional framework for understanding inflation dynamics could be mis-specified in some fundamental [emphasis added] way" — central bank-speak for saying even the mighty US Fed has no clue.

A Cut Above

Unlike the US, where President Donald Trump has raged against the Fed for having "incessantly lifted interest rates" amid "wonderfully low inflation", and praised China for adding "great stimulus" to its economy and keeping borrowing costs low, the Narendra Modi government has been restrained in its reactions throughout the MPC's overkill under the chairmanship of former RBI governor Urjit Patel. That is how it should be. Monetary policy is best left to technocrats.

At the same time, fiscal and monetary policy cannot function at cross-pur-

poses with each other. Not when the economy is showing clear signs of stress. Monetary policy independence is all very well. But as the US showed us during the time of the global financial crisis, there are times when both macroeconomic policy levers (monetary and fiscal) must work in tandem. Responsibly.

From the monetary policy perspective, this means cutting rates 25 basis points. And following this up with a change in stance from 'neutral' to 'accommodative'. RBI, while operationalising the MPC's mandate, must continue its deft liquidity management, using all the tools at its disposal judiciously to ensure more effective transmission of its signals.

Sure, inflation is likely to move up if MPC follows up on its two earlier rate cuts. Indeed, in all probability it will, given rising oil prices and the growing prospect of a US-China trade war. But MPC's target range is 2.6%, not 3.4%, which is where inflation has been stuck for the better part of the past year.

Sure, lower interest rates can do little on their own to kick-start growth. But if we are to move to investment, rather than consumption, as the engine of growth (given signs of close-to-full capacity utilisation), we can't continue with real interest rates of 4%.

To tweak what Brutus told Cassius in William Shakespeare's Julius Caesar: there is a tide in the affairs of nations, which taken at the flood, leads on to fortune. Omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat. And we must take the current when it serves, or lose our ventures.

The economy will not soar 'like a rocket' if the MPC were to cut rates, as Trump avers the US would if only the Fed would cut rates. But it must do 'all it takes'.

gregate their procurement to the fullest level compatible with integrity of the procurement process and functionality of the equipment. Once such disaggregation is done, it is possible to create economies of scale in new lines of production capacity, say, high-velocity impact welding. India's vibrant startup ecosystem can be mobilised for, as well as enlarged by, defence production, in addition, of course, to the unutilised offset obligations India has acquired through its huge arms import bill.

Another vital reform is to reduce the outlay on defence manpower. Scrap the orderly system. Institute defined contribution pension for defence personnel, with a state-funded top-up, as has been done in the UK, with prospective effect. Release soldiers into the workforce when they turn 25, recruiting them at 18.

Green is the Colour of Inclusive Growth

The government's goal of inclusive development and economic growth will remain unfulfilled if environmental sustainability is not addressed. Ensuring clean air and water and efficiency in resource use are central to improved economic growth. Policies must reflect this understanding. Environmental concerns, be it greenhouse gas emissions or biodiversity and ecosystem degradation, must be part of the development policy discussion. The green agenda must be mainstreamed, a concise, rounded version of which has been put forth by Teri that usefully underlines grid flexibility for greater infusion of renewable energy and collection of plastic waste.

India has made important strides towards transitioning from the use of fossil fuels such as coal for generating electricity. The share of renewable energy-based generation capacity has increased substantially. As part of strengthening the power sector, attention must focus on easing the transition away from coal-based power, investing in batteries, improved transmission, and policies that promote efficiency and reduce waste. Improving air and water quality by strengthening waste management, and reducing industrial and agricultural discharges must inform policies and programmes across sectors.

As the government focuses on improving the economy, it must keep the well-being of the people at the heart of its efforts. This will require transitioning to sustainable consumption and production patterns of development. This shift that takes environmental considerations on board is imperative if India is to deliver on its promise of eradicating poverty and inclusive development by ensuring well-being and economic growth for all. Clean air and water are, after all, as important as higher incomes.

We must officially substitute constrictive western clothes for airy Indian attire

Veshti Suited for Indian Weather

Kudos to the Tamil Nadu government for its agile recovery from a move that had the potential to create a flap. Including the traditional airy south Indian male attire — the veshti — in its list of acceptable 'formal' clothes for office wear was a no-brainer, begging the question why the original order early last week directed men to wear stifling full-sleeved jackets and ties given the normally muggy weather of the region. Was the bureaucracy, as usual, out of sync with the winds of change blowing in India's sartorial scape? It is providential, then, that the woman chief secretary of Tamil Nadu swiftly issued a clarification, restoring respect to the veshti. Most Indian women working in government offices, it may be noted, have not succumbed to fitted western wear so they are better suited to take the heat.

Indeed, as energy conservation is imperative, the new norm for formal office wear in India should be just the opposite. Substituting constrictive western clothing for cool traditional Indian attire for men would save crores of rupees in air-conditioning costs. It may not be long before the Indo-western fusion south Indian ensemble of starched white shirt and veshti becomes an international fashion trend too. And given that dhoti-and-shirt was once common around the country, north Indian men should also take the cue.

ELECTION 2019

So What Should Liberals Do Now?



T K Arun

Last week's electoral outcome is a massive endorsement of Narendra Modi, not necessarily of the Hindutva agenda. The challenge is to resist the latter — in every sphere of life, without waiting for any party to give the lead, but using individual creativity, collaboration with like-minded individuals and groups, and aggregating similar efforts, with particular focus on the social media.

Most voted Modi, in whom they see a strong leader capable of thwacking Pakistan, delivering welfare such as cooking gas connections, funds for building a home or buying an e-rickshaw, health insurance, direct payment of subsidy into their bank accounts cutting out middlemen. Modi the doer — rather than Modi the Hindutva apostle — got the vote.

Of course, the election result has advanced the Hindutva agenda. The campaign was polarising. Pragya Singh Thakur hailed Nathuram Godse. Giriraj Singh said Muslims could find themselves unable to bury their dead. Sakshi Maharaj ruled out elections by 2024. Hateful, hurtful and menacing things were said throughout the campaign.

And now that BJP runs GoI and governments in most states, activists of the Sangh Parivar would feel embold-

ened to bully and harass their chosen enemies — minorities, communists, anyone who can be labelled 'anti-national'. Conflict that leads to law and order problems should be pursued as such, putting the onus on the government to maintain order and protect the citizen.

Opposition party activists would be demoralised. Many would go inactive. Some would follow the dictum, 'If you can't beat them, join them'.

More insidious would be the attack on education, liberal streams in the public discourse, appointment of people to key positions in the range of institutions that regulate, or are directly involved in, production of culture and knowledge.

The best way to counter this is to generate quality content in all spheres of knowledge and culture and disseminate them through all media, with special focus on audio-visual media in the regional languages. Literature, cinema, photography and painting, music, folk songs rooted in India's syncretic culture, tamasha and comedy TV serials, the retelling of epics, political commentary — the values of democracy must resonate in the direct and indirect critiques of India's history, culture and society these provide.

All this calls for individual effort and determination. Political guidance and protection would be welcome but should not be a precondition. Who are these liberals who should do all this? Not the English-speaking elite who would struggle to name one Sanskrit poet besides Kalidasa, don't read literature in any Indian language, and are shut out from the cultural universe of Indian tradition. Bilingual scholars, writers and activists must shoulder this burden. The implicit assumption of the elite — that to be modern is to be western — has done great damage to the spread of liberal values in society.

To forge a modernity that is Indian and democratic is the challenge that liberals have to undertake. The Sangh Parivar would try to create their own version of modernity that is majoritarian, at variance with India's genius for multicultural coexistence. Globalised growth is creating a churning in society at large. Giant cohorts seek a modernity that does not tell them that their lack of English makes them 'non-authentic' as Indians.



Jai Sitharaman

banks, particularly State-owned lenders, bring down their deposit rates before they lower lending rates. And, as less attractive returns slow down deposit growth, there would be no meaningful change in lending rates. Thus, any move towards lowering the cost of debt capital must begin with steps to soften the interest banks pay on deposits.

Neither the minister nor the RBI governor can prod banks to lower deposit rates that would come down only with greater flow of deposit to banks. Besides liquidity infusion by RBI, volume of deposits will improve if savers are incentivised to park more money with banks. A simple way to achieve it is lowering the tax on interest from bank deposits, or exempting tax on interest from deposits up to a certain amount.

Just as savers, consumers have to be wooed with lower taxes — even if it

calls for half a point slippage in the fiscal deficit. Households — neither banks nor corporates — hold the key to revival, even if it's long and slow. Saddled with sticky loans and hounded by overzealous government agencies, banks are shy to lend while very few corporates have the money, access to debt fund, and a clearly visible demand to take big bets.

At least in her maiden Budget, Sitharaman may not be able to bank on the windfall of surplus capital moving out of RBI's books to GoI's coffers — funds which she could have used to prune deficit and recapitalise banks. Much to the annoyance of finmin officials, dipping into RBI could take a lot of time and haggling. The new minister, nonetheless, has some breathing space — thanks to low inflation, fall in commodity prices across countries, absence of asset bubbles, stability in GST collection, and an RBI governor willing to listen, even accommodate.

A lot of her work could be incremental, go unnoticed, and sometimes thankless. A surprise appointee, she is not the favourite of Dalal Street and India Inc. But if growth continues to falter, they could be unforgiving in laying the blame on her doorstep. Just as they had done to her affable mentor Arun Jaitley.

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THE SPEAKING TREE

Use Anger in Positive Way

SEEMA BURMAN

We are witnessing a lot of demonstration of anger around us. Even the law courts are getting angry. Whether it's a natural or human-made disaster, people who lose homes and livelihoods, family and friends, feel anger and resentment, and this leads to more tension and sadness. At the individual level, pent-up anger can manifest itself in actions of destruction and violence.

A person with undisciplined energy gets angry. Why can't we use this energy constructively? Krishna was angry when Draupadi was disrobed, Rama was angry when Vaali misused his powers and kidnapped younger brother Sugriva's wife, Shiva was angry when wife Sati was humiliated by her own father. Durga was enraged when the demons killed innocent helpless people.

There are several instances of God (in form) getting angry whenever there is injustice. But all this anger, we're told, was channelised in a way that enabled them to fight and overcome injustice. Efficient anger management has its uses. "Emotion, controlled and directed to work, is character," wrote Vivekananda said.

Anger has a place in life. But one must know how to handle it properly. Injustice naturally makes us angry. That's how we tend to react to wrongdoings. An unrestrained river floods and destroys life. Every minute we are subject to emotional energies within us. We have to handle them ourselves. Dedication to higher causes and venting extra energy in team sports, for instance, can help us overcome the destructive potential of anger.

Chat Room

Economy That's Turbo-Charged

Apropos The Edit, 'Force Be With You, Nirmala Sitharaman' (Jun 1), the finance minister has her plate full as the economy, across all sectors, needs a robust push. There are many leading and world-class economists in the country, and they too could contribute to economic growth with their ideas. Suggestions such as prioritising the building of smart cities and reforming the power sector are good, given their multiplier effect. However, reducing repo rates is unlikely to encourage investors.

NIRUPAM HALDAR

Kolkata

For a Better Poll Process in 2024

This refers to the Edit, 'Overhaul the Model Code of Conduct' (May 28). India's parliamentary election was a massive exercise carried out in a professional and planned manner. There is scope for improvement, particularly in accountability and poll expenditure. It must be mandatory for political parties to provide details of earnings and expenditure.

Electoral bonds must be made more transparent. Further, voters believe that media, particularly electronic media, have allowed themselves to be involved in propaganda on behalf of political parties. This situation must be remedied.

P K CHAUDHURI

B' email

Employability is What Matters

Apropos 'New Education Policy Seeks to Junk 10+2 Format, 'High-Stakes' Exams' by Anubhuti Vishnoi (Jun 1), our current education policy leaves much to be desired. We need a system that is in tune with industry requirements so as to enable students gain employment after completing their graduation or diploma in a professional course. The proposed education policy will be successful only if it meets the central need of ensuring that students are gainfully employed on completing their studies.

JITENDRA G KOTHARI

Mumbai

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



So you know your Perumal Murugan?

tk.arun@timesgroup.com

QUICK HITS

Japanese PM Shinzo Abe to Meet Iran's Khamenei to Mediate with US

Tokyo: Japanese Prime Minister Shinzo Abe will meet Iran's supreme leader Ayatollah Ali Khamenei later this month with Tokyo hoping to mediate between Washington and Tehran, a report said on Sunday. As tensions intensify between Iran and Japan's key ally the United States, Abe has reportedly proposed serving as a go-between and is said to be weighing up a state visit to Iran. According to the Mainichi Shimbun report, Abe's planned meeting with influential Khamenei will be the first such talks between a Japanese premier and Tehran's supreme leader. AFP

Nine French Jihadists Now on Death Row in Iraq

Baghdad: Nine French jihadists are now on death row in Iraq after a court sentenced two more to death on Sunday for joining the Islamic State group, rejecting a claim of torture. Fodil Tahar Aouidate and Vianney Ouraghi were among 11 French citizens and one Tunisian handed over to Iraqi authorities in January by a US-backed force fighting the jihadist group in Syria. Described as violent and ready to die for the extremist ideology, Aouidate first appeared in court on May 27 but a judge delayed his trial and ordered a medical examination after the 32-year-old claimed he was tortured into confessing. AFP

Ten Killed in Israeli Air Strikes on Syria

Beirut: Israel carried out air strikes in Syria on Sunday in response to rare rocket fire from the neighbouring country, its military said, with a war monitor reporting 10 killed including Syrian soldiers and foreign fighters. Israel's army said two rockets were fired from Syria at Mount Hermon in the Israeli-occupied Golan Heights late Saturday and one had been "located within Israeli territory." In response, the army attacked "two Syrian artillery batteries, a number of observation and intelligence posts on the Golan Heights," its statement said. AFP

Nayib Bukele Sworn in as President of El Salvador

San Salvador: Conservative businessman Nayib Bukele took office on Saturday as president of El Salvador, tasked with turning around grinding poverty and rampant gang violence that are sending thousands fleeing to the United States. Bukele was sworn in by the speaker of the National Assembly in a square in downtown San Salvador, as a large, boisterous crowd applauded and shouted "We did it!" AFP

China Says Trade War Has Not Made America Great Again...

Beijing wants resolution through talks but without any compromise on core principles

Beijing: Washington's escalating trade war with Beijing has not "made America great again" and has instead damaged the American economy, China said on Sunday, warning that while it wants resolution through talks there will be no compromise on core principles.

Beijing's broadside is the latest act in a bruising conflict between the world's top two economies that has spooked markets and sparked fears about the global economy.

With trade talks stalled, the dispute has intensified in recent weeks with US President Trump imposing fresh tariffs on imports from China and moving to blacklist Chinese tech titan Huawei over national security concerns. "The (US) tariff measures have not boosted American economic growth. Instead, they have done serious harm to the US economy," the Chinese government said in a white paper, pointing to what it described as increased production costs and consumer prices in the United States and threats to economic growth.

"The trade war has not 'made America great again'," it said, referring to Trump's political slogan made famous during his 2016



Qingdao Port, in China's eastern Shandong province

presidential campaign.

The white paper's release came a day after China hit \$60-billion worth of US goods with new punitive tariffs ranging from 5% to 25%, in retaliation for Washington raising duty on \$200 billion in Chinese goods to 25%.

Trump launched the trade war last year in a bid to reduce the US trade deficit with China and force Beijing to undertake economic reforms, accusing it of seeking to dominate global industries with unfair state subsidies and of acquir-

ring American technology through theft or forced transfers.

Since Trump fired the first shot, the two countries have exchanged tit-for-tat tariffs on two-way trade worth hundreds of billions of dollars. The resulting conflict has gutted US farm exports to China, and weighed on the manufacturing sectors in both countries.

While both sides have sought to find a resolution through several rounds of negotiations, they appear to have stalled after the latest meetings ended without a deal. AFP

...Doesn't Want to Replace US as 'Boss of World'

Singapore: China doesn't seek to surpass the US as the globe's dominant power but is prepared to "fight to the end" if needed, Defence Minister Wei Fenghe said, as trade friction grows between the world's biggest economies.

"China has no intention, no power, to be the boss of this world, and against the United States to fight for this status," Wei said on Sunday at the Shangri-La Dialogue, a major regional security conference. "Confrontation, including between China and the United States, is inconsistent with the interests of the two countries' peoples and is not in the interest of the people of the world."

Wei added at the event in Singapore that China still wants to resolve escalating tensions through dialogue, but it won't be bullied. "If the US wants to talk, we will keep the door open," Wei said. "If they want to fight, we will fight to the end." Bloomberg

Twitter Issues Apology for Blocking Accounts Critical of China

Beijing: Twitter has apologised for suspending a number of accounts critical of China, days before the politically sensitive 30th anniversary of the Tiananmen Square crackdown. The apology came after activists said hundreds of Twitter accounts critical of Communist Party — from "inside and outside" China — were suspended last week.

Despite being blocked in China, Twitter and other overseas social media sites have long been used by activists and government critics to address subjects that are censored on domestic forums.

But in this case, Twitter said on Saturday that Chinese authorities had not reported the accounts or asked for their suspension. Instead, the firm said they were caught up in an ongoing effort to clear up accounts "engaging in various forms of platform manipulation, including spam and other inauthentic" behaviour.

Among the blocked accounts were some belonging to dissident writers and an activist who has helped document the disappearance of Uighurs, said Cao Yuexin, founder of human rights site China Change. AFP

Trump Tells Britain to 'Walk Away' If EU Does Not Yield on Brexit

London: US President Donald Trump said Britain should refuse to pay a \$50-billion European Union divorce bill and "walk away" from Brexit talks if Brussels does not give ground.

Trump told the Sunday Times newspaper ahead of a state visit to Britain, which starts on Monday, that Britain's next leader should send arch-Brexitite Nigel Farage to conduct EU talks.

Once Britain leaves the EU, which Trump said must happen this year, then he would go "all out" to agree a trade deal. "They've got to get it done," he said in the Sunday Times interview. "They have got to get the deal closed."

British PM Theresa May will step down shortly after this week's Trump visit, having failed to win backing for the Brexit divorce deal she negotiated with the EU. Trump said her successor should pursue a "no-deal" Brexit if he or she could not get more concessions from Europe by the end of October, when Britain is due to leave. "If they don't get what they want, I would walk away," he said. "If you don't get a fair deal, you walk away."

The 13 candidates already in the leadership race are split between those willing to accept a "no-deal" and those opposed.

In the "no-deal" camp are former foreign secretary Boris Johnson, whom Trump praised in an interview with the Sun newspaper on Friday, along with former Brexit minister Dominic Raab



Donald Trump

Trump said the US could work 'very, very quickly' on a trade deal if UK was not constrained by a transition period agreed with Brussels

and interior minister Sajid Javid. Trump said the United States could work "very, very quickly" on a trade deal if Britain was not constrained by a transition period agreed with Brussels.

The US Ambassador to Britain, Woody Johnson, said any such trade deal would include agriculture and healthcare. "In a trade deal, all things that are traded will be on the table," he told the BBC on Sunday. Asked if that included healthcare, he replied: "I would think so."

Concerns have been raised in Britain about accepting US agricultural standards, notably chlorine-washed chicken, and about opening up its state-funded healthcare system to US companies as the price of a trade deal. Reuters

London Mayor Says Trump is Like a 20th-Century Fascist

London: Sadiq Khan, the Mayor of London, has compared the language used by Donald Trump to rally his supporters to that of "the fascists of the 20th century" in an explosive intervention ahead of the US Presidents state visit to the UK that begins on Monday.

Writing in the Guardian's Observer supplement on Sunday, Khan condemned the red-carpet treatment being afforded to Trump who, with his wife Melania, will be a guest of Queen Elizabeth during their three-day stay.

"President Donald Trump is just one of the most egregious examples of a growing global threat. The far right is on the rise around the world, threatening our hard-won rights and freedoms and the values that have defined our liberal, democratic societies for more than 70 years," Khan wrote.

"Viktor Orban in Hungary, Matteo Salvini in Italy, Marine Le Pen in France and Nigel Farage here in the UK are using the same divisive tropes of the fascists of the 20th century to garner support, but with new sinister methods to deliver their message. And they are gaining ground and winning power and influence in places that would have been unthinkable just a few years ago." IANS

Airlines Ask Regulators to Jointly Work on Software Upgrade in 737 Max Jets

Seoul: Airlines urged regulators on Sunday to coordinate on software changes to the Boeing 737 Max in a bid to avoid damaging splits over safety seen when the aircraft was grounded in March.

The International Air Transport Association (IATA), whose 290 carriers account for 80% of world flying, said trust in the certification system had been damaged by a wave of separate decisions to ground the jet, with the US last to act.

Airlines are worried further differences between regulators over safety could confuse passengers and cause disruption.

"Any rift between regulators is not in anyone's interest," IATA Director General Alexandre de Juniac told an annual meeting of the association in Seoul.

Boeing's best-selling jet was grounded after two crashes, in Indonesia and Ethiopia, over five months killed a total of 346 people.

The Federal Aviation Administration initially resisted the decisions led by China, but later followed suit. Airline officials say any new bout of staggered decisions could cause problems in operations and code-sharing.



"Obviously for us to operate the Max, the approval from the Singapore authorities is not enough. We have to operate somewhere ... Indonesia and China are two important markets for us," Singapore Airlines CEO Goh Choon Phong told Reuters.

But the EU's top transport official said bloc's regulator, the European Aviation Safety Agency, reserved the right to carry out its own separate review at its own pace.

"Certainly EASA will take a very close look at the results (of proposed design changes) and then make a decision and that message was very clearly passed," Transport Commissioner Violeta Bulc told Reuters at the Seoul event. Reuters

Pentagon Chief Sees No Need to Probe USS John McCain Incident

Singapore: The Pentagon doesn't need to investigate a White House directive for the US Navy to move the warship USS John S. McCain from view before President Trump's recent trip to Japan, Acting Defence Secretary Patrick Shanahan said on Sunday. The White House military office requested the Seventh Fleet to keep the warship "hidden from view," said Shanahan. But the directive wasn't carried out, and "all ships remained in normal configuration during the visit," he said.

"No, I am not planning any IG investigation," Shanahan said when asked if the inspector-general would investigate. No investigation was needed "because there was nothing really carried out," he said. Trump said on Thursday that a "well-meaning" person appears to have made the request, but said he personally would not have done so. The ship carries the name of the late Senator John McCain, a Republican who was critical of Trump at the time of his death last year, as well as his father and grandfather. Bloomberg

Pompeo: US Ready to Talk to Iran Without Preconditions

Dubai: US Secretary of State Mike Pompeo said the Trump administration would be ready to negotiate with Iran without preconditions, even as an American fighter bomber and aircraft carrier practiced strike operations in the Arabian Sea.

Iran sent similarly mixed messages over the weekend as weeks of tensions between the countries continued to smolder. Pompeo was responding to Iranian President Hassan Rouhani's expression of willingness to negotiate with the US as long as his country wasn't bullied into doing so. But earlier Sunday, an Iranian military official warned that all US military forces in the Gulf were within range of his country's missiles.

Pompeo spoke after meeting with officials in Switzerland, which has represented American interests in Iran since the countries severed ties four decades ago.

"We're prepared to engage in a conversation with no preconditions," he said. "But the American effort to fundamentally reverse the malign activity of the Islamic Republic, this revolutionary force, is going to continue."

The US has been beefing up its military presence in the Gulf in response to unspecified threats of attacks from Iran. The joint exercise between a B-52 bomber and an aircraft carrier was reported by the Associated Press.

Frictions spiked in the Gulf after the US announced in April that it would tighten sanctions on Iran's oil exports, prompting an Iranian threat to scale back commitments under the 2015 multipower nuclear deal Washington quit a year ago. But the delay of sanctions on Iran's petrochemical industry suggests the Trump administration may be seeking to dial back tensions, the Wall Street Journal reported on Friday. Bloomberg



Mike Pompeo

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

Protester Grabs Mic from Kamala Harris on Stage

An animal rights protester jumped onto a stage and grabbed a microphone from Democratic presidential candidate Senator Kamala Harris at a forum in San Francisco. Approximately 10 minutes into her speech at MoveOn's Big Ideas Forum on Saturday, Harris was asked about her proposal to address the gender pay gap by the event's moderator when she was approached by a tall man dressed in black and wearing a press badge who jumped on the stage. Harris appeared puzzled but remained calm as the protester grabbed the mic from her hand. "We were protesting just a few minutes ago asking for your attention to a much bigger idea..." the man said, as the moderator tried to intervene. Security jumped onto the stage as the Senator calmly walked away from the protester. As the man resisted leaving the stage, Harris' husband Douglas Emhoff jumped in and wrestled the microphone from the protester. The protester was removed from the event and not charged. IANS

Descend, Eat, Marvel: Europe's First Underwater Restaurant

For the chef and diners alike, each meal beneath the waves at Europe's first underwater restaurant is a thing of wonder. "We have this small window next to the kitchen and every time some special kind of fish comes by, I always start thinking about how it would taste," says chef Nicolai Ellitsgaard. The aptly named new restaurant Under opened a few weeks ago in Lindesnes on Norway's southern tip. It serves up Poseidon's delicacies in an architectural showpiece that stretches down 15 feet underwater, offering a unique cove-up of ocean life. From the outside, the giant concrete monolith juts out from the craggy shoreline, while its other end tips down into the North Sea. Customers enter the restaurant onshore through a wood-paneled passage and descend down a long, oak staircase into a dimly lit dining room. Here, a gigantic plexiglass underwater window takes centre stage. The 398-sqft window offers a panoramic view of the ever-changing live aquatic show. In Norwegian "Under" means it's under, like submerged, underwater, and it also means a sense of wonder," says Stig Ubostad, who co-owns the eatery with his brother, Gaute. AFP



Children in colourful outfits sing in a creole of Portuguese and Malay during a class in the historic Malaysian city of Malacca, part of efforts to stem the decline of the centuries-old language. The youngsters chant "bong atardi mestri" (good evening teacher) and work their way through songs including "Bunisi siara siorus" (Beautiful ladies and gentlemen) and "Gato do matu" (The jungle cat). Sara Santa Maria runs the weekly classes at her home to ensure the younger generation learn "Papia Kristang", one of several steps aimed at preserving an endangered language spoken by people of mixed Portuguese and Malaysian ancestry. "I definitely fear Kristang could disappear," the 50-year-old teacher told AFP, as the youngsters dressed in Portuguese-style traditional costumes laughed and danced. "Many Eurasians have moved out of the settlement and the children only speak Malay and English," she added. AFP

Malaysia Fights to Save Centuries-Old Creole

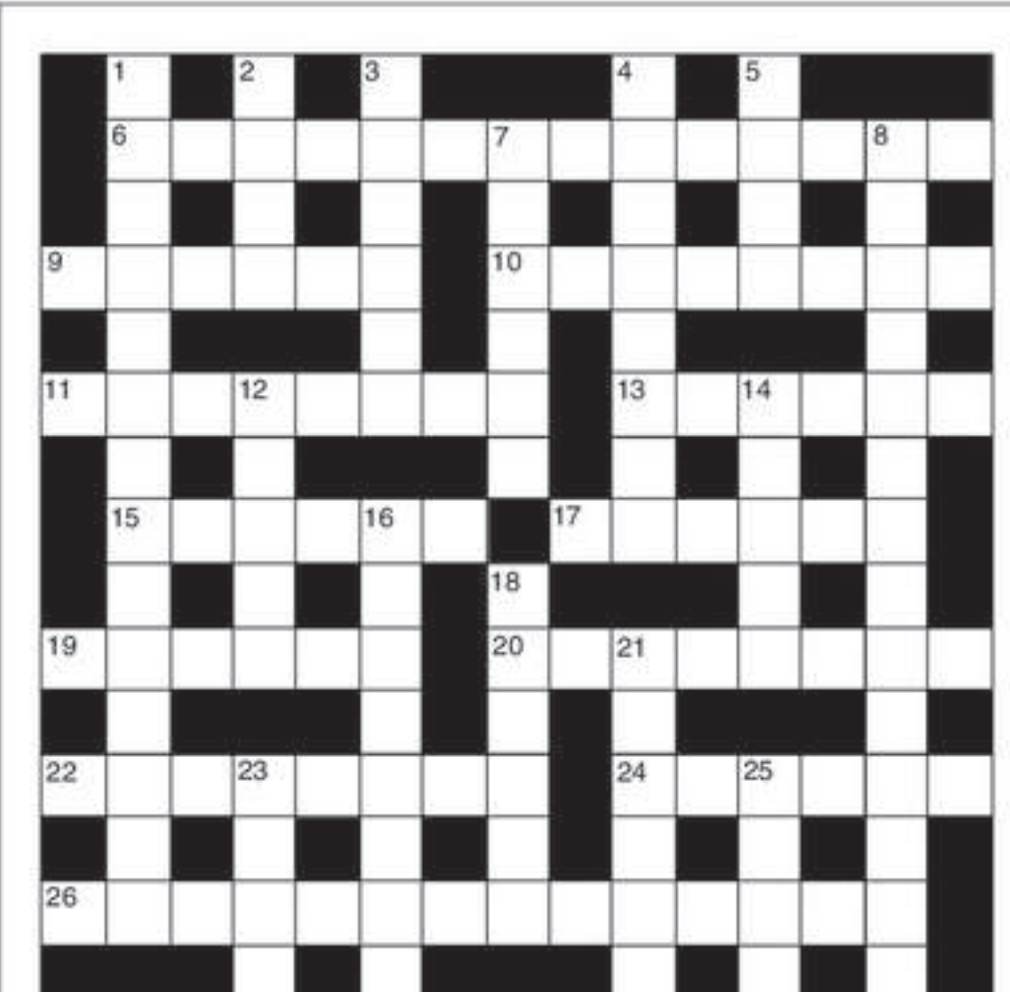
Children in colourful outfits sing in a creole of Portuguese and Malay during a class in the historic Malaysian city of Malacca, part of efforts to stem the decline of the centuries-old language. The youngsters chant "bong atardi mestri" (good evening teacher) and work their way through songs including "Bunisi siara siorus" (Beautiful ladies and gentlemen) and "Gato do matu" (The jungle cat). Sara Santa Maria runs the weekly classes at her home to ensure the younger generation learn "Papia Kristang", one of several steps aimed at preserving an endangered language spoken by people of mixed Portuguese and Malaysian ancestry. "I definitely fear Kristang could disappear," the 50-year-old teacher told AFP, as the youngsters dressed in Portuguese-style traditional costumes laughed and danced. "Many Eurasians have moved out of the settlement and the children only speak Malay and English," she added. AFP

Cruise Ship Slams into Tourist Boat, Dock in Venice

A cruise ship lost control as it docked in Venice on Sunday, crashing into the wharf and hitting a tourist boat after suffering an engine failure. Tourists on land could be seen running away as the 13-deck MSC Opera scraped along the dockside, its engine blaring, before knocking into a tourist boat, amateur video footage posted on Twitter showed. Four people were slightly injured in the accident at San Basilio Zattere in Venice's Giudecca Canal, port authorities said. The four were on board the River Countess tourist boat. The Opera, which suffered mechanical trouble before in 2011 during a Baltic cruise, can carry more than 2,500 passengers and boasts a theatre, ballroom and water park for children. "The MSC ship had an engine failure, which was immediately reported by the captain," Davide Calderan, head of a tugboat company involved in accompanying the ship into its berth, told Italian media. AFP

Crossword

7423



- ACROSS**
- 6 Ad lib silly poem outside curtains (14)
 - 9 He carries on with big animal running round (6)
 - 10 Any more trained to join Yankee volunteer force once? (8)
 - 11 Good-looking residence with small cracks (8)
 - 13 Guidance notice on immortality (6)
 - 15 Start to manage a woman's illness (6)
 - 17 Symptom of travellers let out in fast car? (3,3)
 - 19 Returns in afternoon and spots lodge in the open (6)
 - 20 After broadcast, take off - from here? (8)
 - 22 A soldier, tense, dined with daughter in distress (8)
 - 24 Record stuff producing congestion (3,3)
 - 26 Superior tiny head scanner designed for teeth (14)
- DOWN**
- 1 Boss sorts beer staff brought in (7,7)
 - 2 Small mariner to play the lead (4)
 - 3 Developing state sacked by Rome (6)
 - 4 Group of nobles on a canal boat, touring (8)
 - 5 Put money on a second brightest 2 (4)
 - 7 Young girl initially overwhelmed by stock gas (6)
 - 8 Uncle Brian goes off, disguised perhaps? (14)
 - 12 Estuary, 2 behind 5 (5)
 - 14 Check over a large page maybe (5)
 - 16 Fool goes down with parasite (8)
 - 18 Upset nurse embraces a theologian (6)
 - 21 Replacement official controlling game accepts story (6)
 - 23 Colour can start to tanalise (4)
 - 25 Group of ticket agents go up to find entrance (4)

- SOLUTION TO No. 7422:**
- ACROSS:** 1 Half-brothers. 8 Armiger. 9 Furnish. 11 Stretchers. 12 Will. 14 In camera. 16 Frigid. 17 Two. 19 Legate. 21 Luminary. 24 Item. 25 Bruschetta. 27 Enamour. 28 Imagine. 29 Nevertheless. **DOWN:** 1 Homeric. 2 Legitimate. 3 Bar chart. 4 Oxford. 5 Herd. 6 Railing. 7 Marsellaise. 10 Holidaymaker. 13 Freightage. 15 Awl. 18 Outshine. 20 Grenade. 22 A tains. 23 Dry rot. 26 Gone.

Dilbert

by S Adams



HIDATO

Complete the grid so that numbers 1-81 connect horizontally, vertically or diagonally.

30	29	28	26	24	5	7
32				23	4	
			18	19		2
38	37	36		16	14	1
			39			
					13	81
			54	46		
59		56			52	51
			57	64	69	70
61						
					72	75

www.hidato.com

Yesterday's puzzle solution.

10	9	6	5	4	81	74	75	76
11	8	7	71	3	73	80	79	77
12	68	67	70	72	2	4	44	78
18	13	69	66	64	63	43	42	45
17	19	14	65	61	62	41	46	47
20	16	15	60	59	58	40	50	48
21	27	28	30	38	39	57	51	49
22	26	29	37	31	32	56	55	52
23	24	25	36	35	34	33	34	53

7 LITTLE WORDS

Find the 7 words to match the 7 clues. The numbers in parenthesis 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

- 1 like Shrek (6)
- 2 edible red stalk (7)
- 3 Canadian-Sri Lankan poet (8)
- 4 lay unshaded at the beach (9)
- 5 using a toboggan (8)
- 6 pig slop (5)
- 7 aimless wanderers (8)

SOLUTIONS

- 1 SWI
- 2 ISH
- 3 RA
- 4 OGR
- 5 SLE
- 6 MB
- 7 BA
- 8 NED
- 9 LL
- 10 DDI
- 11 RHU
- 12 TAN
- 13 AAT
- 14 RS
- 15 SUN
- 16 OND
- 17 LE
- 18 NG

TODAY ON
ETPrime.com

Oyo's Growing International Play

The budget-hotel unicorn's €369.5-million acquisition of a Dutch vacation-rental company is evidence that it is ramping up in the West along with China. Can it be the big chain of small hotels and vacation homes in Europe?

Importance of Indigo's Profitability

With its huge cash reserves, Indigo can withstand shocks better than any other airline. The traditionally lean July-September quarter will put the entire industry to test. And Indigo's profitability will be critical.

Sebi's on a Trip to Lower Risk

Sebi has put out a consultation paper on the idea of introducing limits on the constituents of benchmark indices, the Nifty50 and BSE Sensex. It wants to lower the concentration risk of the indices, for instance IT or finance. ET Prime does a deep dive.

'SpiceJet Plans to Hire up to 2k Jet Staff'

Seoul: SpiceJet plans to hire up to 2,000 staff, including pilots and cabin crew, of the defunct Jet Airways as the no-frills carrier continues to expand its operations. The airline has taken at least 22 planes that were earlier used by Jet Airways, which temporarily shuttered its operations due to a cash crunch, in April. "We have taken around 1,100 people so far. Expectation is that we will go up to 2,000 people. It will be pilots, cabin crew, (people) from airport services, security," SpiceJet chairman and managing director Ajay Singh said. Singh was, on Sunday, elected to the board of the International Air Transport Association.

RIL Ropes in New US Lobbyist

Washington | New Delhi: Reliance Industries has engaged Eversheds Sutherland (US) LLP for advocating its position on the 'US economic trade sanctions policies,' after having terminated its lobbying activity in US through its registered lobbying firm Barbour Griffith & Rogers LLC (BGR) in January 2013. According to the new 'lobbying report' filings made with the US Senate, RIL has now engaged Eversheds Sutherland (US) LLP, which filed a 'lobbying registration' report on behalf of its client RIL on April 26. According to the filing, the effective date of registration is February 2, 2019. The registration filing has been followed up with the first quarter lobbying report filed by Eversheds Sutherland on behalf of RIL on May 29, 2019. In the filing, the lobbyist has disclosed total income of \$ 140,000 from RIL for lobbying activities for the three-month period ended March 31, 2019. It has disclosed "US economic trade sanctions policies" as the specific lobbying issue for the period, while the US Department of State has been mentioned as the department contacted for the purpose. On its website, Eversheds Sutherland describes itself as "an international top 15 law practice helping a global client base ranging from small and mid-sized businesses to the largest multinationals solve their biggest challenges and reach their business goals." The exact trigger for RIL to engage in lobbying on this issue could not be immediately ascertained. The US had recently ruled out giving exemption from punitive sanctions to any country buying oil from Iran. In October 2018, RIL had said it had halted import of Iranian crude ahead of the US sanctions, which were re-imposed in November that year. In April this year, RIL said it did not violate the US sanctions on Venezuela and had purchased crude originating from the Latin American nation from companies such as Russia's Rosneft in full knowledge of US authorities.

Walmart Expects Ease of Doing Business in India to Get Easier

Continuity in the govt likely to help the retail industry as a whole, says India chief Krish Iyer

Varun.Jain@timesinternet.in

New Delhi: Walmart India, the local unit of the world's biggest retailer, said it is upbeat on the regulatory progress in India's retail market and continuity in the government could accelerate ease of doing business further. "With the government getting the second mandate, our (ease of doing business) rankings will improve significantly further," Krish Iyer, president and chief executive of Walmart India, told ET. "I have no doubt in my mind that cash-and-carry businesses and even businesses as a whole, retail companies and foreign investors will find it easier to set up stores in India."

In India, Walmart doesn't sell directly to consumers and is an organised wholesaler or cash-and-carry operator that sells merchandise to local kirana stores, hotels and catering firms

operates 24 Best Price wholesale stores across nine states opened over the past decade, it isn't in a hurry to expand pan India. "The next 10 years will be the period of exponential growth. And if I look at the opportunities India presents, it will still remain important to stay focused and not start thinking about going national," said Iyer.

While nearly 90% of all consumer goods are sold through small kirana stores in India, the channel is highly

What's in Store?

In India, Walmart doesn't sell directly to consumers

It is an organised wholesaler or cash-and-carry operator that sells merchandise to local kirana stores, hotels and catering firms

Walmart said cash-and-carry segment complex due to low margin and steep real estate cost in India

Co to double store count in 3-4 yrs including 6 new stores in AP & Telangana this year

And if I look at the opportunities India presents, it will still remain important to stay focused and not start thinking about going national.

KRISH IYER, President and CEO, Walmart India

100% FDI allowed in cash-and-carry wholesale ventures, 51% in multi-brand retail



fragmented. There are an estimated 10 million kirana stores in India and a large part in the hinterland. Also, consumer companies mostly sell products directly to local kiranas or through distributors in urban markets but service customers through wholesalers in smaller towns. This in turn, helps organised B2B players such as Walmart and Metro to gain share especially after the implementation of the goods and services tax (GST). With its focus on tier-II and tier-III ci-

ties to open more outlets, the company said it will double the store count in the next 3-4 years including six new stores in the state of Andhra Pradesh and Telangana this year itself. Also, it generates nearly half its sales from outside its big-box cash-and-carry stores either through members directly ordering online or the sales force visiting B2B members for orders. The Bentonville-based retailer launched its online platform for members of Best Price Modern Wholesale stores five years ago. But that was restricted to cities with the stores. The company, two years ago, opened an online platform without a physical store. "Growing the existing stores is one stream. The second stream would be from what we call our fulfillment centers and e-commerce business. As far as our e-commerce platform is concerned, we will see the acceleration of e-commerce and omnichannel in our stores as we progress further in the implementation of this new platform," Iyer added.

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COUNTRY SEES HIGHEST YEAR-ON-YEAR GROWTH OF 19% IN 2018

Indians to Keep Global Aviation Flying High

About half of the air passenger growth to come from India, China over the next 20 years: IATA

MihirMishra@timesgroup.com

Seoul: About half of the world's air passenger growth in the next 20 years is set to come from India and China, the International Air Transport Association (IATA) said on Sunday.

"India and China alone are forecast to account for around 45% of all additional passenger trips over the next two decades. Even more than today, the travellers of the future will come from all walks of life and economic means," said IATA director general Alexandre de Juniac.

According to the data available with IATA, a grouping of around 290 airlines, India registered the highest year-on-year growth of about 19% in 2018,

followed by China's 13%. India's growth has slowed, of late, though, owing to the grounding of the country's largest private sector airline, Jet Airways, after it ran out of cash.

Reposing confidence in the Indian market, IATA's chief economist Brian Pearce said, "The decline in India's passenger growth is temporary and the country will be back to its earlier levels, as there is demand in the Indian market. Also, a few airlines have started adding Jet Airways' aircraft into their fleets."

SpiceJet and Vistara have taken some of Boeing 737 aircraft, operated earlier by Jet, on lease and are operating them on routes vacated by Jet. IATA also predicted that the profitability of airlines will take a hit on the back of rising fuel prices and weakening world trade.

(The reporter is in Seoul at the invitation of IATA)

\$28B
GLOBAL AVIATION INDUSTRY'S EXPECTED PROFIT THIS YEAR

Star Alliance Changes Stance, Not Keen on Second Indian Member

MihirMishra@timesgroup.com

Seoul: The grounding of Jet Airways has robbed the Indian aviation market of its sheen with Star Alliance not seeing the need for a second carrier from the country as its member, said the top executive at the global airline body.

"We need to see how fast the Indian market is going to grow. In the past 52 months, the Indian market has seen a double-digit growth every month. But this has gone down to single digit now and we got to be mindful as to how that market is trending and not to kind of integrating a member just for the sake of integrating it," said Star Alliance chief executive Jeffrey Goh on the sidelines

of the annual general meeting of the International Air Transport Association (IATA).

This is a shift from the organisation's earlier stance, when it had felt that the Indian market was big enough to be represented by two airlines and had pushed for Jet Airways.

Jet, once the country's biggest private airline, suspended all its operations in April due to financial mess, despite India posting the world's fastest growth in air traffic for about five years. Jet's demise has raised questions about the sustainability of the Indian aviation market which, many analysts now feel, is the lowest-yield market in the world.

Rathore may be Raj BJP Chief

From Page 1

Sinha is close to both Shah and the Prime Minister. The fact that Sinha has not been made a union minister could be a signal that he could be given a Rajya Sabha seat later.

Bihar state unit head Nityanand Rai is now the union minister of state for home. Party sources said former agriculture minister Radha Mohan Singh — a Thakur — may replace him. Rai's predecessor Mangal Pandey is a Brahmin, and hence there is a possibility of an upper caste becoming the state unit chief. Rai belongs to the Yadav caste.

Telangana BJP president G Kishan Reddy is the other union minister of state for home. After a good performance in Telangana, where BJP won four Lok Sabha seats, Reddy will have to hand over the mantle to another leader. Maharashtra chief Rao Saheb Danve is minister of state for consumer affairs. With assembly elections due in the state in a few months, he may be asked to continue for the time being or Shah could announce a replacement soon.

There is a buzz that former information & broadcasting minister Rajyavardhan Singh Rathore

may be made the Rajasthan BJP chief. Shah wanted to appoint Gajendra Singh Shekhawat as the state chief ahead of the assembly elections late last year, but had to relent in the wake of objections from then chief minister Vasundhara Raje, who did not want another Rajput to rise within the state unit. Now that the BJP has lost the state elections, the party brass may appoint Rathore — also a Rajput — to the top post. Shekhawat is not in the race as he has been made the minister for Jal Shakti.

In UP, three ministers of the Yogi Adityanath government — Satyadev Pachauri (Govindnagar assembly seat), Rita Bahuguna Joshi (Lucknow Cantt) and SPS Baghel (Tundla-SC) — as well as Iglas MLA Rajvir Diler have become MPs. The party will need to fill the vacancies and will also have to find candidates for by-elections. Pachauri won from Kanpur; Joshi from Prayagraj, Baghel from Agra and Diler from Hathras-SC.

Meanwhile, of the three vacancies of BJP Rajya Sabha seats, external affairs minister S Jaishankar and consumer affairs minister and LJP chief Ram Vilas Paswan are set to get two.

Power Firms Want CIL to Boost Supply

New Delhi: Power generating companies have asked state-run Coal India to increase the supply of the dry fuel from Korba area in Chhattisgarh through rail wagons to help them reduce transportation cost as well as tariffs for end-consumers. Korba region serves 20% of the domestic coal supply but Coal India arm South Eastern Coalfields Ltd (SECL) is able to meet only 55% of its demand from the region through rail, according to Association of Power Producers (APP).

The APP in a letter to Coal India chief Anil Kumar Jha mentioned that power producers are incurring around 25% higher costs to move coal by road. Against a demand of 45 rakes per day, Korba area is currently loading only 25 rakes per day, the APP said. Due to lack of supply through railways, power producers are compelled to bank on inefficient and expensive truck transportation for coal procurement. One rake can load 4,000 tonnes of coal, which means producers have to ply 135 trucks carrying 30 tons each.

The SECL controls Korba coal field that produces close to 130 million tonnes of coal that can fire 32,000 MW of electricity generation capacity.—PTI

Coverfox in Talks to Raise \$50 m

From Page 1

"There is still a chance that it may fall through as the board deliberates on the pros and cons of the transaction," the person added.

In all, Coverfox has raised \$40 million in capital and counts SAIF Partners, Accel Partners, NR Narayana Murthy's Catamaran Ventures and International Finance Corporation among its investors. These shareholders are expected to get an exit if the deal takes place. SAIF is a common investor in Paytm and Coverfox.

Founded in 2013 by Varun Dua and Devendra Rane, Coverfox has been in talks to raise a \$50 million series D round even as the acquisition talks have been going on in parallel, another source said. Dua moved out in 2017 to head Acko, a new-age insurance firm that competes with the likes of Digit Insurance, which is backed by Canadian billionaire Prem Watsa's Fairfax Holdings.

Coverfox offers both life and non-life insurance policies. It has 50,000 agents and offers products from 45 insurance companies.

THE PORTFOLIO

Coverfox offers both life and non-life insurance policies. It has 50,000 agents and offers products from 45 insurers

The company sold premiums worth \$100 million through its platform and generated \$22 million in revenue with a million transactions done last year. Having started off by selling motor insurance, Coverfox wants to push term and life insurance products in the future driven mainly by its offline agent base.

Paytm's Sharma and Coverfox CEO Premanshu Singh didn't respond to ET's queries.

PAYTM MONEY PUSH

After gaining a foothold in the digital payments business, One97 Communications launched Paytm Money in September 2018 with the intention of cornering the online

mutual funds market. Having started with around a dozen asset management companies (AMCs), it now has all 40 in the country on board, offering direct mutual funds to clients. Paytm doesn't reveal total assets under management but crossed the 1 million user mark within six months of its launch in January 2019, the company has said.

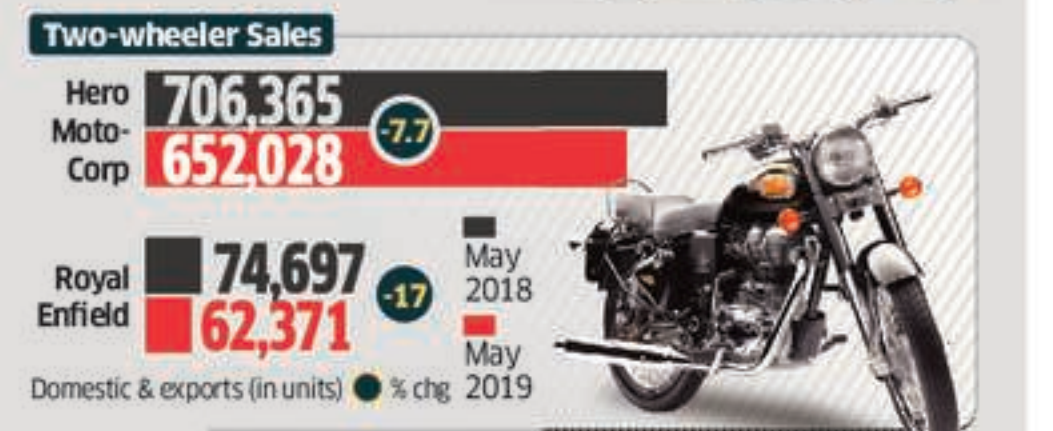
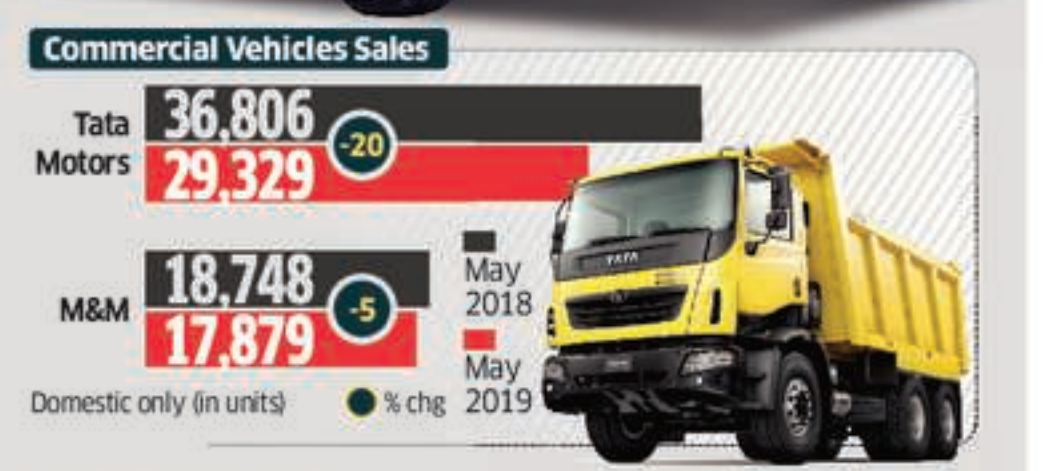
Paytm Money competes with the likes of ET Money, owned by Times Internet, a part of the Times Group, Zerodha, FundsIndia and Scripbox. Since its launch, Paytm Money has diversified into stock broking. Having received a broking licence it intends to become a full-stack personal financial management application. In an earlier conversation with ET, Paytm's Sharma had said that insurance is a big area of focus for the company and it will look to expand its personal finance portfolio to shore up margins currently lacking in its core digital payments business. Paytm is already a registered corporate agent for all forms of insurance products as per the Insurance Regulatory and Development Authority of India.

In the Slow Lane

Passenger vehicle sales remained weak in May in the run-up to the general elections, as consumers deferred purchases. In the CV segment, market sentiments were adversely hit due to depressed freight rates and under-utilisation of trucks

Company	May-18	May-19	% chg
Maruti Suzuki	161,497	121,018	-25.1
Hyundai Motor India	45,008	42,502	-5.6
Mahindra & Mahindra	20,715	20,608	-1
Tata Motors	17,489	10,900	-38
Honda Cars India	15,864	11,442	-27.8
Toyota Kirloskar Motor	13,113	12,138	-7

Domestic only (in units)



Slowing consumption in rural areas impacted demand for two-wheelers. Stagnant economy and stagnant industrial output also dragged down CV sales. Liquidity tightening in the market, high insurance costs also affected retail off-take of cars. Carmakers cut production to rationalise inventory, hitting wholesale volumes.

Liquidity in Banking System Vital

From Page 1

The biggest challenge for the new government, re-elected with a bigger majority last month, is to lift the country's economic growth.

"After a strong political mandate, the market focus has now shifted to the possible monetary and fiscal measures that can be undertaken to reverse the broad-based economic slowdown," said Upasna Bhardwaj, senior economist at Kotak Mahindra Bank. "An assurance by the RBI of sustaining surplus liquidity, at least for some time, would provide comfort and bring down rates more sharply."

India's economic growth rate slowed to a five-year low of 5.8% in January-March due to a poor performance in the agriculture and manufacturing sectors, according to official data released on Friday.

Liquidity, or cash available in the banking system, is billed as vital to pass on the benefits of the RBI's rate reductions. This will help lower both corporate and individual borrowing costs. The repo rate, at which banks borrow from the central bank, is now 6%, following two cuts of 25 bps each in April and February.

Due to the general elections held in seven phases from April 11 to May 19, the liquidity gauge remained in a deficit beginning this financial year as government spending had halted. Without supportive liquidity and clarity on liquidity stance in the system, the markets see continued hindrance to monetary transmission.

About one-fourth of the respondents said the monetary policy stance may change to 'accommodative' from 'neutral' now. This suggests a prolonged era of soft interest rates.

"It would also signal more monetary easing in future," said Gaurav Kapur, chief economist

at IndusInd Bank. "In all likelihood, the stance would be changed to 'accommodative' from 'neutral' to signal a dovish shift as downside risks to growth remain strong."

"We expect the RBI to respond to the slowdown in GDP growth by cutting the policy repo rate," said Kaushik Das, chief economist at Deutsche Bank (India).

LIQUIDITY SUPPORT FOR NBFCs

The RBI may announce some liquidity support measures specifically for the nonbanking financial companies (NBFC) sector to provide a floor to downside risks to growth, he said.

NBFCs, which have been going through a crisis of capital over the past eight months, need liquidity the most.

"We expect the loss in growth momentum could be a temporary blip if monetary policy complements fiscal policy in the interregnum," said Soumya Kanti Ghosh, chief economist at State Bank of India. "RBI may also clearly articulate its stand on liquidity management framework."

The Central Statistics Office said GDP growth during 2018-19 eased to 6.8% from 7.2% in the previous financial year. The unemployment rate hit 6.1%.

"A number of risk factors like monsoon, new fiscal stance of the government and global events are lying ahead," said HDFC Bank chief economist Abheek Barua, who expects a status quo in this week's monetary policy. "The central bank will also focus on transmission of previous rate cuts."

India's annual retail inflation picked up in April to 2.92% compared with 2.86% in March.

A tiny section of poll participants expects a 50-bps cut in the cash reserve ratio, which is the portion of total deposits that banks are mandated to keep with the RBI earning little interest.

Asset Sale Target for FY20

From Page 1

The CCEA had approved the alternative mechanism in all cases of strategic divestment of central public sector enterprises (CPSEs) in which it given 'in-principle' approval for such a sell-off. There is a specific alternative mechanism for Air India.

STRATEGIC PUSH

The new government is expected to push strategic sales and asset monetisation to meet its ambitious funding requirements for capital expenditure. It has targeted to raise ₹90,000 crore in FY20 from asset sales but the Department of Investment and Public Asset Management or (DIPAM) may be expected to exceed this to meet higher resource needs for not just capex but also new social

welfare programmes. The target may be reviewed ahead of the full budget to be presented on July 5.

The department's list of firms that can be taken up for strategic sales includes Air India and was drawn up by the Niti Aayog. The strategic sale of loss-making state entities will help reduce the drag on government finances through periodic infusion of funds.

In FY18, 71 out of 257 operational central public sector entities were in the red, notching up combined losses of ₹31,260 crore. State-run BSNL and MTNL had a combined loss of nearly ₹11,000 crore. Air India contributed ₹5,338 crore to the loss.

Modi 2.0 Gives Us Increased Confidence

ET EXCLUSIVE Q&A

DAVID M SOLOMON
 CHAIRMAN & CEO, GOLDMAN SACHS & CO

The investment bank says it continues to take a long-term view – both as allocator of capital and as an investor – that will pay off for its businesses and shareholders

A last-minute technical snag kept the Goldman Sachs CEO from an India visit, in what would have been his first since taking over as boss of one of the world's largest investment banks. But he took time out for a freewheeling video conference interview with **Arijit Barman** to discuss growth in India, trade wars, the fintech disruption, breaking up Big Tech and the backlash against Wall Street bankers. Edited excerpts:

We've just seen an election and the return of Prime Minister Narendra Modi with an increased majority. There is now an expectation for a stable government that will implement radical reforms of the sort international investors would like to see. What are your thoughts?

Under a second term for Prime Minister Modi, we are hopeful the reform programme will continue and accelerate to provide a great deal of upside for the Indian economy and Indian people. If that continues, it will be exciting for our business platform in India as well. Results of the election give us increased confidence in investments we have made, as well as investments we will continue to make, in our Indian businesses in both Bengaluru and Mumbai, and also with our clients, both as invest-

standing of the Indian economy, our businesses here have met our expectations, but it's also always been a place where we've had hope for greater growth and opportunity. The re-election of Prime Minister Modi gives us more confidence in our investments as we continue to take a long-term view that will pay off for our businesses and shareholders.

What are the risk factors still attached to India?

I would look at it slightly differently. I am looking at it over 10-year increments and think there has been a general direction of progress over the last 10, 20 and 30 years, that will continue. India is still a place where regulatory impact on business slows economic growth and while there is now progress being made to unleash some of that, I am hopeful progress will continue and accelerate.

Is the progress too slow? Our bankruptcy law is still grappling with teething problems. So, a lot of investors are running out of patience, too tired of waiting.

It's par for the course when you are driving change in a major economy. While I am sure there are investors who are frustrated and want things to go quicker, we take a very long-term view. The context to that is that our firm continues to be very opti-

ing months. A month or two ago, it felt more likely than it feels today – obviously, very hard to gauge.

I would highlight, though, what's at stake here is a fundamental rebalancing of the economic arrangement between the US and China. While we might have a trade deal, it's only one small part of that rebalancing that is going to require a compromise over the long-term from both sides.

I actually think it's going to be a difficult bumpy road and not as simple as whether or not we get a short-term trade deal. The degree that the relationship is bumpy over the coming decade versus when it is not will have an impact on global growth, given the size of both economies.

Most MNCs will be or are tweaking their global supply chains even if there were to be an agreement sometime this year. Do you see India as benefiting from that?

There is clearly a movement of people rethinking supply chains all over the world. In that context, anybody that is not China will benefit from the movement of these global supply chains – so sure, at the margin, there has to be some benefit. On the other hand, as I am talking to CEOs that are rethinking those supply chains, India is not the place that is immediately coming up the most in terms of such repurposing. Some are looking at repurposing back to North America, which is also benefiting. Vietnam and Indonesia are two that come up in conversations with CEOs.

In Davos earlier this year, you spoke of a 50% chance of a recession in 2020. Now, with the trade tensions, what's the chance today?

While there's no question that trade is leading to a slowdown and affecting growth trajectory, it still feels like the chance of recession in the next 12 months is low. Maybe it's slightly higher than it was in Davos, but if you are asking me: Do I think there will be a recession in 2020? I'll tell you it's a toss-up and can give you a distribution of outcome scenarios where there is and there isn't – so we will have to watch it more closely.

You also mentioned the Fed switching over from being too hawkish to dovish in just six months. Where do you now stand on rates? Have they peaked in this cycle?

Part of it depends on the cycle, obviously. If we enter a recession in the next 6-12 months, rates will probably peak. The consensus sentiment now is that we won't see a rate increase well into late 2020 at the earliest. That was a big move and change from where we were last fall.

If economic activity continues at trend, which is kind of where it sits at the moment, I would be surprised if that perspective is the same 6-12 months out. All these things you are asking tie back. What does the earnings momentum look like? Why is the bond market predicting more of a slowdown? All those things will have an impact as to whether or not there will be further interest rate increases before the cycle ends, but at the moment, the consensus is that we certainly won't see anything until at least late 2020.

Technology companies clearly seem to have become the new villains. What are your thoughts on

Our base case on GDP growth is 7.5%, but our research indicates that if the reform programme accelerates, there can be considerable upside in GDP growth on a forward basis

this talk of breaking up companies like Facebook?

Breaking up a company is a very, very difficult, complicated thing to do. Like any other business that becomes big and influential, Facebook will have to make adjustments and I am sure there will be pressure on them to continue to adjust. They have just become a big business and will continue to be a big business. With that, they will go through that evolution, as any other growing, highly-successful company does.

So, you are obviously not in favour of drastic action. Would you allow them more time to self-regulate?

I'm not a regulator. In this case, I'm an observer of the regulatory process. As a student of our own market in the US, I will make the following observations. The government breaking up a big company is something that happens very rarely here. It is a very, very complicated process. My inclination is, the chance of it happening is small.

The chance of government regulation putting more rules, guardrails and parameters in place for the operation in some of these big businesses over some period of time is higher, especially around issues like privacy, as we have seen in other parts of the world at an increasing pace. These are big influential businesses, just like financial services, and they will have to deal with an evolutionary regulatory and government process.

INDIAN REGULATIONS, DEAL FLOWS, CHINDIA & MORE

Do you think India is as welcoming to foreign capital as it was a few years ago? In the past year, we've seen major policy interventions or changes related to things like commerce or fintech and payments, which have upset many global companies. You advise many such players, like Amazon and Walmart. Aren't they upset with the goalpost shifting all the time?

The review is over too short a period of time. The goalposts in any economy can keep shifting, including the US. We take a long-term view as we think about serving our clients and it's not the way we think about things to be commenting on short-term gyrations in any given year. There are times when progress is slower than we like it to be and then there are times where it accelerates, but ultimately there is enormous opportunity in India.

India is still a place where the regulatory impact on business slows economic growth, and while there is now progress being made to unleash some of that, I am hopeful progress will continue and accelerate



tor and as an allocator of capital. Our base case on GDP growth is 7.5%, but our research indicates that if the reform programme accelerates, there can be considerable upside in GDP growth on a forward basis. We are thrilled and watching closely.

Is there anything specific you would like him to do in his second term?

Continue the pace of reform. To the degree the reform process can continue to accelerate, I think it can lead to higher rates of economic growth, which is obviously tied to our franchise and investment businesses.

What will the key pillars of growth be for Goldman Sachs in the next five years in India? How do you see the India franchise business play out over the next few years?

If you think about the continuing digitisation of the economy in India, obviously that's going to create many opportunities. As talent and technology in the country become more and more integrated, it is going to need significant amounts of capital. As a proven investor who has already helped grow Indian companies, there will be significant opportunities for us across a number of our businesses to add value. Additionally, as a market intermediary and market investor, our firm will bring more foreign investors and facilitate direct investment to India. Our growth will closely match that of the growth of the Indian economy.

What has your India experience been so far? Great potential, but always a missed opportunity?

We have always been very clear-eyed about long-term opportunity in India... To date, we've deployed a significant amount of capital as an investor in India – more than \$3.6 billion over the last decade. We've built great client relationships, where we serve as advisor and facilitator. Based on that clarity and under-

mistic looking at the coming decades in India and the long-term opportunity for us to serve clients in India.

What does this new office in Bengaluru mean?

We are very excited about the new Bengaluru campus. The investment that we're making is reflective of the fact that it's a very important place, where high-quality work is done from India for the worldwide Goldman Sachs network. It is a further reflection of our global platform and that we think Bengaluru offers a great opportunity to bring high-quality people into our firm. We've had a big focus on engineering in that office as it has been a global innovation centre for the firm. That will obviously continue, given the availability of talent in India broadly, and in Bengaluru. This new office represents a great global opportunity for us as technology and finance continue to converge.

THE GLOBAL BEAT

Tech companies have been under a lot of political pressure in the US, especially when it comes to onshoring jobs. Why have US banks like Goldman not had to do the same?

We run a global business. If you look at our business and revenues of Goldman Sachs, only about 55% of it is in North America, and the rest of it is spread around the world. While there are pressures, particularly around manufacturing businesses, we try to strike the right balance as we are ultimately in the business of talent, technology and capital, which is spread around the world. Our footprint needs to match that. It is very important to our clients, who want us positioned globally.

If the US-China tariff wars are not resolved soon, what kind of an impact do you see that having on the world economy?

It is unclear whether or not we'll get some sort of a trade deal in the com-

India has a much more open market system (than China) and that allows for more competition and many players competing for that footprint. Most importantly, it also has the same opportunity



to it. But for now, we are focused on executing in our home market.

How do you see fintech startups disrupting large banks and global banking?

Banking is no different from any other industry. The combination of talent and technology is disrupting the way business is done. Personal financial services is a business where there is still a great deal of room for disruption. Are there some fintech platforms that will have a meaningful impact on the disruption? Absolutely. Are there incumbent players that will have a meaningful impact on the disruption and continue to be very strong in their incumbency? Absolutely.

Then there are also those like Goldman Sachs who haven't traditionally played in some of those markets, but are actually very good at building technology platforms, have global reach, balance sheets, funding and risk management capabilities that are deeply rooted and also make us very good disruptors. There is lots of room for people to disrupt and compete. I like our position in that and we are going to try to be successful in delivering products, particularly in the US – where we are consumer-focused – to give them a much better experience than the current products they have.

It is often said India is not a deep market, especially in investment banking. Your strategy of hunting with the elephants locally can be challenged. Your comments...

In all major markets around the globe, we aim to work with the largest companies. As our franchises in local markets get stronger in certain places, we expand to cover more of the market. Looking solely at investment banking, as an international firm in India, we are thinking of an engaging Indian businesses related to global capital flows and technology-led disruptions. Given the strength of our network, capital and talent, the Goldman Sachs platform is going to be better suited in its ability to assist companies with needs for capital and strategic global partners. As an investor, I think we've been much broader in terms of the companies we have allocated capital to, and that will continue.

For full interview visit www.economictimes.com

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Bangladesh add to South Africa's World Cup agony, win opener by 21 runs

Bangladesh made the perfect start to their World Cup campaign as their highest ODI score inspired a 21-run win over a beleaguered South Africa on Sunday.

Mashrafe Mortaza's side posted 330 for six as Mushfiqur Rahim (78) and Shakib Al Hasan (75) laid the foundations of their impressive display at the Oval.

Mahmudullah's boisterous 46 not out from 33 balls pushed Bangladesh past their previous highest one-day international total of 329 for six against Pakistan in 2015.

Attempting to become the first team to successfully chase more than 300 to win a World Cup match, South Africa's bid to rewrite the record books fell short at 309 for eight.

Proteas skipper Faf du Plessis scored 62 from 53 balls, but Bangladesh seamer Mustafizur Rahman took three wickets and economical spinners Shakib and Mehidy Hasan wrapped up a memorable victory.

After reaching the World Cup quarter-finals in 2015, Bangladesh once again look capable of shaking up cricket's established order, much to the delight of their army of vociferous supporters who packed the Oval.

"It will be one of our top wins," said Shakib at the presentation ceremony. "We have done some upsets at World Cups but we want to prove something at this tournament."

In contrast, South Africa are in turmoil after du Plessis' decision to bowl first backfired despite two wickets from veteran spinner Imran Tahir in his 100th ODI appearance.

With the World Cup just four days old,



Bangladesh wicketkeeper Mushfiqur Rahim celebrates Aiden Markram's wicket

1 Shakib Al Hasan is the fastest cricketer to double of 250 wickets and 5000 runs in ODIs. He took just 199 matches to reach the milestone.



330 Bangladesh's highest total in ODIs; their previous best was 329, against Pakistan in 2015. It is only their second 300-plus score in a World Cup match, and their first against one of the top teams — their previous one was 322, against Scotland in 2015.

they have already lost twice in south London — this disappointing performance coming hot on the heels of their 104-run thrashing by hosts England in the tournament opener.

South Africa, who have never won the World Cup, are left with little margin for error in the rest of the 10-team group stage, which sees each country play nine matches. It won't get any easier for du Plessis' trou-

bled side in their next match when they face title contenders India on Wednesday. Quinton de Kock and Aiden Markram needed to get South Africa's chase off to a fast start and they reached 49 before a disastrous blunder sent them spiralling towards defeat.

De Kock was run out for 23 after being rashly called for a single by Markram, whose partner's edge was fumbled by Mushfiqur before the wicket-keeper recovered to throw out the opener. That brought du Plessis to the crease and together with Markram he put on 53 in 60 balls.

But Shakib curtailed that partnership when his perfectly-flighted delivery bowled Markram for 45 to leave South Africa 102 for two in the 20th over. That made Shakib just the fifth player to score 5,000 runs and take 250 wickets in ODIs.

Du Plessis got to fifty off 45 balls, reaching the milestone with a six off Mosaddek Hossain. But that blast got du Plessis' adrenaline flowing too fast and a charge at Mehidy saw him bowled after he misjudged the flight.

David Miller's lofted shot was dropped by Soumya Sarkar at mid-off and he escaped again when Mahmudullah couldn't grab his mistimed drive. However, Miller's luck ran out when he was caught by Mehidy off Mustafizur for 38 to leave the Proteas in disarray.

The required run-rate was at 10 an over by the time Rassie van der Dussen's agricultural swipes saw him bowled by Mohammad Saifuddin for 41. Saifuddin removed Andile Phehlukwayo to push South Africa to the brink and when JP Duminy was bowled by Mustafizur for a defiant 45, Bangladesh's jubilant fans could get the party started.

AFP

SCORECARD

BANGLADESH 330/6 (Mushfiqur Rahim 78, Shakib Al Hasan 75, Mahmudullah 46*, Soumya Sarkar 42, Andile Phehlukwayo 2/52, Imran Tahir 2/57) beat **SOUTH AFRICA 309/8** (Faf du Plessis 62, JP Duminy 45, Aiden Markram 45, Mustafizur Rahman 3/67, Mohammad Saifuddin 2/57) by 21 runs

'Nothing to Worry' About Kohli's Injury



India captain Virat Kohli "is doing fine" despite being hit on his thumb in a training session ahead of the team's World Cup opener against South Africa on Wednesday.

"He is doing fine. There is nothing to worry," team sources said.

Kohli hurt his right thumb during practice at the Azees Bowl here on Saturday, prompting physiotherapist Patrick Farhart to attend to the Indian skipper. Later Kohli was seen leaving the field with his thumb dipped in a glass of ice.

India, one of the favourites for the title, were hit by injuries in the run up to the World Cup.

While all-rounder Vijay Shankar had to sit out of the warm-up game against New Zealand after hurting his elbow, Kedar Jadhav is still recovering from a shoulder injury he picked up during IPL and missed India's both warm-up games against the Kiwis and Bangladesh.

Jadhav, a key figure in India's middle-order, batted in the nets on Saturday, an indication that he could be fit in time for the game against South Africa.

PTI

Not the Pakistan We Know

Having lost last 11 ODIs, Pakistan seem bereft of ideas, inspiration

Chetan Narula Nottingham

As West Indies thrashed Pakistan in their opening 2019 World Cup encounter at Trent Bridge, the cameraman panned to the crowd, bidding to cut away from the drab one-sided proceedings. There was one banner that caught the eye — "Only Wasim Akram can defend this!" — in light of Pakistan's meagre 106-run target.

Remember when Akram used to bowl? That silky, bristling short run-up to the crease, swirling action, generating enough pace to bamboozle the batsmen, and if not, there was always swing.

Opposition fans would watch in awe, and struggle to come to terms, as the likes of Akram, Waqar Younis, Shoaib Akhtar and Saqlain Mushtaq would defend meagre totals on flat tracks in Sharjah. Then, there were Azhar Mahmood, Shahid Afridi and Abdur Razaq, almost as if back-up destroyers fielded for this armada of a bowling attack, if need arose.

As West Indies smacked those runs in quick-fire time to speed up their run-rate, the mind couldn't help but wonder: This is not the Pakistan team we have come to know, and indeed cherish. Not with the bat or ball for that matter — how many of their batsmen fell to the same 'short-ball' ploy? Where was the adventurism of Javed Miandad, the stoic heroism of Inzamam-ul-Haq and Younis Khan, and the dogged determination of Saeed Anwar and Mohammad Yousuf?

They weren't invincible. Those illustrious names had their weaknesses — they



Pakistan captain Sarfaraz Ahmed

would blow hot and cold, much like the English weather. It is a long held belief that Pakistan team's results were based on which side of the bed they got off. Anything could happen — they had an aura of unpredictability, and a mercurial streak perhaps unparalleled in the history of sport.

More often than not however, they could be world-beaters on their day — the 1992 ODI World Cup triumph is one of their most glorious chapters. With the exception of Miandad

perhaps, the aforementioned names found a common starting point in that victory Down Under. They were all galvanised together by the inspiration of Imran Khan. And through the next two decades, at different points in time, they provided the same stimulus to Pakistan cricket, individually and collectively.

It is this very inspiration that has gone out, like the extinguishing of a candle, engulfing their dressing room in dark-

ness. Having lost 11 of their last 11 completed ODIs in a row against South Africa, Australia, England and that opening World Cup encounter, Pakistan cricket is at its lowest ebb at the moment. They seem bereft of ideas, let alone any inspiration.

Jokes are often cracked on social media that Sarfaraz Ahmed can be the next prime minister of Pakistan — he just needs to win this World Cup. In truth, he is nowhere close to being the intimidating person that was Imran Khan, the cricketer. Does he command confidence and obedience in the manner Khan did? Where is even that indomitable spark? He did lead them to victory in that 2017 Champions Trophy — was that a fluke? "We have missed recent inspirational figures in the recent past. But we do have the likes of Mohammad Hafeez and Shoaib Malik in this squad who can take responsibility (and play the inspirational role)," said Mahmood, now Pakistan bowling coach, ahead of their clash against England in Nottingham on Monday.

There was more hope in his words than belief. When was the last time Hafeez and Malik, as individual all-rounders or a pairing, rescued Pakistan from the brink? Can they replicate what Mahmood did back in 1997-98, when his 132 against South Africa brought them a famous win in the Durban Test?

"England have batsmen to score 400-plus. We have bowlers who can knock them over for less than 300; we need to bowl 10 good balls," Mahmood said.

What they are lacking in, though, are characters — those who can trump conditions, and opponents, get invigorated from the crowd's reaction, but intelligently, use the conditions on offer, or maybe, just even bite the damn ball (Afridi anyone?). The Pakistan team of old was full of chutzpah; a collection of uncontrollable freaks even, both on and off the field.

This Pakistan side is poorer for their absence, and the stiff English test they now face, could obliterate them.

Neymar, Accused of Rape, Says It's Extortion

Brazil soccer star Neymar has denied an accusation of rape, outlined in a police report, in which an unnamed woman alleges that the sports star drunkenly assaulted her at an up-market hotel in the French capital.

Sao Paulo state's public security ministry released a statement confirming the accusation had been made, and said the investigation was still sealed, without giving further details.

The accusation represents a fresh blow for the Brazilian, who has seen his international reputation suffer amid incidents of indiscipline.

Neymar posted a long video on his Instagram page, in which he denied all the accusations against him, claimed to be a victim of extortion, lamented the pain caused to him and his family, and shared WhatsApp messages with the alleged victim, including racy photos she sent him. "I'm being accused of rape," he says in the video. "Whoever knows me, knows my character and my nature, and knows that I would never do a thing like that ... What happened is exactly the opposite of what they're saying."

—Reuters

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Federer, Nadal March On

Konta becomes first British woman to reach quarters since 1983

Roger Federer made short work of Argentinian Leonardo Mayer to become the oldest man in 28 years to reach a Grand Slam quarter-final at the French Open on Sunday, while Rafael Nadal claimed his 90th Roland Garros win.

The 37-year-old Federer, playing at Roland Garros for the first time since 2015, claimed a 6-2, 6-3, 6-3 win over world number 68 Mayer in a sweltering 32 degrees and will face either Greek star Stefanos Tsitsipas or close friend and fellow Swiss Stan Wawrinka in the last eight.

Federer, the 2009 champion in Paris, is the oldest man to make the quarter-finals of a Slam since Jimmy Connors at the 1991 US Open. "It's fabulous that I can spend this time in Paris," said Federer who last played the tournament in 2015 when he lost in the quarter-finals to Wawrinka.

Tsitsipas defeated Federer in the last 16 of the Australian Open in January.

"I was prepared for the worst scenario, losing in the first round in three sets. But I am super happy with my performance."

"I will need to play like this again against either Stan or Tsitsipas."

Federer will be playing in his 54th quarter-final at a Slam, cementing his place on top of the all-time men's list. Federer didn't face a break point in the fourth-round match against an outclassed Mayer on Court Philippe Chatrier.

Reigning champion Nadal continued his bid for a record-extending 12th Roland Garros title by beating Grand Slam debu-



Johanna Konta

tant Juan Ignacio Londero 6-2, 6-3, 6-3. World number 78 Londero had his moments, breaking Nadal when 4-1 down in the third set, but the 17-time major champion always looked too strong, powering 40 winners past the Argentinian.

Nadal will face either Japanese seventh seed Kei Nishikori or home favourite Benoit Paire in his 38th Grand Slam quarter-final. "I am very happy. Juan is a very good player so I congratulate him and his team," said Nadal. "It's an incredible feeling to be in another quarter-final at this tournament which has been the most special of my career."

The 32-year-old Spaniard has only been defeated twice in his French Open career and has a 10-2 record over Nishikori while he has yet to lose to Paire in four matches.

In a wide-open women's draw after the shock exits of top seed Naomi Osaka and 23-time Grand Slam champion Serena Williams on Saturday, 19-year-old Marketa Vondrousova reached her maiden major quarter-final by thrashing Anastasia Sevastova.

The unseeded Czech, ranked 38th,

overcame a tame effort from Latvian 12th seed Sevastova, winning 6-2, 6-0 in only 59 minutes.

She will face 31st seed Petra Martic for a semi-final spot, after the Croatian followed up her third-round upset of second seed Karolina Pliskova by coming from a set down to beat Estonia's Kaia Kanepi.

The 28-year-old booked her place in the last eight of a Grand Slam for the first time with a 5-7, 6-2, 6-4 victory.

British number one Johanna Konta continued her comfortable progress through the draw by seeing off Croatia's Donna Vekic to reach her first Grand Slam quarter-final since Wimbledon in 2017.

The 26th seed overpowered Vekic 6-2, 6-4 to set up a last-eight tie with either last year's runner-up Sloane Stephens or 2016 champion Garbine Muguruza.

"I feel fortunate to have played in the way I did against a player like Donna," she said.

At least five women will reach their first Roland Garros quarter-final this year, the first time that has happened since 2001.

AFP



Liverpool team during an open-top bus parade

A RED-LETTER DAY

Overcoming Tottenham in Madrid, Klopp and Liverpool claim the prize they had coveted for so long

Rory Smith

There was a moment, as most of Liverpool's players drew themselves up in line in the middle of the field, ready to offer a guard of honour to Tottenham Hotspur, when Trent Alexander-Arnold was far away, all by himself, in a world all his own.

In front of him was a massed bank of red: Liverpool's fans pouring over each other, desperate to be as close as possible to the players who had beaten Tottenham, 2-0, the goals coming early and late, and made their team champion of Europe for a sixth time.

Alexander-Arnold is one of them, really, deep down. He grew up in Liverpool, supporting the club, a few miles from Anfield. There were thousands of eyes upon him, but it felt, still, like a private reverie. And so, Alexander-Arnold started to dance: bouncing up and down, kicking his legs and pumping his fists to a rhythm only he could hear, and then running the width of the field and back again, the energy burning away inside him.

Only once that was done did he sprint back to his teammates, to join the line that would applaud the Spurs players as they trudged onto the podium to collect their runner-up medals, those tokens of regret. Only then did Alexander-Arnold make the slow walk himself, those few seconds that he will remember for the rest of his life. First, though, he had wanted to commune with his fans, his people. Sometimes, you want to be with your own.

Even amid the tumult of a Champions League final, it is worth pausing to consider Alexander-Arnold's career, because it is the best way to understand how it is that Liverpool now stand as winners of the Champions League.

Alexander-Arnold is only 20. It was only a little more than two years ago that he made his first start in the Premier League, a surprise selection for a game against Manchester United. As ever, youth was given its chance by dearth of options; Liverpool's season was hardly memorable: a fourth-place finish.

By the start of the next season, Alexander-Arnold was Jürgen Klopp's first choice right away. Again, necessity was the midwife to invention. Nathaniel Clyne, the senior choice for the position, had an injury. Alexander-Arnold stepped in, presumably on an temporary basis.

That was the summer of 2017. The trajectory of his career since — and Liverpool's rise — is quite extraordinary. Alexander-Arnold ended that season as

a Champions League finalist, sprawled on the field in Kiev, rueing Liverpool's loss to Real Madrid.

He went to the World Cup with England, helped Liverpool mount a thrilling title challenge, and then — at the end of only his second full season as a senior player — went back to the Champions League final. And this time, thanks to an early, controversial penalty from Mohamed Salah and a late, trophy-clinching, nerve-settling goal from Divock Origi, he ended it not just on his feet, but dancing.

It has, by any measure, been an extraordinary rise, both in gradient and speed. But then so too has Liverpool's: a team that had barely even qualified for the Champions League since 2010 — just one, faintly embarrassing campaign in 2014 — has now reached two finals in two years, and won one of them. Only Real Madrid and AC Milan have more garlanded European history than Liverpool.

Klopp had, for some reason, picked up a reputation as a nearly man: a manager who could take a team so far, but was destined to fail at the last hurdle. The fact he had won two German championships, and a German Cup, did not seem to count. He lost a Europa League final with Liverpool. He lost a League Cup final with Liverpool. He lost a Champions League final with Liverpool. He was unlucky; it had been decreed.

That would have been the story had Liverpool lost, of course, as it might well have done: for all the drama of this Champions League season, this was an anti-climatic final. Salah's penalty — after a harsh handball decision against Moussa Sissoko in the match's first minute — seemed to set the nerves on edge, and sap the noise from the crowd. Liverpool was careless, disjointed; Spurs, slowly and surely, started to assert themselves.

As the clock ticked, Liverpool's lead looked fragile. Alisson Becker, the club's goalkeeper, had to make a string of saves, a one-man resistance against a white tide. Klopp's curse seemed to be coming back, yet further proof that he lacked some crucial ingredient that would make him a winner. And then the goal came: for all the Spurs pressure, Liverpool scored it. Klopp would have his trophy. He would break the curse that had never been a curse.

That does not diminish the work Mauricio Pochettino has done at Tottenham, of course: the fact that Spurs was here at all ranks as one of the most remarkable managerial feats of recent years. So, too, defeat for Liverpool should not have been allowed to disguise all that Klopp has done, the transformation he has overseen: taking a club that had started to drift, that had lost its sense of purpose a little, and turning it back into a genuine force in England, and in Europe.

The New York Times

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Pompeo-Jaishankar Meet Likely Before Indo-US Summit in Osaka

PURE POLITICS >> 2

'IFIN ALLOWED TO CONTINUE OPS DESPITE ADVERSE INSPECTION REPORTS'

SFIO says RBI Could've Acted Faster on IL&FS

Agency's chargesheet suggests regulator should conduct internal inquiry & take 'appropriate action'

Rashmi.Rajput@timesgroup.com

Mumbai: Timely intervention by the Reserve Bank could have led to the crisis at the Infrastructure Leasing & Financial Services Ltd (IL&FS) being detected earlier, the Serious Fraud Investigation Office has said in its chargesheet. Crucially, IL&FS subsidiary IL&FS Financial Services (IFIN) — the entity at the heart of the investigation — was allowed to continue operations despite adverse RBI inspection reports, as per the SFIO. The chargesheet suggests the RBI should conduct an internal probe and take "appropriate action".

"Action at the right time may have prevented ballooning of the matter," the SFIO said in its chargesheet on the IL&FS matter. "It is observed that RBI had repeatedly pointed out non-compliance with the group exposure norms and

Red Marks

SFIO suggests RBI conduct an internal inquiry into IL&FS issue

RBI repeatedly pointed to...

Non-compliance with group exposure norms

Yet...

No penalties were imposed during the period by RBI

Wrong calculations of NOFs in its inspection reports

IFIN allowed to operate without any corrective measures

First firm action only in Nov 2017

SUGGESTED ACTION FOR RBI

Internal probe into reason for delay, and appropriate action

Suitable policy measures to prevent such fraudulent action



wrong calculations of net owned funds (NOFs) in its inspection reports for the year 2015 onwards."

No penalties were imposed during the period and subsidiary IFIN was allowed to continue operations without any corrective measures, it said. "It was only in November 2017 (that) the classification of group companies in order to arrive at NOF and credit to risk assets ratio (CRAR) as per RBI Act was strongly conveyed to IFIN," said the chargesheet, seen by ET.

Finger Pointed at RBI's Oversight >> 10

Top-Rated NBFCs, Govt Paper Spread Declining

The spread between AAA-rated NBFCs and the 10-year benchmark government security is going down, indicating better liquidity for higher-rated NBFCs, reports Joel Rebello. Spread between top-rated NBFCs and government security yield is down to 137 basis points. >> 7

Paytm in Talks to Acquire Coverfox

Fortifying Cover

All-cash deal likely to give an exit to Coverfox investors like SAIF, Accel Partners, among others

Founded in 2013, Coverfox is among the early disruptors in the insurance sector and competes with Policybazaar



Paytm has acquired startups across categories including Balance Tech, NighStay, Cube26, TicketNew, Nearbuy, Insider.in, Edukart and Shifu

May pay \$100-120 m for insurance marketplace; if completed, deal to add heft to Paytm Money's portfolio

Pratik Bhakta & Samidha Sharma

Bengaluru | Mumbai: Digital payments company Paytm is in talks to acquire Mumbai-based insurance marketplace Coverfox for \$100-120 million in an all-cash deal, said two people aware of the matter. If the transaction goes through,

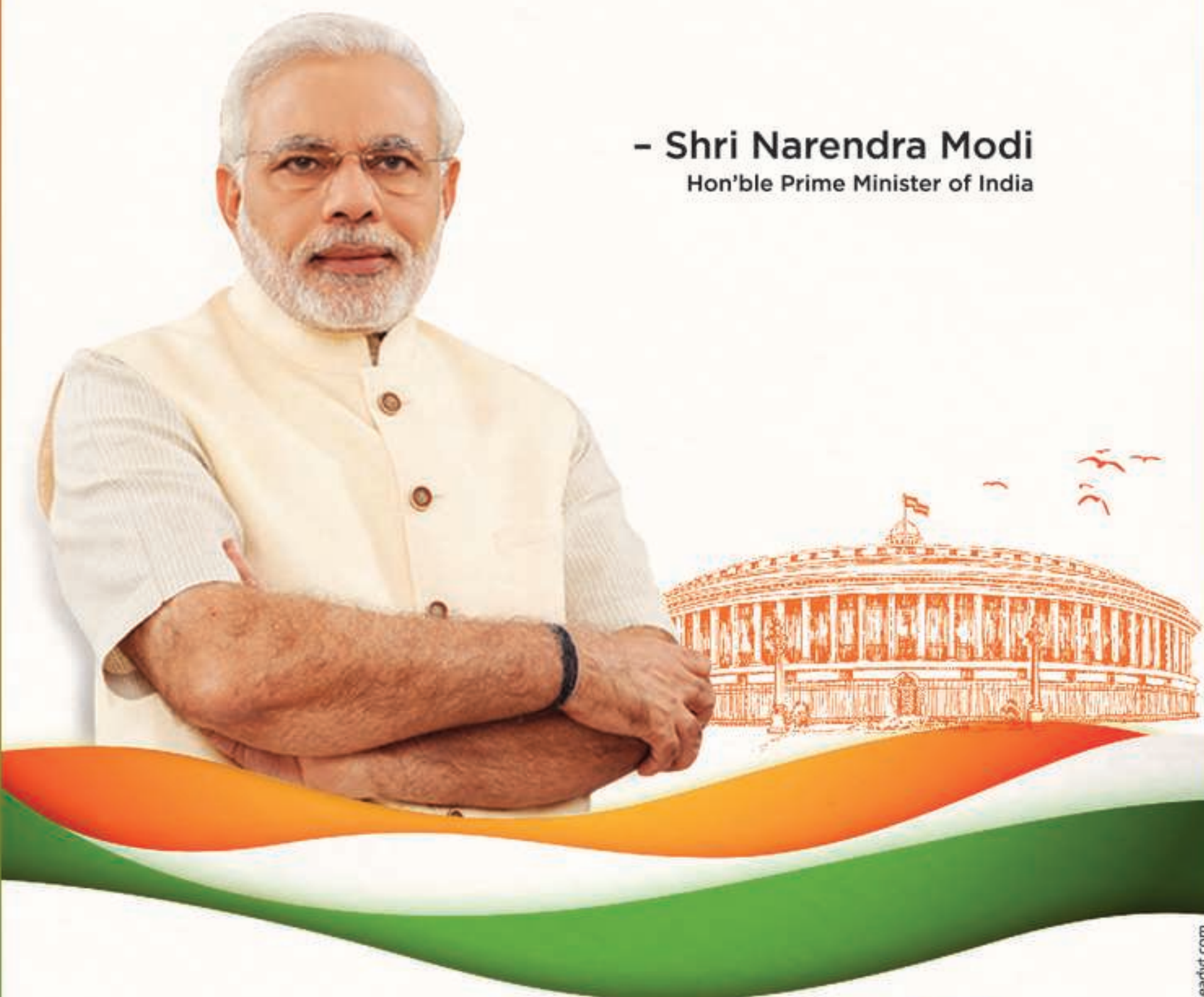
it will be the largest acquisition by the Vijay Shekhar Sharma-led company, which is making inroads into the financial services segment through its subsidiary Paytm Money. This will also see Paytm emerge as a direct competitor to the country's largest online insurance marketplace Policybazaar.

SoftBank Vision Fund, a large investor in Paytm's parent One97 Communications, is also a significant shareholder in Policybazaar, which may pose challenges to the deal, people close to the development said. "The Paytm board is in the process of finalising the contours of the deal," said one of them.

Coverfox in Talks to Raise \$50 m >> 16

“ Together we grow.
Together we prosper.
Together we will work and
contribute to India's
development trajectory.”

— Shri Narendra Modi
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BACKUP PLAN IN THE WORKS

LVB Looks to Raise ₹1kcr if Merger Deal Goes Awry

Talks with investors on as bank readies strategy if merger with Indiabulls fails or RBI delays approvals

Saloni.Shukla@timesgroup.com

Mumbai: Lakshmi Vilas Bank is preparing a Plan B just in case its merger plan with Indiabulls Housing Finance gets delayed.

The lender is seeking investment of as much as ₹1,000 crore from private equity funds in the event of a regulatory hitch.

"Assuming that the merger would take some time to happen, we are talking to a few other investors with an intention of raising some capital," said Lakshmi Vilas Bank (LVB) managing director Parthasarathi Mukherjee. "I am engaged with a variety of investors — my comfort level is to raise ₹700-1,000 crore."

The bank is looking to sell 4.99% each to three-four investors if the merger does not materialise or if Reserve Bank of India (RBI) approvals are delayed. According to RBI rules, investors can buy up to 5% equity in banks without its express approval.

The bank will also get ₹188 crore from the preferential allotment made to Indiabulls Housing Finance, which gives the

Capital Plan

Lakshmi Vilas Bank lines up capital-raising plan

MERGER AWAITED

Bank is set to merge with Indiabulls Housing

RBI nod awaited for merger

Bank feels approvals could take time

PLAN B

Raise up to ₹1,000 crore to strengthen bank

Lender to tap 3-4 PE players for funds

May sell 4.99% stake to each of these PE firms

Raise ₹188 cr from preferential issue to Indiabulls



latter a 4.99% stake.

If the RBI approves the plan, the merged entity will be among the top eight private banks in India by size and profitability. Indiabulls has a strong presence in northern and western Indian markets, while LVB has a strong presence in the south.

Mukherjee said if the merger receives approval it could pave the way for further consolidation of this kind.

"I have no inhibitions about the fact that this will be a landmark transaction, a relatively larger entity is merging into a small entity," he said. "If that were to happen, it will open a window for similar transactions going forward."

The bank is going through a crunch phase as growth has slowed due to lack of capital. It reported a net loss of ₹264 crore for the quarter ended March against a

Yes Bank in Talks with PE Funds to Raise ₹3kcr

Yes Bank, facing investor ire over actual amount of its stressed assets, is in talks with two PE

funds — Advent and Apex Partners — to raise ₹3,000 cr to build investor confidence, report

Shilpy Sinha & Saloni Shukla. >> 10

loss of ₹373 crore in the year earlier.

This year the bank is targeting recoveries of ₹800-1,000 crore, which will reduce its gross non-performing assets (NPAs) by a third.

Focus on Loan Recovery >> 10

DoT Preparing for Mega Auction of 4G, 5G Spectrum

With the new government taking charge, the telecom department is preparing for an auction of 4G and 5G airwaves — expected to be India's largest ever — in September-October, and likely at prices recommended by Trai, reports Gulveen Aulakh. >> 13

Oversupply Hits Luxe Property Market of South-central Mumbai

The luxury residential property market of south-central Mumbai, which emerged as an alternative to the country's most expensive micro-market of south Mumbai, has been hit by oversupply, reports Kailash Babar. >> 13

India, China to Keep Global Aviation Flying High: IATA

About half of the world's air passenger growth in next 20 years will come from India and China, the IATA said on Sunday, reports Mihir Mishra. "India and China alone are forecast to account for around 45% of all additional passenger trips," said IATA D-G Alexandre de Juniac. >> 16

Chinese Automobile Cos Step on the Gas to Invest in India

After SAIC's ₹5,000-cr commitment to India, Great Wall Motors set to pump in over \$1 billion

Ketan.Thakkar@timesgroup.com

Mumbai: China's largest utility vehicle maker, Great Wall Motors, is set to invest over \$1 billion in India, which is expected to become the third-largest market in the world in the next three-five years. This comes close on the heels of the largest Chinese carmaker SAIC committing ₹5,000 crore to India.

Great Wall Motors has approved an India unit under Haval India to be headquartered at Gurgaon in the national capital region and the team is being put in place to define the blueprint, said people with knowledge of the matter. The company is also planning to participate in the upcoming Auto Expo in 2020.

Great Wall approved a \$1.6-million investment in February to set up the local office, which may be named India Haval Auto, India Haval or India Haval Auto Sales. The final name is subject to approval by local authorities, said a news report.

The commitment from Chinese manufacturers comes at a time when their home country, the world's largest car market, has shrunk for the first time in decades. Despite a slowing Indian market, they see Asia's third-largest economy driving their global ambitions, experts said.

Chinese Drive

China's Great Wall Motors firms up India plans

GREENFIELD PLANT

Great Wall may invest over \$1 b in local ops

To participate in Auto Expo 2020

Co also exploring local manufacturing of EVs

FIRST PRODUCT

Haval branded SUV. Priced ₹10-20 lakh

1st model may be rolled out by Q4 2022

BEHIND THE LEADER

China's largest carmaker SAIC has announced ₹5,000 cr of investments in India

First SUV Hector to be launched shortly

Several people in the know said a senior executive contingent from Great Wall's headquarters is currently in India scouting for a manufacturing location. Andhra Pradesh, Tamil Nadu and Gujarat are potential sites for the plant, which is expected to roll out its first SUV by the fourth quarter of 2022.

Former Maruti Exec Roped in >> 10

BANKING ON PENT-UP DEMAND, MONSOON & STEPS TO REVIVE ECONOMY

Auto Sales Tepid, But Cos See Growth Ahead

Factors like elections, tight liquidity and insurance costs may have hit automakers, but companies are hopeful that pent-up demand, favourable indicators on monsoon and the new government's measures to revive the economy will speed up sales. ET takes a look at the industry's woes. >> 16

GoT Followers Get Monday Blues at Workplace as the Long Winter Ends

Helpline, support groups set up for fans suffering from withdrawal symptoms after the finale of the cult series

Devina.Sengupta@timesgroup.com

Mumbai: "There is a vacuum... an emptiness because I would wait the entire week for Monday morning," says a despondent Sushma Sonty, an HR professional and self-professed Game of Thrones (GoT) junkie. "In case there was any episode that I could not watch in the morning, I stayed away from all social media groups and avoided all conversations with those who I knew watched the series."

When the end came, it came depressingly quietly and quickly. After all the fire and brimstone of the 'Battle of the Bastards' and the utter annihilation of King's Landing in the penultimate episode, an eerie stillness has crept across office aisles, canteens and coffee machines and smoking areas.

Addicts at workplace near you — who were hooked onto their screens from 6.30 am every Monday to watch every episode over eight long

seasons — are now walking around much like the White Walkers in the series. Their weekly shot has been snatched away for good and they crave for more. The founder of a beverage company in Bengaluru would wake up earlier than usual, wear his office attire, watch the series and then head out for his 8 am meeting.

Karan Rajpal, digital marketing head at a construction and materials company, said he watched the series "every Monday before leaving for work."

"Even with a new-born baby, both my wife and I made this the only thing we did together on a

schedule each week. Now, finding something similar which would meet both our tastes would be difficult," Rajpal rues.

Strong Recommendations >> 12

